

## **CanAlaska Uranium Ltd.**

CVV - TSX-V CVVUF - OTCBB DH7N – Frankfurt

# Management Discussion and Analysis For the Third Quarter and Nine Months Ended January 31, 2017

**Dated March 10, 2017**

For further information on the Company reference should be made to the Company’s public filings which are available on SEDAR. Information is also available at the Company’s website [www.canalaska.com](http://www.canalaska.com). In addition, reference should be made to the risk factors section of the most recently filed Annual Information Form (“AIF”) or the Company’s audited consolidated financial statements for the year ended April 30, 2016. The following information is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and denominated in Canadian dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the nine months ended January 31, 2017.

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*This MD&A contains forward-looking information. Refer to Section 6 “Forward-Looking Statements” and “Risks Factors” for a discussion of the risks, uncertainties and assumptions relating to such information.*



**1. OVERVIEW OF THE COMPANY**

- ✓ Over 19 projects covering 596,000 hectares focused on Uranium (section 1.1)
- ✓ Cash resources of \$1.3 million (as at January 31, 2017)
- ✓ 27,328,639 common shares issued and outstanding (March 10, 2017)

**1.1 Profile and Strategy**

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties, principally in Canada. The Company aims to acquire and advance its projects to a stage where they can be exploited at a profit or it can arrange joint ventures, whereby other companies provide funding for development and exploitation. The Company’s principal focus has been the exploration for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan and recently, the exploration for diamond deposits in the same region. There are three projects on which the Company has expended most of its recent efforts. The West McArthur project was under a 50% joint venture with Mitsubishi up to mid January 2016 and as of February 24, 2016 is now under a new option with Cameco Corporation, the Cree East project is in a 50% joint venture with a Korean Consortium, and the third project, NW Manitoba, is currently under option to Northern Uranium Corp ("Northern Uranium"). The Company recently acquired a number of properties focused in the exploration of diamonds. In May 2016, a portion of our West Athabasca Kimberlite project was optioned to De Beers Canada Inc. and in December 2016, that option agreement was terminated. Two other claims in the same region have been optioned to Fjordland Exploration Inc. and another claim optioned to Canterra Minerals Corporation. Going forward it is expected that the Company will focus its effort on two of the projects, West McArthur and West Athabasca Kimberlite. The Company is actively marketing the remainder of its projects for option, joint venture or sale.

**Table 1: Canadian Strategic Property Summary**

<b>Property / Project Name</b>	<b>Notes</b>	<b>Hectares</b>
West McArthur	Ventured with Cameco Corporation	36,000
Cree East	Ventured with Korean Consortium	58,000
NW Manitoba	Option with Northern Uranium Corp.	144,000
West Athabasca Kimberlite	Option with Fjordland Exploration Inc. and Canterra Minerals Corp.	49,000

The Company’s exploration activities are managed through CanAlaska offices maintained in Vancouver, BC.

The Company believes that the fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels will ensure the long-term future of global uranium markets and prices. Since 2004, CanAlaska has expended over \$78 million on exploration and research towards the advancement of uranium discovery on our current project areas. The information gained from this work has provided the Company with significant evidence about the nature and location of mineral rich hydrothermal systems in areas of the Athabasca where previous information was lacking. The increase in understanding of the geology of the target areas, and the integration of modern geophysical methods with data processing to get more precise target definition at depth gives management the confidence to continue exploration for large scale uranium deposits on our projects.

**1.2 Strategic and Operating Intent**

- Look at equity financing options over the next few months
- Targeted marketing of uranium projects for financing
- Targeted marketing of newly staked West Athabasca kimberlite project
- Restriction of uranium exploration activity until financial markets recover in this sector
- Strong commitment to option, joint venture or sale of individual exploration projects
- Evaluate alternate commodities and projects suitable for market financing, or acquisition and sale
- Company believes that it has the projects, strategic partners, people and knowledge base, corporate treasury and fund raising ability to maintain a position in the uranium exploration sector, but, due to increasingly difficult market conditions facing junior mining and junior uranium exploration companies, management has taken steps to streamline non-discretionary expenditures and financial overheads



As of March 9, 2017, the Company had 27,328,639 shares outstanding with a total market capitalization of \$12.8 million. The Company's shares trade on the TSX Venture Exchange ("CVV") and are quoted on the OTCQB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N").

The consolidated financial statements and the Management Discussion and Analysis have been prepared under IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the nine months ended January 31, 2017, the Company reported a loss of \$1.5 million and as at that date had cash and cash equivalents of \$1.3 million, net working capital balance of \$2.0 million and an accumulated deficit of \$83.9 million.

The Company does not generate recurring revenues from operations and other factors as noted may cast significant doubt regarding the Company's ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management has taken steps to streamline non-discretionary expenditures and financial overheads and is working to option, joint venture or sell its individual exploration projects.

## 2. MILESTONES AND PROJECT UPDATES

### 2.1 Overview– May 1, 2016 to March 10, 2017

- CanAlaska to commence drill program at Nisku target (March 2017)
- Multiple exploration programs planned including drilling at the North Ruttan Copper Zinc Project (March 2017)
- CanAlaska announces up to \$1,120,000 private placement financing (February 2017)
- West Athabasca Kimberlite target detail (January 2017)
- De Beers terminates option in the West Athabasca Kimberlite project (December 2016)
- Cameco and AREVA drill Waterbury West claim (December 2016)
- Denison to continue drilling on Moon project (December 2016)
- CanAlaska reviews current activities (November 2016)
- Cameco completes summer drilling at West McArthur (October 2016)
- De Beers summer drill program finished at West Athabasca diamond project (September 2016)
- De Beers has commenced its drill program (September 2016)
- De Beers to drill kimberlite targets (August 2016)
- Canterra Minerals options West Carswell diamond property (August 2016)
- CanAlaska to survey Alberta kimberlite targets (August 2016)
- Partners to resume drilling at West McArthur and Patterson (July 2016)
- Closed private placement of \$1.12 million (July 2016)
- De Beers complete KIM sampling at Western Athabasca (June 2016)
- Cameco plans summer drilling at West McArthur project (May 2016)
- Fjordland options diamond claims in the Northwestern Athabasca (May 2016)
- \$20.4 million option with De Beers for diamond exploration in the Western Athabasca (May 2016)

In March 2017, the Company announced that field work is underway in preparation for a four hole drill program to commence in mid March at the Company's Nisku claim. The Nisku property is located 7 kilometres east of CanAlaska's North Ruttan copper-zinc property in the Leaf Rapids area of northern Manitoba. The drilling will test a coincident VTEM magnetic and electromagnetic target, which has the characteristics of a large volcanogenic massive sulphide (VMS) deposit. The target is located near the past producing Ruttan copper-zinc massive sulphide mine. The Company has contracted Cyr Drilling International Ltd. of Winnipeg, Manitoba for the drilling.

In March 2017, the Company provided project updates for the Waterbury West Uranium, Moon South, West McArthur, NW Manitoba, West Athabasca Diamond, Alberta Diamond and North Ruttan Copper Zinc projects.

In February 2017, the Company announced that, subject to regulatory approval, it intends to raise up to \$1,120,000 by way of a non-brokered private placement of up to 2,000,000 units at a price of \$0.56/unit. Each unit will consist of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire an additional common share at \$0.80/share for a



three year period. The Company may pay finder's fee consisting of cash and warrants to eligible finders as permitted under applicable securities laws and TSX-V policies.

In January 2017, the Company provided detailed imaging from the recent West Athabasca airborne surveys carried out in 2016 under the recently terminated option with De Beers. The images of magnetic anomalies and models are presented on the Company's website along with a description of deeper modeling of kimberlite targets by consultants Scott Hogg and Associates.

In December 2016, the Company reported that it had received notice from De Beers for the termination of the West Athabasca Kimberlite project option. De Beers' exploration team has interpreted the 85 large magnetic anomalies scattered across the claims to be most likely associated with magnetic minerals within organic material in the overburden. De Beers' drill program in September 2016 tested seven magnetic targets accessible before winter, located mostly in the southern claim groups. It is highly unusual to encounter such magnetic material in organic overburden. Samples from this material were sent to Saskatchewan Research Council (SRC) and McMaster University for analysis and review.

In December 2016, the Company reported that under its agreement to sell one of its three Waterbury claims to Cameco and the condition for a program of work to drill at least one hole on the project targets within three years, AREVA Resources Canada Inc in partnership with Cameco will commence the program and drill at least one hole on the property in the first quarter of 2017. The Company retains an un-encumbered 2% uranium royalty on future production.

In December 2016, the Company reported the start of ground surveys in preparation for a further drill program on the Moon South claim. Exploration is being conducted by Denison Mines Corp ahead of proposed drilling this summer. The current target on the Moon South property is underlain by 450 metres of 550 metres of Manitou Falls and Read formation sandstone.

In November 2016, the Company reported current activities on certain of its projects. The Company reported a field crew, under contract to the Company was carrying out work on the North Ruttan copper zinc project in late September 2016. The North Ruttan property is a brownfield exploration project 3.5 kilometres north of the past producing Ruttan Mine. The Company also reported that two drill holes were carried out by Makena Resources on our West Patterson project and that Makena have now relinquished their option.

In October 2016, the Company reported that Cameco exploration team completed two primary drill holes and two offcut holes along the trend of the C10 conductor package, 2.4 and 3.5 kilometres south-west of a drill hole completed in April 2016, on the West McArthur project. The exploration team has focussed on establishing the path of the C10 graphitic conductor package and the C10 fault structure as it trends south-west from the high-grade uranium mineralization zones at Fox Lake.

In September 2016, the Company reported that it had been informed by De Beers exploration that seven of the 11 anomalies originally targeted as accessible for the summer program at the West Athabasca diamond project were drilled, while the remaining four targets have been deferred due to high water levels. The condensed summer program finished without intersecting kimberlite.

In September 2016, the Company reported that De Beers Exploration has commenced its drill program at the Company's West Athabasca diamond project. Eleven kimberlite targets with various features are scheduled to be drilled in this current program, with the balance to be tested this winter, results dependent. Detailed low level airborne survey has identified 85 magnetic anomalies, enclosing 258 discrete magnetic targets.

In August 2016, the Company reported that De Beers' exploration team was preparing to start drilling kimberlite targets at the Company's West Athabasca diamond project. De Beers' recently completed detailed airborne surveys over the diamond project area confirmed the presence of several near surface magnetic anomalies. A drill program is scheduled to start at the end of August and continue mid-October to test a selection of the accessible land targets. Drilling of the remaining targets that are located under lakes are planned for winter 2017. All drill core will be shipped to De Beers' facilities for detailed logging, sampling, and mineral processing.

In August 2016, the Company reported that it signed a property option agreement with Canterra Minerals Corporation ("Canterra") for Canterra to acquire up to a 70% interest in the West Carswell property located in the western Athabasca Basin, Saskatchewan. Canterra may earn up to a 70% interest in the property by making payments totaling \$200,000, issuing 3,000,000 common shares and completing work commitments of \$5,000,000. The West Carswell property comprises approximately 4,800 hectares within the west Athabasca Kimberlite trend and is located 10 km northwest of the Cluff Lake Uranium Mine in the Athabasca Basin. The Property encompasses six discrete magnetic anomalies derived from a survey flown in 2010 for the Saskatchewan Geological Survey. These six targets exhibit discrete magnetic lows and are characteristic of magnetic features, thought to be kimberlite pipes, intruding into the



thick Athabasca sandstone sequence. A high resolution airborne magnetics survey encompassing 1,770 line km has been commissioned for the property by Canterra.

In August 2016, the Company reported that it has entered into a contract with Goldak Airborne Surveys to fly a low level high definition airborne magnetics survey over the Company's 100% owned Alberta diamond exploration property. The surveys are expected to commence immediately upon aircraft availability

In July 2016, the Company reported that Cameco's exploration team will resume drilling at the West McArthur project along the trend from Cameco's high-grade Fox Lake uranium discovery. Drilling is scheduled to commence in late July or early August. Makena Resources will also be drilling at the West Patterson property to follow up on the first drill hole that encountered radioactivity along the entire length of rock tested. Drilling is schedule in early August and Makena anticipates the drill program to consist of at least three to five holes.

In July 2016, the Company closed a non-brokered private placement for a total of 2,000,000 units for gross proceeds of \$1,120,000. Each unit consists of one common share and one share purchase warrant. In connection with the financing, the Company paid finder's fees totaling \$78,400 cash and 140,000 finder's warrants. Each share purchase warrant is exercisable for one common share of the Company at a price of \$0.70 per share for a two year period, provided that if the closing price of the Company's common share listed on the TSX Venture Exchange exceeds \$1.00 per share for 10 consecutive trading days, then at any time thereafter the Company may accelerate the exercise period of the warrants to reduce it to a period expiring 10 calendar days after the date express written notice of such acceleration is provided.

In June 2016, the Company reported that De Beers' exploration team has collected over 100 samples of kimberlite indicator mineral (KIM) processing from the West Athabasca project. The samples of glacial gravels were collected from eskers within the target area. These samples will be processed in De Beers laboratories to establish further evidence of kimberlite intrusives associated with the magnetic anomalies staked by the Company.

In May 2016, the Company reported that the first drill hole of Cameco's year 1 program at West McArthur, WMA035, had successfully intersected the C10 south structure with strong sandstone alteration in what appears to be the hanging wall of the targeted conductor. Summer drilling started in mid-June with an expected 3,000 metres of drilling.

In May 2016, the Company reported that it had optioned two claim groups for diamond exploration to Fjordland Exploration Inc. The two claims comprising 449 hectares and 2,045 hectares respectively, were staked by the Company, and are located east of the claims CanAlaska optioned to De Beers Canada Inc. in the Northwestern Athabasca Basin, Saskatchewan. Fjordland Exploration Inc. may earn a 100% interest in the project by making payment of \$50,000, issuing 4,000,000 common shares and completing work commitments of \$100,000 by December 31, 2017. The Company reserves a 4% Gross Overriding Royalty for diamonds and a 2% Net Smelter Royalty for other minerals.

In May 2016, the Company reported that it had entered into an option-participation agreement with De Beers Canada Inc. for \$20.4 million on kimberlite style targets in the northwestern Athabasca basin, Saskatchewan. The claims staked by the Company and optioned to De Beers cover 75 kimberlite-style targets developed from a recent high resolution airborne geophysical survey carried out on behalf of the Saskatchewan Geological Survey in 2011. The agreement grants De Beers an option to acquire up to 90% interest in the project by completing work commitments in multiple stages totalling \$20.4 million

## **2.2 Project Updates**

### **Overview**

The Company currently has 17 projects within the Athabasca basin area. In the first nine months of fiscal 2017, the Company spent approximately \$255,000 (\$271,000 net of \$16,000 from reimbursements from partners) on exploration costs in the Athabasca Basin area.

Exploration spending in the first three quarter of 2017 is higher than the same comparative quarters of 2016. In the third quarter, the Company historically spent time preparing and interpreting data in preparation for its winter programs.



The following table summarizes the Company's expenditures for the nine months ended January 31, 2017.

<b>Table 2: (\$000's)</b>		<b>West</b>	<b>NW</b>	<b>West</b>	<b>Other</b>	<b>Other and</b>	
<b>Total Exploration</b>	<b>Cree East</b>	<b>McArthur</b>	<b>Manitoba</b>	<b>Athabasca</b>	<b>Basin</b>	<b>Generative</b>	<b>Total</b>
				<b>Kimberlite</b>	<b>Projects</b>	<b>Projects</b>	
Camp Cost & Operations	-	9	-	-	-	-	9
Drilling	-	-	-	-	-	-	-
General & Admin	6	-	-	4	109	1	120
Geochemistry	-	-	-	-	-	-	-
Geology	9	-	-	-	-	11	20
Geophysics	-	-	-	11	92	-	103
Other	19	-	-	-	-	-	19
<b>Gross Expenditures</b>	<b>34</b>	<b>9</b>	<b>-</b>	<b>15</b>	<b>201</b>	<b>12</b>	<b>271</b>
Reimbursement	(16)	-	-	-	-	-	(16)
<b>Net Expenditures</b>	<b>18</b>	<b>9</b>	<b>-</b>	<b>15</b>	<b>201</b>	<b>12</b>	<b>255</b>

The following section contains a comparative breakdown of project expenditures for the Company's significant projects. Reimbursements represent the amounts received from our joint venture partners and option partners to be applied against the expenditures for the project.

### 2.2.1 West McArthur Project, Saskatchewan – Cameco

The West McArthur project in the Athabasca Basin, Saskatchewan, was optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi earned a 50% interest in the property and in January 2016, the Company entered into a buy back agreement with Mitsubishi for their 50% interest to then hold a 100% interest in the property. In February 2016, the Company then entered into an option agreement with Cameco Corporation. Further details about the agreements are outlined below.

On January 13, 2016, the Company reported that it and MC Resources Canada Ltd. ("MC Resources"), a wholly owned subsidiary of Mitsubishi had entered into a buy back agreement of MC Resources' 50% interest in the West McArthur Joint Venture. The Company will buy back the 50% interest in the Joint Venture earned by MC Resources, subject to a staged cash payment of \$600,000 and a 1% royalty arrangement. The Company paid MC Resources the first instalment of \$100,000 in January 2016 and the final instalment of \$500,000 in March 2016.

In January 2016, the Company held a 100% interest in the West McArthur project and in February 2016, the Company entered into a \$1.25 million exploration option with Cameco Corporation.

In February 2016, the Company reported that it had entered into an option agreement with Cameco Corporation. The option agreement enables Cameco to earn up to a 60% interest in the West McArthur project through total expenditures of \$12.5 million (\$725,000 received) consisting of cash payments to the Company and accelerating exploration programs, culminating in a joint venture.



Table 3: (\$000's)	Quarterly								LTD
	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317	
<b>West McArthur Project</b>									
Camp Cost & Operations	-	-	-	-	-	-	-	9	2,985
Drilling	-	-	-	-	-	-	-	-	6,745
General & Admin	15	8	9	6	-	-	-	-	2,211
Geochemistry	-	-	-	-	-	-	-	-	339
Geology	-	-	-	-	-	-	-	-	1,000
Geophysics	-	-	-	-	-	-	-	-	5,775
Other	1	1	12	14	-	-	-	-	706
<b>Gross Expenditures</b>	<b>16</b>	<b>9</b>	<b>21</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>19,761</b>
Reimbursement	(8)	(5)	(11)	(4)	-	-	-	-	(14,278)
<b>Net Expenditures</b>	<b>8</b>	<b>4</b>	<b>10</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>5,483</b>

The West McArthur project is located between 6 and 30 kilometres west of the producing McArthur River uranium mine operated by Cameco Corp, and covers approximately 36,000 hectares. On the property there is evidence of hydrothermal alteration extending well into the sandstone, matching the typical alteration model of Athabasca unconformity style uranium deposits. There is evidence of uranium mineralization from drill testing in multiple areas, either as enrichment at the unconformity or in basement stringers. The most compelling features for further exploration are the uranium values in sandstone higher in the stratigraphy, the hematized and broken rock in the sandstone, and the pattern of basement offsets and geophysical conductivity.

The project is accessible during the winter drill season by seasonal winter ice roads and winter trails and during the summer exploration season by air and water. There is no physical plant or permanent infrastructure on the property and no source of power. There are multiple extensive lakes which can provide a source of water for the project.

The mineral rights for West McArthur were acquired between October 2004 and February 2009 from the Ministry of Energy and Resources in the province of Saskatchewan, Canada. The claim numbers are as follows, S-107561, S-107562, S-107563, S-107565, S-107773, S-108010, S-108011, S-108012, S-111412 S-111413, S-111511 and S-111512. The mineral rights to West McArthur are valid and in good standing with the earliest claim requiring renewal in October 2029 with no further exploration expenditures required. An annual assessment report is required to be filed by the Company with the Ministry of Energy and Resources to disclose the exploration activities on this claim. There is no fee for filing the annual assessment report.

In April 2012, the Company announced a preliminary summary of drilling at its West McArthur project. Seven diamond drill holes were completed in February and March 2012, to test a series of individual zones where the resistivity lows were coincident with the EM conductors within the Grid 5 area. Total meterage drilled in the season was 6,422 metres, including one abandoned drill hole. The winter 2012 drill programme has demonstrated on Grid 5 the presence of requisite geological environment for unconformity uranium deposits. Significant faulting and fracturing are present in a number of drill holes, with individual radioactive spikes or elevated radioactivity in zones of hydrothermal alteration.

In June 2012, the Company reported the results of drill core geochemistry on the West McArthur property. Drill holes WMA028 and WMA034 produced very positive results for uranium. Both intersected parts of a highly-altered graphitic pelite unit and are thought to be within 50 metres of the targeted conductor, which was identified from the down-hole geophysical surveys. The targets generated at the eastern end of Grid 5 matched and extended a historical conductor, which was drill-tested by Uranerz in 1989. Neither of the two historical drill holes intersected their targeted basement conductor, but, significantly, contained dravite clay and pyrite along with narrow, steep, clay rich fault gouges/breccia in the top 350-400 metres of the sandstone column. In one historical hole, the upper 400 metres of sandstone showed anomalous uranium and trace elements. Drill holes WMA028 and WMA034 are located in this area. Both show deep alteration into the basement rocks, indicating and confirming a substantial hydrothermal alteration system.



The potential of this project is for unconformity style uranium mineralization of both the Simple (Low REE, basement hosted) and the Complex ( High REE, Sandstone hosted) types of uranium. Previous exploration was hampered by the depths to the basement, however, recent advances with airborne geophysical survey technology has enabled penetration to those depths. Multiple exploration programs since 2005 have identified targets with strong geophysical feature, similar to those near existing uranium mines. Limited drill testing in several of these areas have shown the basement offsets, hydrothermal clay alteration, and elevated uranium geochemistry consistent with the Athabasca unconformity deposit model. The project, has four target areas which are being evaluated for further drill testing.

The property has undergone a series of exploration programs, including extensive geophysics and drilling of over 35 drill holes since 2005. The West McArthur property is without known reserves and any proposed program is exploratory in nature.

In March 2016, the Company reported that the first drill program had commenced on the West McArthur project under the option agreement with Cameco Corporation. The drill program tested new uranium exploration targets on the Grid 5, which is believed to host the western continuation of the C10 conductor horizon being explored by Cameco nearby at Fox Lake.

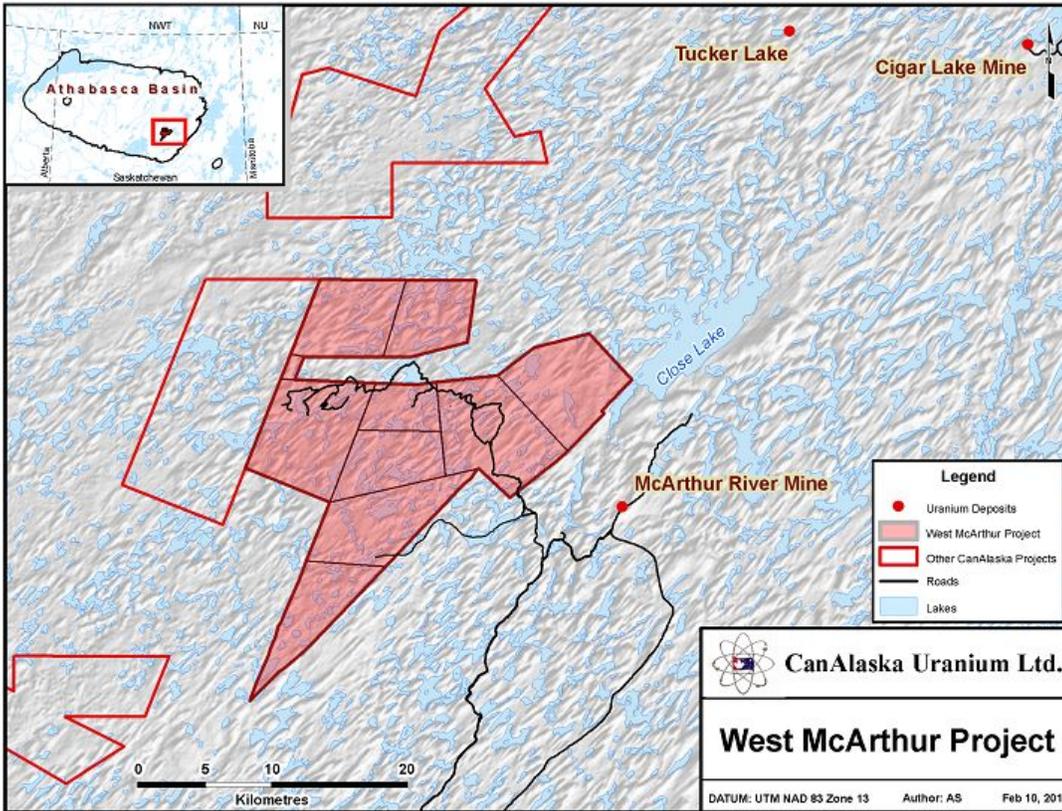
In May 2016, the Company reported that the first drill hole of Cameco's year 1 program at West McArthur, WMA035, had successfully intersected the C10 south structure with strong sandstone alteration in what appears to be the hanging wall of the targeted conductor. Summer drilling started in mid-June with an expected 3,000 metres of drilling.

In July 2016, the Company reported that Cameco's exploration team resumed drilling at the West McArthur project along the trend from Cameco's high-grade Fox Lake uranium discovery. Drilling was scheduled to commence in late July or early August.

In October 2016, the Company reported that Cameco exploration team completed two primary drill holes and two offcut holes along the trend of the C10 conductor package, 2.4 and 3.5 kilometres south-west of a drill hole completed in April 2016, on the West McArthur project. The exploration team has focussed on establishing the path of the C10 graphitic conductor package and the C10 fault structure as it trends south-west from the high-grade uranium mineralization zones at Fox Lake.

In March 2017, the Company reported that Cameco has advised that they expect to provide details of their 2017 drill program by March 14, 2017. It is expected that drilling will resume at Grid 5, and additional planning for a drill program at Grid 1.

The West McArthur property is without known reserves and any proposed program is exploratory in nature.



**2.2.2 Cree East Project, Saskatchewan – Korean Consortium**

The Cree East project is located in the south-eastern portion of the Athabasca Basin, 35 kilometres west of the formerly producing Key Lake mine and 5 to 22 kilometres north of the south rim of the Athabasca Basin. The project is comprised of 17 contiguous mineral claims totalling approximately 58,000 hectares. In December 2007, a Korean Consortium (Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Networks Co. Ltd.), agreed to spend \$19.0 million on the properties to earn into a 50% interest in the Cree East project.

As of January 31, 2017, the Korean Consortium has contributed its \$19.0 million towards exploration of the project and holds a 50% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership. The remaining 50% interest is held by CanAlaska. The following table summarizes the Korean Consortium expenditures and advances by quarter and life to date (“LTD”) on the project. The table does not include a \$1.0 million payment made directly to CanAlaska in 2007 (\$0.6 million) and 2010 (\$0.4 million) for intellectual property associated with the project. As at January 31, 2017, the Company is holding approximately \$62,000 of joint venture funds.

Table 4: (\$000's)	Quarterly								LTD
	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317	
<b>Cree East Project</b>									
Camp Cost & Operations	-	-	-	-	-	-	-	-	3,332
Drilling	-	-	-	-	-	-	-	-	6,740
General & Admin	8	10	11	9	12	9	9	(12)	605
Geochemistry	-	-	-	-	-	-	-	-	601
Geology	2	-	-	-	-	7	2	-	1,594
Geophysics	-	-	-	-	-	-	-	-	3,355
Management Fees	2	2	1	1	2	4	1	(1)	1,596
Other	12	-	-	-	-	15	-	-	1,497
<b>Net Expenditures</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>14</b>	<b>35</b>	<b>12</b>	<b>(13)</b>	<b>19,320</b>



The project is accessible during the winter drill season by seasonal winter ice roads and winter trails and during the summer exploration season by air and water. There is no physical plant or permanent infrastructure on the property and no source of power. There are multiple extensive lakes which can provide a source of water for the project.

The mineral rights for Cree East were acquired between November 2004 and June 2010 from the Ministry of Energy and Resources in the province of Saskatchewan, Canada. The claim numbers are as follows, S-107757, S-107774, S-107775, S-107776, S-107777, S-107778, S-107779, S-107780, S-108357, S-108358, S-108382, S-108383, S-108384, S-108385, S-108386, S-108387 and S-111809. The mineral rights to Cree East are valid and in good standing with the earliest claim requiring renewal in November 2020 with no further exploration expenditures required. An annual assessment report is required to be filed by the Company with the Ministry of Energy and Resources to disclose the exploration activities on this claim. There is no fee for filing the annual assessment report.

The project area covers Athabasca group conglomerates and sandstones. Sandstone unconformity overlies basement at depths in the order of 200 to 300 metres in the south. Structural breaks which trend across the across the property further drop the basement to estimated depths of 800 to 900 metres across the northern edge of the property. The basement is composed of the Lower Proterozoic, (Trans Hudson) Mudjatik domain, granitoids and associated minor supercrustals (psammites, pelites and metavolcanics). A significant portion of the property is considered to be underlain by rocks of the highly prospective Wollaston Domain.

In May 2012, the Company reported receipt of uranium assay results and trace element geochemistry for the winter drill program on the Cree East project. The results confirm the anomalous multi-element enrichments in the large alteration zone identified at Zone B and additional gold and uranium mineralization in drill hole CRE080, which intersected mineralized iron formation at Zone J.

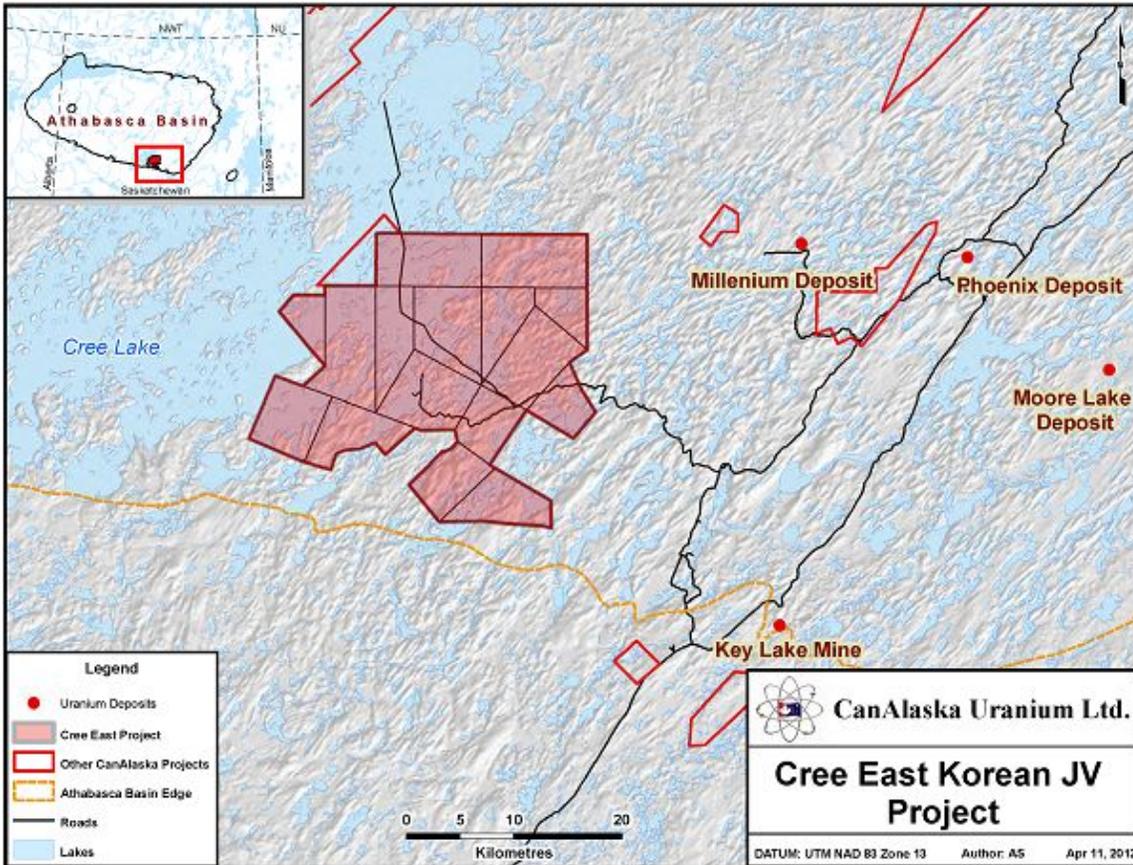
The property has undergone extensive exploration since 2005 with \$19.3 million expended on surveys, extensive geophysical testing and over 70 drill holes testing targets.

The potential of this project is for unconformity style uranium mineralization of both the Simple (Low REE, basement hosted) and the Complex (High REE, Sandstone hosted) types of uranium. The area has numerous conductors and faults which act as both the conduit and the trap for potential uranium mineralization. A number of structures and conductive targets have been identified from the Company's exploration efforts.

The next substantial work programs on the property will consist mainly of drill testing the current targets. Active full season programs of 15-18 drill holes are generally budgeted at \$3 to \$4 million, including drill geophysics, camp and logistics. The project is currently on a maintenance budget to minimize cost for 2017.

Under the Cree East agreement, CanAlaska is entitled to charge an operator fee of 10% to recoup its indirect costs associated with the project, which the Company recognizes as management fees. CanAlaska acts as project operator under the supervision and guidance of Dr. Karl Schimann, P. Geo. and Mr. Peter Dasler, P. Geo.

As at January 31, 2017, the total exploration costs incurred for the Cree East project was \$19.3 million. In March 2014 the Joint Venture carried out geophysical surveys over the Zone B target area. This surveying was in preparation for a proposed summer drill program. The summer drill program was dependent upon financing by CanAlaska or others. The Korean Consortium and CanAlaska are actively marketing the Cree East project for option or joint venture to allow for the continuation of the drill exploration. The Cree East property is without known reserves and any proposed program is exploratory in nature.



### 2.2.3 NW Manitoba, Manitoba

This property consists of approximately 144,000 hectares and lies between 90 and 170 kilometres northeast along the Wollaston trend of basement formations hosting uranium deposits, which include Rabbit Lake, Collins Bay and Eagle Point Uranium mines. In May 2012, the Company reported strong geophysical responses matching geology and uranium mineralized boulders from the recent surveys within the target areas at its NW Manitoba uranium project. The project was re-started in March 2012 following a four and a half year permitting delay due to consultations between the government of Manitoba and the local community. The Company has now concluded an operating MOU with the local community and recommenced ground survey work. The ground resistivity gravity geophysical surveys carried out in March 2012 localized anomalous features typical of sulphide-bearing mineralization, and zones of clay alteration within areas of shallow overburden. There is a striking correspondence between the location of gravity anomalies and the low resistivity zones from the survey. These targets are similar in style to the Andrew Lake uranium project in Nunavut, which has similar resistivity and gravity geophysical responses related to uranium mineralization hosted in regional fault structures.

In September 2013, the Company entered into an option agreement Northern Uranium Corp. (previously MPVC Inc.) for an interest in the NW Manitoba project. Northern Uranium may earn an 80% interest in the project by carrying out a three stage \$11.6 million exploration program, make a cash payment of \$35,000, issue 12 million common shares and issue 6 million common share purchase warrants.

On February 28, 2014, the option agreement with Northern Uranium for the NW Manitoba project was amended to extend the date of certain provisions of the agreement from February 28, 2014 to March 14, 2014. In consideration for amending the option agreement, Northern Uranium paid a further non-refundable cash deposit in the amount of \$50,000 on March 14, 2014.

In April 2014, the Company announced that Northern Uranium had received highly anomalous radon results of a recently completed, land-based survey over the Maguire Lake area. Northern Uranium reports that its geologic team is most encouraged by the distribution of radon, resistivity, magnetic and gravity anomalies which are prime drill targets for uranium mineralization.



In December 2014, the Company received notification from Northern Uranium of their expenditure threshold for the 50% earned interest in the NW Manitoba property, as well as continued work on the project.

In February 2015, Northern Uranium provided a progress report on the drilling on NW Manitoba property. The core from the four diamond drill holes at Maguire Lake show alteration patterns similar to those associated with unconformity style uranium deposits, but, in particular, vertical drill hole MG15DD-009 has intersected "an intense hydrothermal (alteration) system" suggesting that uranium mineralization may occur in close vicinity.

In April 2015, the Company announced that uranium mineralization has been detected at the NW Manitoba project by drilling. A down hole gamma ray log of hole MG15DD-0012 has revealed highly anomalous responses attributable to uranium mineralization between 164 and 238 metres and between 285 and 347 metres. This is the first significant uranium mineralization to be identified at Maguire Lake. A second large diamond drill rig was mobilized to the project to assist with drilling the lake and land targets.

In May 2015, the Company reported drilling by Northern Uranium on the Company's 50% owned NW Manitoba project continues to intersect a substantial hydrothermal alteration zone at Maguire Lake. The hydrothermal system has multiple structures over a 100 metre width and has been defined so far over a 300 metre strike length. A summer drill program with two diamond drill rigs started in June to test multiple targets.

In June 2015, the Company reported that Northern Uranium has commenced its summer drill program at Maguire Lake utilizing two large core drills. One drill is testing the extension of the newly discovered 100 metre wide by 300 metre strike length hydrothermal alteration zone beneath Maguire Lake. The second drill is targeting another gravity low with a sympathetic resistivity low and RadonEX radon-in-water anomaly adjacent to the shore of the lake.

In August 2015, the Company reported that Northern Uranium received high gamma radiation results in two holes which were completed in the northern zone of anomalous gravity, resistivity and AlphaTrack radon cups on land. Northern Uranium is pleased with the increasing strength of the radioactivity being detected at depth and toward the southeast within the South Anomaly.

In September 2015, the Company reported that Northern Uranium has elected to acquire an 80% interest in the Company's NW Manitoba project by incurring further expenditures of \$5.6 million on the project over the next two years. Northern Uranium exercised its option to acquire 70% interest in the property having reported it spent \$6 million on property exploration. Northern Uranium has issued CanAlaska a further 5 million shares and 2.5 million share purchase warrants.

#### **2.2.4 West Athabasca Kimberlite**

In July 2015, the Company acquired several claim blocks totalling 5,822 hectares located in the Pikoo kimberlite discovery area for \$5,531.

In February 2016, the Company acquired by staking, approximately 75 kimberlite targets in the Western Athabasca Basin, Saskatchewan. The claims staked cover kimberlite style targets developed from a high resolution airborne geophysical survey carried out on behalf of the Saskatchewan Geological Survey. The 2011 airborne magnetic survey reveals a series of discrete magnetic anomalies with a shallow signature northeast of the Carswell structure and close to a large crustal structure, the Grease River Shear Zone.

In April 2016, the Company acquired eight Metallic and Industrial Mineral Permits for kimberlite in Alberta along with three additional target areas in Saskatchewan, for a total area of 73,728 hectares. All of the new acquisitions cover the western portion of the Athabasca Basin. The additional permits in Alberta protect the southwestern extension of the anomaly trend close to where further targets were identified by processing new geophysical data.

In May 2016, the Company entered into an option-participation agreement with De Beers Canada Inc. for \$20.4 million on kimberlite style targets in the northwestern Athabasca basin, Saskatchewan. The claims staked by the Company and optioned to De Beers cover 75 kimberlite-style targets developed from a recent high resolution airborne geophysical survey carried out on behalf of the Saskatchewan Geological Survey in 2011. The agreement grants De Beers an option to acquire up to 90% interest in the project by completing work commitments in multiple stages totalling \$20.4 million.



In May 2016, the Company entered into an option agreement with Fjordland Exploration Inc. on 2 claim blocks in our Western Athabasca Kimberlite project. Fjordland Exploration Inc. may earn a 100% interest in the project by making payment of \$50,000 (\$5,000 received), issuing 4,000,000 common shares and completing work commitments of \$100,000 by December 31, 2017.

In June 2016, the Company reported that De Beers' exploration team has collected over 100 samples of kimberlite indicator mineral (KIM) processing from the West Athabasca project. The samples of glacial gravels were collected from eskers within the target area. These samples will be processed in De Beers laboratories to establish further evidence of kimberlite intrusives associated with the magnetic anomalies staked by the Company.

In August 2016, the Company reported that De Beers' exploration team was preparing to start drilling kimberlite targets at the Company's West Athabasca diamond project. De Beers' recently completed detailed airborne surveys over the diamond project area confirmed the presence of several near surface magnetic anomalies. A drill program is scheduled to start at the end of August and continue mid-October to test a selection of the accessible land targets. Drilling of the remaining targets that are located under lakes are planned for winter 2017. All drill core will be shipped to De Beers' facilities for detailed logging, sampling, and mineral processing.

In September 2016, the Company reported that De Beers Exploration has commenced its drill program at the Company's West Athabasca diamond project. Eleven kimberlite targets with various features are scheduled to be drilled in this current program, with the balance to be tested this winter, results dependent. Detailed low level airborne survey has identified 85 magnetic anomalies, enclosing 258 discrete magnetic targets.

In September 2016, the Company reported that it had been informed by De Beers exploration that seven of the 11 anomalies originally targeted as accessible for the summer program at the West Athabasca diamond project were drilled, while the remaining four targets have been deferred due to high water levels. The condensed summer program finished without intersecting kimberlite.

In September 2016, the Company acquired 2 claim blocks totalling 8,559 hectares located in the Western Athabasca Basin for \$5,135.

In December 2016, the Company reported that it had received notice from De Beers for the termination of the West Athabasca Kimberlite project option. De Beers' exploration team has interpreted the 85 large magnetic anomalies scattered across the claims to be most likely associated with magnetic minerals within organic material in the overburden. De Beers' drill program in September 2016 tested seven magnetic targets accessible before winter, located mostly in the southern claim groups. It is highly unusual to encounter such magnetic material in organic overburden. Samples from this material were sent to Saskatchewan Research Council (SRC) and McMaster University for analysis and review.

In January 2017, the Company provided detailed imaging from the recent West Athabasca airborne surveys carried out in 2016 under the recently terminated option with De Beers. The images of magnetic anomalies and models are presented on the Company's website along with a description of deeper modeling of kimberlite targets by consultants Scott Hogg and Associates.

In March 2017, the Company reported that it has received all property data from De Beers and have commenced geophysical review of the targets which show potential for pipe-like features. Discussions have commenced with third parties concerning exploration of the targets.

### **2.2.5 Alberta Diamond**

In May 2016, the Company acquired 3 claim blocks totalling 26,112 hectares located northwest of the Cluff Lake uranium mine for \$1,875.

In August 2016, the Company reported that it has entered into a contract with Goldak Airborne Surveys to fly a low level high definition airborne magnetics survey over the Company's 100% owned Alberta diamond exploration property. The surveys was completed in November 2016.

In March 2017, the Company reported that it has flown 40% of the property with low-level, close spaced airborne magnetics and a number of positive and negative magnetic features have been identified, and modeling is currently being carried out on 30 of the most significant targets.



### **2.2.6 West Carswell**

In August 2016, the Company reported that it signed a property option agreement with Canterra Minerals Corporation ("Canterra") for Canterra to acquire up to a 70% interest in the West Carswell property located in the western Athabasca Basin, Saskatchewan. Canterra may earn up to a 70% interest in the property by making payments totaling \$200,000, issuing 3,000,000 common shares and completing work commitments of \$5,000,000. The West Carswell property comprises approximately 4,800 hectares within the west Athabasca Kimberlite trend and is located 10 km northwest of the Cluff Lake Uranium Mine in the Athabasca Basin. The Property encompasses six discrete magnetic anomalies derived from a survey flown in 2010 for the Saskatchewan Geological Survey. These six targets exhibit discrete magnetic lows and are characteristic of magnetic features, thought to be kimberlite pipes, intruding into the thick Athabasca sandstone sequence. A high resolution airborne magnetics survey encompassing 1,770 line km has been commissioned for the property by Canterra.

### **2.2.7 Grease River**

In July 2016, the Company recognized an impairment on its Grease River claims of approximately \$17,000 as it did not renew its permits on this claim.

### **2.2.8 Poplar**

In May, July and October 2016, the Company recognized an impairment on certain of its Poplar claims of approximately \$85,000 as it did not renew its permits on these claims.

### **2.2.9 Helmer**

In June and November 2016, the Company recognized an impairment on certain of its Helmer claims of approximately \$29,000 as it did not renew its permits on these claims.

### **2.2.10 Carswell**

In November 2016, the Company recognized an impairment on its Carswell claims of approximately \$2,000 as it did not renew its permits on this claim.

### **2.2.11 Patterson**

As per the option agreement with Makena Resources Inc. ("Makena") for our Patterson property, in June 2016, the Company received a cash payment of \$15,000.

On November 4, 2016, the option agreement with Makena for the Patterson property was terminated.

### **2.2.12 Cable Bay**

In October and November 2016, the Company recognized an impairment on its Cable Bay claims of approximately \$2,000 as it did not renew its permits on this claim.

### **2.2.13 Moon**

In December 2016, the Company reported the start of ground surveys in preparation for a further drill program on the Moon South claim. Exploration is being conducted by Denison Mines Corp ahead of proposed drilling this summer. The current target on the Moon South property is underlain by 450 metres of 550 metres of Manitou Falls and Read formation sandstone.

In March 2017, the Company reported that Denison has now completed line cutting in preparation of the DCIP resistivity survey which is scheduled to commence in early April 2017. A second phase drill program is planned for the summer 2017. Work will be focussed along the CR-3 conductive trend which is located approximately 2 kilometres west of the K-trend which hosts the Gryphon deposit on Denison's adjacent Wheeler River property. An initial hole drilled at Moon South in 2016 (MS-16-01) on the CR-3 trend, near the southern boundary of the Moon South property, intersected 0.1% U<sub>3</sub>O<sub>8</sub> over 0.5 metres at the sub-Athabasca unconformity and was encompassed by a significant sandstone alteration and geochemical halo. The CR-3 trend has been interpreted over a distance of approximately five kilometres on the Moon South property and is completely untested to the northeast of drill hole MS-16-01.

### **2.2.14 Quesnel**

In January 2017, The Company acquired two claim blocks totalling 38 hectares extending the present Quesnel property in south central British Columbia for \$68.

**2.2.15 Waterbury**

In March 2017, The Company reported AREVA as operator of the Waterbury UEM joint venture with Cameco is currently drilling at the Waterbury West property. The Company sold the project to Cameco in early 2016, and the property was transferred to the joint venture. The Company retains a 2% royalty interest. Discussions are underway with other uranium groups on the Company's other Waterbury properties.

**2.2.16 Ruttan**

In March 2017, The Company reported that it has two large geophysical targets adjacent to and northeast of the past producing Ruttan copper-zinc mine. This mine was the third largest mined VMS deposit in Canada (82 million tonnes). A target immediately north of the mine has been outlined by 15 shallow drill holes along a 1.2 kilometre strike length. The next drill program on this target will be to test the VMS horizon between 100 metres and 500 metres depth. In March 2017, the Company plans to mobilize a diamond drill for two exploratory holes on a further large target located seven kilometres to the east of the North Ruttan zone. This target, labeled "Nisku", shows evidence of a large magnetic and conductive target which is believed to be near surface for approximately 1,000 metres.

**2.2.17 Other Projects**

The Company uses its technical staff between field seasons to evaluate other mineral projects for acquisition, either by staking or by option, with the purpose of sale to third parties. For a full description of the geology and setting of the current projects and of the Company's other projects, reference should be made to the "Projects" section, and accompanying news releases of work on the Company's website at [www.canalaska.com](http://www.canalaska.com).

**Table 5:**

<b>Other projects update</b>		<b>Status</b>	<b>Recent work undertaken</b>
Alberta Diamond	Seeking Venture Partner		Airborne survey in October 2016
West Carswell	Canterra Minerals Corporation		No significant work undertaken
Hanson	Seeking Venture Partner		No significant work undertaken
Helmer	Seeking Venture Partner		No significant work undertaken
Hodgson	Seeking Venture Partner		No significant work undertaken
Kasmere	Under application		Exploration permits pending
Key Lake	Seeking Venture Partner		No significant work undertaken
Lake Athabasca	Seeking Venture Partner		No significant work undertaken
McTavish	Seeking Venture Partner		No significant work undertaken
Moon	Denison Mines Corp.		first drill hole completed in early 2016. Drilling to continue.
NW Kimberlite	Fjordland. Option with De Beers terminated		7 of the 85 kimberlite target tested
Patterson	Seeking Venture Partner. Option with Makena terminated		two drill holes carried out by Makena
Poplar	Seeking Venture Partner		No significant work undertaken
Waterbury	Portion purchased by Cameco		Drill program planned for first quarter of 2017
Zeballos	Seeking Venture Partner		Consolidating ownership
Glitter Lake	Disposed, NSR retained		

The Company is restricting its exploration activities on these Other projects until financial markets recover. The Company intends to continue its efforts to seek a venture partner either through a joint venture or sales of its other projects.

In the first quarter of fiscal 2017, the Company recognized an impairment on its Grease River, Poplar and Helmer claims of approximately \$90,000 as it did not renew certain of its permit on these properties. In the second quarter of fiscal 2017, the Company recognized an impairment on its Poplar and Cable Bay claims of approximately \$36,000 as it did not renew certain of its permit on these properties. In the third quarter of 2017, the Company recognized an impairment on its Cable Bay, Carswell and Helmer claims of approximately \$8,000 as it did not renew certain of its permit on these properties.

CanAlaska maintains 14 other projects in the Athabasca basin two project in British Columbia. These other projects have value to the Company but are not being actively explored, other than reviews and reporting. A number of these projects are being marketed for sale or joint venture, and the company hopes to realize increased value in the future.



All of the samples from the CanAlaska exploration programs have been submitted to one of two qualified Canadian Laboratories for analysis. Samples submitted to Saskatchewan Research Laboratories were analyzed for multi-element geochemistry and including uranium by tri-acid digestion and ICP. Samples submitted for assay for trace element geochemistry to Acme Laboratories in Vancouver BC, were analyzed by aqua regia digestion and ICP analysis. The samples were collected by CanAlaska field geologists under the supervision of Dr. Karl Schimann, and were shipped in secure containment to the laboratories noted above.

Our exploration activities require permitting in the Province of Saskatchewan. For our projects in Saskatchewan, the Company applies for surface exploration permits from the Ministry of Environment, a letter of advice from the Heritage Resources Branch of the Ministry of Tourism, Parks, Culture and Sport, and a Right to Use Water from the Saskatchewan Water Authority. For our exploration projects in the Province of Manitoba, the Company applies for a Prospecting License, a Work Permit from the Manitoba Department of Conservation, and a notification to the Director of Mines for airborne surveys. In addition, all exploration activities have to conform to the Fisheries Act in terms of protection of fish habitat.

### 3. FINANCIAL POSITION AND CAPITAL RESOURCES

#### 3.1 Cash and Working Capital

<b>Table 6: (\$000's)</b>		
<b>Cash and Working Capital</b>	<b>Jan-17</b>	<b>Apr-16</b>
Cash and cash equivalents	1,309	943
Trade and other receivables	33	85
Available-for-sale securities	756	548
Trade and other payables	(137)	(156)
<b>Working capital</b>	<b>1,961</b>	<b>1,420</b>

For analysis and discussion of the movement in cash and cash equivalents reference should be made to Section 5 of this MD&A. Included within cash and cash equivalents are \$62,000 in funds from the CKU Partnership which are dedicated to the Cree East project. Reference should be made to note 4 of the condensed interim consolidated financial statements for further details.

As at January 31, 2017, included within trade and other receivables is approximately \$7,000 in Goods and Services Tax ("GST") refunds, \$15,000 in prepaid insurance and \$5,000 in interest receivable. The increase in available-for-sale securities is primarily a result of a combination of the receipt of 4,000,000 shares from Fjordland Exploration Inc. for our West Athabasca Kimberlite project and 2,000,000 shares from Canterra Mineral Corporation for our West Carswell project along with a decrease in the market value of the Company's portfolio of available-for-sale securities at period end. The increase in trade and other payables is consistent with the corporate activities compared with the fourth quarter of 2016.

#### 3.2 Other Assets and Liabilities

<b>Table 7: (\$000's)</b>		
<b>Other Assets and Liabilities</b>	<b>Jan-17</b>	<b>Apr-16</b>
Reclamation bonds	128	131
Property and equipment	139	169
Mineral property interests (Section 2.2)	270	402

During the nine months ended January 31, 2017, the Company received \$2,211 cash from a refund of reclamation bonds from the Manitoba Mines Branch.

During the nine months ended January 31, 2017, the Company recognized an impairment on its Grease River, Poplar, Helmer, Cable Bay and Carswell projects for approximately \$135,000 as it did not renew certain of its permits for these properties. Also during the period, the Company acquired claims for the Alberta Diamond, West Athabasca Kimberlite and Quesnel property by staking 7 blocks of claims totalling 34,709 hectares for \$7,078.

During the nine months ended January 31, 2017, the Company received proceeds of approximately \$4,000 for the sale of property and equipment.



Subsequent to the quarter end, on February 2, 2017, the Company received \$310,000 from the sale of our La Ronge lease and property and equipment.

### 3.3 Equity and Financings

<b>Equity</b>	<b>Jan-17</b>	<b>Apr-16</b>
Common shares	74,496	73,325
Equity reserve	11,703	10,911
Investment revaluation reserve	155	291
Deficit	(83,856)	(82,405)
<b>Total equity</b>	<b>2,498</b>	<b>2,122</b>

<b>Equity Instruments</b>	<b>Jan-17</b>	<b>Apr-16</b>
Common shares outstanding	27,329	22,527
Options outstanding		
Number	2,725	3,667
Weighted average price	\$0.38	\$0.17
Warrants outstanding		
Number	2,140	-
Weighted average price	\$0.70	-

#### Equity instruments

As of March 10, 2017, the Company had the following securities outstanding. Common shares - 27,328,639; stock options – 2,725,000; and warrants – 2,140,000.

In July 2016, the Company completed a non-brokered private placement and issued 2,000,000 units at a price of \$0.56 per unit for gross proceeds of \$1,120,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share for a period of two years from the closing date, at a price of \$0.70 per share, provided that if the closing price of the Company's listed shares on the TSX-V exceeds \$1.00 per share for 10 consecutive trading days then thereafter the exercise period of the share purchase warrant will be reduced to a period of 10 calendar days following the date express written notice of such acceleration is provided by the Company to the warrant holder. The Company paid total finder's fee of \$78,400 and issued 140,000 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$109,403 using the Black Scholes option pricing model.

During the nine months ended January 31, 2017, the Company issued 2,801,750 common shares from the exercise of stock options for proceeds of \$400,298.

<b>Date</b>	<b>Type</b>	<b>Intended Use</b>	<b>Actual Use</b>
July 2016	\$1.1 million – 2,000,000 Ordinary units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended

In February 2017, the Company announced that, subject to regulatory approval, it intends to raise up to \$1,120,000 by way of a non-brokered private placement of up to 2,000,000 units at a price of \$0.56/unit. Each unit will consist of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire an additional common share at \$0.80/share for a three year period. The Company may pay finder's fee consisting of cash and warrants to eligible finders as permitted under applicable securities laws and TSX-V policies.



## 4. EXPENDITURES REVIEW

Table 11: (\$000's) Quarterly Loss & Comprehensive Loss Summary	Quarterly							Q317
	Q415	Q116	Q216	Q316	Q416	Q117	Q217	
<b>Revenue</b>	-	-	-	-	-	-	-	-
<b>Exploration Cost</b>								
Mineral property expenditures net of reimbursements	54	47	50	62	49	50	155	50
Write-down on reclamation bonds	-	-	-	-	-	-	-	-
Mineral property write-offs	(9)	87	2	134	47	90	36	9
Recoveries on option payments received	(35)	(80)	(129)	-	(68)	(260)	(206)	-
Equipment rental income	-	-	-	(6)	-	-	(7)	-
	10	54	(77)	190	28	(120)	(22)	59
<b>Other Expenses (Income)</b>								
Consulting, labour and professional fees	123	103	89	126	125	277	138	144
Depreciation	14	12	12	12	12	10	10	10
(Gain) loss on disposal of properties and equipments	(56)	(9)	-	-	(10)	(2)	(1)	-
Gain on sale of US subsidiary	(54)	-	-	-	-	-	-	-
Foreign exchange (gain) loss	1	(4)	-	(2)	-	-	1	-
Insurance, licenses and filing fees	13	21	20	8	16	31	30	10
Interest income	(3)	(2)	(1)	(2)	-	(1)	(3)	(2)
Other corporate costs	13	15	7	11	13	9	18	8
Investor relations and presentations	12	50	46	25	25	55	92	54
Rent	1	7	2	2	1	2	5	5
Stock-based payments	-	13	-	-	-	-	397	130
Travel and accommodation	4	24	5	4	3	8	15	14
Impairment and loss (gain) on disposal of available-for-sale securities	138	24	560	92	-	-	60	15
Management fees	(3)	(2)	(2)	(1)	(3)	(4)	(1)	1
	203	252	738	275	182	385	761	389
<b>Net loss for the period</b>	<b>(213)</b>	<b>(306)</b>	<b>(661)</b>	<b>(465)</b>	<b>(210)</b>	<b>(265)</b>	<b>(739)</b>	<b>(448)</b>
<b>Other comprehensive loss</b>								
<b>Items that may be subsequently reclassified to profit or loss:</b>								
Unrealized loss (gain) on available-for-sale securities	(233)	403	(484)	3	(277)	(65)	422	(221)
<b>Comprehensive loss</b>	<b>20</b>	<b>(709)</b>	<b>(177)</b>	<b>(468)</b>	<b>132</b>	<b>(200)</b>	<b>(1,161)</b>	<b>(227)</b>
Basic and diluted loss per share	(0.00)	(0.01)	(0.03)	(0.02)	(0.01)	(0.01)	(0.03)	<b>(0.02)</b>

In the nine months ended January 31, 2017, the Company spent approximately \$271,000 on exploration costs and recovered \$16,000 from our exploration partners for a net mineral property expenditure of \$255,000.

For the nine months ended January 31, 2017, the Company recognized mineral property impairments on the Grease River, Poplar, Helmer, Cable Bay and Carswell projects for approximately \$135,000 as the Company did not renew certain of its permits for these particular projects.

In Q117, the Company received \$5,000 and 4,000,000 common shares of Fjordland Exploration Inc for our West Athabasca Kimberlite property and the Company also received \$15,000 from Makena for our option agreement related to our Patterson project. In Q217, the Company received \$30,000 and 2,000,000 common share of Canterra Minerals Corporation for our West Carswell property.



Camp and other miscellaneous exploration equipment owned by the Company was maintained at our La Ronge warehouse. Equipment rental income is comprised of income from charging exploration projects for the rental of this equipment. In Q217, the rental income is related to the rental of tents and camp supplies to a 3rd party. The La Ronge facility and certain property and equipment was sold on February 2, 2017 for \$310,000.

Consulting, labour, and professional fees are consistent with the same comparative prior period in Q316, Q416 and Q217. In Q117, the Company paid each director of the Company a \$15,000 directors' fee. The chairman of the board and the audit committee chairman received an additional \$10,000 in directors fees.

In Q317, insurance, licenses and filing fees were higher compared to Q316. The increase is primarily attributed the increased number of press releases in Q317 compared to Q316.

Investor relations expenses were higher in Q317 compared to Q316. The increase is primarily attributed to use of an investor relations consultant and an internet media consultant in the Q317.

Rent expense in Q317 was consistent with Q217. Prior to June 2016, the Company sublet its office space in March 2013 in its effort to reduce its cash burn and operating costs.

Share-based payments increased in Q317 compared to Q316. The increase was attributed to the increase in the number of options granted relative to Q317. During Q317, there were 350,000 options granted compared to nil options granted in Q316.

Management fees were lower in Q317 compared to Q316. This was primarily due to the decrease in our exploration activities relative to last year. During same period last year, the Company spent \$196,000 on exploration, of which \$84,000 were related to our joint venture projects where management fees were generated. During Q317, the Company spent \$255,000 on exploration, of which only \$34,000 were related to joint venture projects.

## **5. CASHFLOW AND LIQUIDITY REVIEW**

As of January 31, 2017, the Company had \$1.3 million in cash and cash equivalents and working capital of \$2.0 million and as of April 30, 2016, the Company had \$0.9 million in cash and cash equivalents and working capital of \$1.4 million.

### **5.1 Operating Activities**

The Company's operating activities resulted in net cash outflows of \$1.1 million and \$0.6 million for the nine months ended January 31, 2017 and 2016 respectively. Operating activities and costs for the nine months ended January 31, 2017 are higher than the nine months ended January 31, 2016. The increase was primarily due to the increase in directors fees paid compared to the prior period along with increase exploration expenditures on our diamond and copper claims. The Company is continuing its efforts to minimize its operating costs in order to conserve its cash reserves.

### **5.2 Financing Activities**

Financing activities resulted in net cash inflows of \$1.4 million and \$nil for the nine months ended January 31, 2017 and 2016 respectively. During the nine month period ended January 31, 2017, the Company completed a non-brokered private placement for gross proceeds of \$1,120,000. Also during the period, the Company issued 2,801,750 common shares from the exercise of stock option for proceeds of \$400,298. During the nine month period ended January 31, 2016, the Company had no financing activities. Currently, junior uranium exploration companies are finding it difficult to seek financing. The Company is working to sell option or joint venture non-core assets.



### 5.3 Investing Activities

Investing activities resulted in net cash inflows of \$49,000 for the nine months ended January 31, 2017 and net cash outflows of \$95,000 for the nine months ended January 31, 2016. During the nine months ended January 31, 2017, the Company staked several properties in Alberta, Saskatchewan and British Columbia for approximately \$7,000. Also during the nine months ended January 31, 2017, the Company received \$50,000 from option agreements for its Patterson, West Athabasca Kimberlite and West Carswell properties and received approximately \$4,000 from the sale of property and equipment. During the nine months ended January 31, 2016, the Company staked several properties in Saskatchewan for approximately \$16,000 and arranged a buy-back of the 50% interest in the West McArthur project from Mitsubishi for \$100,000. During the nine month ended January 31, 2016, the Company received approximately \$11,000 from the sale of property and equipment and \$10,000 from Makena Resources related to the option agreement for the Patterson project.

Subsequent to Q317, the Company received \$310,000 for the sale of its La Ronge Facility and property and equipment.

## 6. OTHER MATTERS

For a full version of the risks and critical accounting estimates and policies reference should be made to the Company's audited consolidated financial statements for the year ended April 30, 2016, which are available on the Company's website at [www.canalaska.com](http://www.canalaska.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### 6.1 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

The remuneration of directors and key management of the Company for the three and nine months ended January 31, 2017 and 2016 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by Dr. Karl Schimann, the VP of Exploration and to Jean Luc Roy, a director of the Company.

Table 12: Compensation to Related Parties (\$000's)	Three months ended January 31		Nine months ended January 31	
	2017 \$	2016 \$	2017 \$	2016 \$
Employment benefits	79	71	275	285
Schimann Consultants	34	34	116	135
Directors fees	-	-	80	-
Jean Luc Roy	8	-	14	-
Share-based compensation	126	-	490	7

The directors and key management were awarded the following share options under the employee share option plan during the nine months ended January 31, 2017:

Table 13: Share Option Issuance			
Date of grant	Number of options	Exercise price	Expiry
October 5, 2016	1,385,000	\$0.41	October 5, 2018
January 13, 2017	340,000	\$0.59	January 13, 2019

### 6.2 Financing

Due to increasingly difficult market conditions facing junior uranium exploration companies, management is currently in the process of evaluating its priorities and taking steps to streamline non discretionary expenditures. Should management be unsuccessful in its coming exploration programs it may either need to dilute its ownership in its properties and/or secure additional financing to continue to advance the development of its projects.



## **6.3 Critical Accounting Estimates and Judgments**

### **6.3.1 Share-Based Payment Plan**

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The total amount to be expensed is determined by reference to the fair value of the options granted.

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in note 9 of the unaudited condensed interim consolidated financial statements for the nine months ended January 31, 2017. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the fair value amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period of the options with a corresponding increase in equity reserve.

### **6.3.2 Mineral Property Interest**

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to increasingly difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent net acquisition costs incurred to date and do not necessarily represent current or future values of the mineral properties.

### **6.3.3 Going Concern**

The consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material. Refer to section 1.1.

## **6.4 Disclosure Controls and Internal Control over Financial Reporting**

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance that such financial information is reliable and complete. As at the end of the period covered by this management's discussion and analysis, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's DC&P and ICFR as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the DC&P were effective to provide reasonable assurance that material information relating to the Company was made known to senior management by others and information required to be disclosed by the Company in its annual filings, interim filings (as such terms are defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) or other reports filed or submitted by it under securities legislation were recorded, processed, summarized and reported within the time periods specified in securities legislation. The Chief Executive Officer and the Chief Financial Officer have also concluded that, as of the end of the period covered by this management's discussion and analysis, the Company's ICFR is effective and the ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To design its ICFR, the Company used the Internal Control – Integrated Framework (2013) (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission. There are no material weaknesses in the Company's ICFR. During the nine months ended January 31, 2017 there were no changes to the Company's ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR.



## 6.5 Forward Looking Statements

Certain statements included in this “MD&A” constitute forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company’s forward-looking statements. In addition, any forward-looking statements represent the Company’s estimates only as of the date of this MD&A and should not be relied upon as representing the Company’s estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company’s existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company’s expectations. Readers should not place undue reliance on the Company’s forward-looking statements, as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

## 6.6 New Accounting Standards Adopted

There was no significant accounting standards or interpretation or any consequential amendments required for the Company to adopt effective May 1, 2017.

## 6.7 Future Accounting Pronouncements

The following revised standards and amendments are effective in future accounting periods with earlier application permitted, except where indicated.

(i) IFRS 9, *Financial Instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement*, that relate to the classification and measurement of financial instruments, IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements.

The main change for liabilities is that, in cases where the fair value option is taken for financial liabilities, the part of the fair value change due to an entity’s own credit risk is recorded in other comprehensive income (loss) rather than in net earnings. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 9.

(ii) IFRS 15, *Revenue from Contracts with Customers*, establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard.

(iii) IFRS 16, *Leases*, addresses accounting for leases and lease obligations. It replaces the existing leasing guidance in IAS 17, *Leases*. The objective of the new standard is to report all leases on the statement of financial position and to define how leases and lease liabilities are measured. IFRS 16 is effective January 1, 2019 with early adoption permitted for companies that also apply IFRS 15. The Company is currently assessing the impact of IFRS 16.

(iv) IFRS 7, *Statement of Cash Flow*, Amendment to IAS7, requires certain enhanced disclosure of the cash and non-cash components of changes in liabilities resulting from financing activities and are required to be applied for years beginning on or after January 1, 2017. The Company is currently assessing the effect of this standard.



There are no other IFRS's or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

## **6.8 Risk Factors**

The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

### **6.8.1 Cash Flows and Additional Funding Requirements**

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects. Without further financing and exploration work on its properties the Company expects its current 595,746 ha of property to reduce to 517,261 ha by December 31 2017, and 511,491 ha by December 31 2018. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 15 years from the current date. Refer to section 1.1.

### **6.8.2 Commodity Prices**

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of mineral commodities.

### **6.8.3 Competition**

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. The Company has a large land position in the Athabasca Basin, and has carried out extensive exploration, and found multiple targets of interest, but has not defined an economic deposit. Other exploration companies have been successful with the discovery of deposits in the Athabasca, and these companies tend to attract investors away from CanAlaska. CanAlaska relies on the ongoing support of its JV partners to fund their portion of exploration, however additional funding from the current partners is uncertain. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

### **6.8.4 Foreign Political Risk**

The Company's material property interests are currently located in Canada. Some of the Company's interests are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

### **6.8.5 Government Laws, Regulation and Permitting**

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.



The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. In Canada, the issuance of governmental licenses and permits are increasingly being influenced by land use consultations between the government and local First Nations communities. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

#### **6.8.6 Title to Properties**

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn an increased economic interest in certain of its properties. To earn this increased interest, the Company is required to make certain exploration expenditures and payments of cash and/or Company shares. If the Company fails to make these expenditures and payments, the Company may lose its right to such properties and forfeit any funds expended up to such time.

#### **6.8.7 Estimates of Mineral Resources**

The mineral resource estimates used by the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

#### **6.8.8 Key Management**

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. Dr. Karl Schimann, VP Exploration, was appointed to the board of directors on September 26, 2013. On January 7, 2014, Kathleen Kennedy Townsend was appointed to the Company's board of directors.

#### **6.8.9 Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares and the amount of financing that can be raised by the Company.

#### **6.8.10 Foreign Currency Exchange**

A small portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for the Company's products or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

#### **6.8.11 Conflict of Interest**

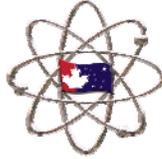
Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

**7. QUARTERLY FINANCIAL INFORMATION**

The following tables sets out a summary of the Company's results:

<b>Table 14: (\$000's)</b>								<b>Quarterly</b>	
<b>Loss &amp; Comprehensive Loss Summary</b>	<b>Q415</b>	<b>Q116</b>	<b>Q216</b>	<b>Q316</b>	<b>Q416</b>	<b>Q117</b>	<b>Q217</b>	<b>Q316</b>	
<b>Revenue</b>	-	-	-	-	-	-	-	-	
<b>Loss for the period</b>	(213)	(306)	(661)	(465)	(210)	(265)	(739)	<b>(448)</b>	
<b>Loss per share</b>	(0.00)	(0.01)	(0.03)	(0.02)	(0.01)	(0.01)	(0.03)	<b>(0.02)</b>	

<b>Table 15: (\$000's) Financial Position summary</b>	<b>As at</b>							
	<b>Apr 30, 2015</b>	<b>Jul 31, 2015</b>	<b>Oct 31, 2015</b>	<b>Jan 31, 2016</b>	<b>Apr 30, 2016</b>	<b>Jul 31, 2016</b>	<b>Oct 31, 2016</b>	<b>Jan 31, 2017</b>
<b>Total Assets</b>	3,462	2,790	2,560	2,119	2,278	3,466	2,810	<b>2,635</b>
<b>Total Liabilities</b>	137	161	108	135	156	219	238	<b>137</b>
<b>Total Equity</b>	3,325	2,629	2,452	1,984	2,122	3,247	2,572	<b>2,498</b>



# **CanAlaska Uranium Ltd.**

Condensed Interim Consolidated Financial Statements

**First Quarter - July 31, 2015**

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements required to be filed, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	July 31 2015 \$000's	April 30 2015 \$000's
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	1,409	1,605
Trade and other receivables	68	98
Available-for-sale securities (note 5)	323	670
<b>Total current assets</b>	<b>1,800</b>	<b>2,373</b>
<b>Non-current assets</b>		
Reclamation bonds	131	131
Property and equipment (note 6)	209	222
Mineral property interests (note 7)	650	736
<b>Total assets</b>	<b>2,790</b>	<b>3,462</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	161	137
<b>Equity</b>		
Common shares (note 8)	73,205	73,205
Equity reserve (note 8)	10,960	10,947
Investment revaluation reserve	(467)	(64)
Deficit	(81,069)	(80,763)
	<b>2,629</b>	<b>3,325</b>
	<b>2,790</b>	<b>3,462</b>

**Going Concern** (note 2)

**Commitments** (note 11)

### Approved by the Board of Directors

“Peter Dasler”

Director

“Jean Luc Roy”

Director

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Comprehensive Earnings (Loss)

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	<b>Three months ended July 31 2015 (\$000's)</b>	<b>Three months ended July 31 2014 (\$000's)</b>
<b>EXPLORATION COSTS</b>		
Mineral property expenditures net of reimbursements	47	54
Mineral property write-offs (note 7)	87	50
Equipment rental income	-	(4)
Net option payments (note 7)	(80)	(1,881)
	<u>54</u>	<u>(1,781)</u>
<b>OTHER EXPENSES (INCOME)</b>		
Consulting, labour and professional fees	103	288
Depreciation and amortization (note 6)	12	16
Gain on disposal of property and equipment	(9)	-
Foreign exchange gain	(4)	-
Insurance, licenses and filing fees	21	10
Interest income	(2)	(3)
Other corporate costs	15	10
Investor relations and presentations	50	6
Rent (note 11)	7	6
Share-based payments (note 9)	13	61
Travel and accommodation	24	1
Impairment of available-for-sale securities (note 5)	24	6
Management fees	(2)	(6)
	<u>252</u>	<u>395</u>
<b>Net earnings (loss) for the period</b>	(306)	1,386
<b>Other comprehensive income (loss)</b>		
Unrealized loss on available-for-sale securities	403	130
<b>Total comprehensive earnings (loss) for the period</b>	<u>(709)</u>	<u>1,256</u>
<b>Basic and diluted earning (loss) per share (\$ per share)</b>	(0.01)	0.06
<b>Basic and diluted weighted average common shares outstanding (000's)</b>	22,068	22,068

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended July 31, 2015 and 2014

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve \$000's	Investment Revaluation Reserve \$000's	Accumulated Deficit \$000's	Total Equity \$000's
	Shares 000's	Amount \$000's				
Balance-May 1, 2014	22,068	73,205	10,807	(24)	(81,564)	2,424
Share-based payments	-	-	61	-	-	61
Unrealized loss on available-for-sale securities	-	-	-	(130)	-	(130)
Income for the period	-	-	-	-	1,368	1,386
Balance-July31, 2014	22,068	73,205	10,868	(154)	(80,178)	3,741
Balance-May 1, 2015	22,068	73,205	10,947	(64)	(80,763)	3,325
Share-based payments	-	-	13	-	-	13
Unrealized loss on available-for-sale securities	-	-	-	(403)	-	(403)
Loss for the period	-	-	-	-	(306)	(306)
Balance-July31, 2015	22,068	73,205	10,960	(467)	(81,069)	2,629

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended July 31 2015 \$000's	Three months ended July 31 2014 \$000's
<b>Cash flows used in operating activities</b>		
(Loss) income for the period	(306)	1,386
Items not affecting cash		
Depreciation and amortization (note 6)	12	16
Mineral property write-offs	87	50
Impairment of available-for-sale securities (note 5)	24	6
Gain on disposal of property and equipment	(9)	-
Recoveries on option payments received	(65)	(1,881)
Share-based payments (note 9)	13	61
	<u>(244)</u>	<u>(362)</u>
Change in non-cash operating working capital		
Decrease in trade and other receivables	30	20
Increase (decrease) in trade and other payables	23	(150)
	<u>(191)</u>	<u>(492)</u>
<b>Cash flows from (used in) investing activities</b>		
Additions to mineral property interests	(16)	(2)
Option payments received	-	1,625
Proceeds from disposal of property and equipment	11	2
	<u>(5)</u>	<u>1,625</u>
<b>(Decrease) increase in cash and cash equivalents</b>	(196)	1,133
<b>Cash and cash equivalents - beginning of period</b> (note 4)	<u>1,605</u>	<u>1,044</u>
<b>Cash and cash equivalents - end of period</b> (note 4)	<u>1,409</u>	<u>2,177</u>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

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### 1 Nature of Operations

CanAlaska Uranium Ltd. (the "Company" or "CanAlaska") and its subsidiaries are principally engaged in the exploration of uranium properties. The Company may bring the properties to production, structures joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. From time to time, the Company evaluates new properties and directs exploration on these properties based on the Board of Director's evaluation of financial and market considerations at the time. On December 30, 2013, the Company's shares commenced trading on the TSX Venture Exchange under the symbol "CVV" and ceased trading on the Toronto Stock Exchange. The Company's shares are also quoted on the OTCQB in the United States under the symbol "CVVUF" and the Frankfurt Stock Exchange under the symbol "DH7N". In May 2015, the Company deregistered from its reporting obligations with the United States Securities and Exchange Commission (the "SEC"). The Company's registered office is located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

### 2 Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These condensed interim consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to increasingly difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

At July 31, 2015, the Company had cash and cash equivalents of \$1.4 million (April 30, 2015: \$1.6 million) (note 4) and working capital of \$1.6 million (April 30, 2015: \$2.2 million). The Company does not earn revenues from its operations and has a deficit of \$81.1 million at July 31, 2015. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management has taken steps to streamline non-discretionary expenditures and financial overheads and is working to option, joint venture or sell its individual exploration projects. The above factors may cast significant doubt regarding the Company's ability to continue as a going concern.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three month period ended July 31, 2015**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **3 Basis of Consolidation and Presentation**

### **a) Statement of Compliance**

These condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting (“IAS 34”) using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”). These condensed interim consolidated financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in the Company’s April 30, 2015 consolidated annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on September 15, 2015.

### **b) Basis consolidation and preparation**

These condensed interim consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis except for certain financial instruments that are measured on the fair value basis.

These condensed interim consolidated financial statements include the accounts of CanAlaska and its wholly-owned subsidiaries including:

- CanAlaska West McArthur Uranium Ltd., a B.C. company
- Poplar Uranium Limited., a B.C. company

Subsidiaries are entities over which the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases. All inter-company transactions, balances, income and expenses have been eliminated on consolidation.

These condensed interim consolidated financial statements also include the Company's share of the jointly held assets, its jointly incurred liabilities, its share of the revenues and expenses of CanAlaska Korean Uranium Limited Partnership (“CKULP” or the “Partnership” or the “CKU Partnership”) and CanAlaska Korean Uranium Limited.

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 4 Cash and Cash Equivalents

	July 31, 2015 \$000's	April 30, 2015 \$000's
CKU Partnership funds	107	117
Option-in advances	53	59
Cash in bank and other short term deposits	1,249	1,429
<b>Total</b>	<b>1,409</b>	<b>1,605</b>

CKU Partnership funds are held by the Company for expenditure on the properties held by the CKULP.

Option-in advances are advance cash funding by joint venture partners on various exploration properties.

Cash and cash equivalents of the Company are comprised of bank balances and short-term investments, which are convertible to cash, with an original maturity of 90 days or less as follows:

	July 31, 2015 \$000's	April 30, 2015 \$000's
Cash	439	455
Short-term investments	970	1,150
<b>Total</b>	<b>1,409</b>	<b>1,605</b>

### 5 Available-for-Sale Securities

	July 31, 2015		April 30, 2015	
	Cost \$000's	Market Value \$000's	Cost \$000's	Market Value \$000's
Pacific North West Capital Corp.	4	4	6	6
Mega Uranium Ltd.	3	4	3	6
Makena Resources Inc.	56	56	79	79
Copper Reef Mining Corp.	80	30	40	30
Northern Uranium Corp.	600	175	600	525
Other available-for-sale securities	47	54	6	24
<b>Total</b>	<b>790</b>	<b>323</b>	<b>734</b>	<b>670</b>

The Company reviews the carrying values of its available-for-sale securities, and after considering where the decreases on fair value were significant or prolonged, the Company recognized an impairment on available-for-sale securities of \$24,109 for the three months ended July 31, 2015 (three months ended July 31, 2014: \$6,074).

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 6 Property and Equipment

	Automotive \$000's	Leasehold improvements \$000's	Mining equipment \$000's	Office equipment \$000's	Total \$000's
<b>Cost</b>					
At May 1, 2014	25	270	1,022	455	1,772
Additions	-	-	-	2	2
Disposals	-	-	(180)	(5)	(185)
At April 30, 2015	25	270	842	452	1,589
Disposals	(17)	-	-	-	(17)
At July 31, 2015	8	270	842	452	1,572
<b>Accumulated Depreciation and Amortization</b>					
At May 1, 2014	(20)	(145)	(922)	(391)	(1,478)
Depreciation and amortization	(1)	(19)	(28)	(14)	(62)
Disposals	-	-	168	5	173
At April 30, 2015	(21)	(164)	(782)	(400)	(1,367)
Depreciation and amortization	-	(5)	(5)	(2)	(12)
Disposals	16	-	-	-	16
At July 31, 2015	(5)	(165)	(787)	(402)	(1,363)
<b>Carrying Value</b>					
At April 30, 2015	4	106	60	52	222
At July 31, 2015	3	101	55	50	209

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the three month period ended July 31, 2015**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

## 7 Mineral Property Interests

The Company holds approximately 646,000 hectares of mining claims in the Athabasca region located across the provinces of Saskatchewan and Manitoba in Canada. The holdings are comprised of 19 projects which are in various stages of exploration and discovery.

The Company also holds mining claims British Columbia.

Details of acquisition costs and mineral property impairments for the twelve and three months ended April 30, 2015 and July 31, 2015 are as follows:

<b>Project (\$000's)</b>	<b>May 1, 2014</b>	<b>Additions/ write-offs/ recoveries</b>	<b>April 31, 2015</b>	<b>Additions/ write-offs/ recoveries</b>	<b>July 31, 2015</b>
Athabasca Basin					
Cree East (a)	-	-	-	-	-
West McArthur (b)	65	-	65	-	65
Fond du Lac	120	-	120	-	120
Grease River (c)	76	(28)	48	(16)	32
Key Lake	24	-	24	-	24
NW Manitoba	8	(8)	-	-	-
Poplar (d)	131	(11)	120	(33)	87
Helmer (e)	107	(9)	98	(8)	90
Lake Athabasca (f)	98	(7)	91	(24)	67
Hodgson (g)	7	-	7	4	11
Collins Bay (h)	-	-	-	-	-
McTavish	74	-	74	-	74
Carswell	-	2	2	-	2
Ruttan	15	-	15	(15)	-
Patterson	2	(2)	-	-	-
Cable Bay	-	2	2	-	2
Other	53	(8)	45	-	45
Other					
Other Projects, Various (i)	33	(8)	25	6	31
<b>Total</b>	<b>813</b>	<b>(425)</b>	<b>736</b>	<b>(86)</b>	<b>650</b>

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 7 Mineral Property Interests (continued)

Summary of option payments receivable in the years ending April 30 <sup>2</sup>	Cash \$000's	Total Spend <sup>1</sup> \$000's	Shares
2016	25	275	500,000
2017	-	3,475	1,000,000
Thereafter	-	9,775	5,000,000

<sup>1</sup> Represents cumulative spend required not the spend per fiscal year to maintain certain interest in the Company's properties.

<sup>2</sup> Represents optionees' commitments to maintain certain interest in the Company's properties.

#### a) Cree East, Saskatchewan – Korean Consortium

Cree East consists of approximately 58,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium ("Consortium") to develop Cree East. Under the terms of agreements, the Korean Consortium invested \$19.0 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period (April 30, 2015: 50%). The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred. The total expenditures on the property for the three months ended July 31, 2015 was approximately \$6,000 (three months ended July 31, 2014: \$20,000) and has a carrying value of \$nil.

#### b) West McArthur, Saskatchewan - Mitsubishi

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca. In April 2007, the Company optioned the claims to Mitsubishi Development Pty Ltd. ("Mitsubishi") whereby Mitsubishi could exercise an option to earn a 50% interest in the property by funding expenditures of \$10.0 million and by making a \$1.0 million payment upon completion of the \$10.0 million funding requirement. In February 2010, Mitsubishi exercised their option with a payment to the Company of \$1.0 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee (between 5% and 10%) based on the expenditures incurred. The total expenditures on the property for the three months ended July 31, 2015 was approximately \$4,000 (three months ended July 31, 2014: \$4,000) and has a carrying value of approximately \$65,000.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three month period ended July 31, 2015**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **7 Mineral Property Interests (continued)**

### **c) Grease River, Saskatchewan**

In July 2015, the Company recognized an impairment on certain of its Grease River claims of approximately \$16,000 as it did not renew its permits on these claims.

### **d) Poplar, Saskatchewan**

In May 2015, the Company recognized an impairment on certain of its Poplar claims of approximately \$35,000 as it did not renew its permits on these claims.

In July 2015, the Company acquired four claim blocks totalling 4,127 hectares located on the northern edge of Lake Athabasca and southeast of Uranium City for \$2,477.

### **e) Helmer, Saskatchewan**

In May and July of 2015, the Company acquired seven claim blocks totalling 7,317 hectares located on the southern shore of Lake Athabasca for \$4,390.

### **f) Lake Athabasca, Saskatchewan**

In June and July of 2015, the Company recognized an impairment on certain of its Lake Athabasca claims of approximately \$24,000 as it did not renew its permits on these claims.

### **g) Hodgson, Saskatchewan**

In May 2015, the Company acquired one claim block totalling 5,901 hectares located in the east central part of the Athabasca basin, 27 kilometres northwest of the McArthur River mine for \$3,541.

### **h) Collins Bay, Saskatchewan**

In June 2015, the Company entered into an agreement with Bayswater Uranium Corporation ("Bayswater") to terminate its Collins Bay Extension project option. In consideration, the Company received 2,000,000 common shares of Bayswater and a 2.5% net smelter returns royalty.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three month period ended July 31, 2015**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **7 Athabasca Mineral Property Interests (continued)**

### **i) Other Projects**

#### **Hanson, Saskatchewan**

In May 2015, the Company received 1,000,000 shares of Copper Reef Mining Corp. related to a purchase agreement for two claim blocks in the Hanson project dated April 21, 2015.

In July 2015, the Company acquired several claim blocks totalling 5,822 hectares located in the Pikoo kimberlite discovery area for \$5,531

## **8 Share Capital**

The Company has authorized capital consisting of an unlimited amount of common shares without par value.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 9 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 4,400,000 common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options 000's	Weighted average exercise price \$
Outstanding - May 1, 2014	3,851	0.20
Granted	1,336	0.14
Expired	(917)	0.25
Forfeited	(249)	0.25
<b>Outstanding – April 30, 2015</b>	<b>4,021</b>	<b>0.16</b>
Granted	105	0.19
<b>Outstanding – July 31, 2015</b>	<b>4,126</b>	<b>0.16</b>

As at July 31, 2015, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	574	574	\$0.18	2017
	1,143	1,143	\$0.18 - \$0.25	2018
	1,592	1,592	\$0.12	2019
	762	762	\$0.12 - \$0.14	2020
	55	55	\$0.20	2021
<b>Total</b>	<b>4,126</b>	<b>4,126</b>		

For the three months ended July 31, 2015, total share-based compensation expense was \$12,993 (July 31, 2014: \$61,469).

### Warrants

As at July 31, 2015, there were no warrants outstanding.

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 9 Share Stock Options and Warrants (continued)

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange or the TSX Venture Exchange. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the three months ended July 31, 2015:

	<b>Options</b>
Weighted average fair value	\$0.12
Forfeiture rate	15.4%
Risk-free interest rate	0.6% -0.7%
Expected life	2.0 - 2.4 years
Expected volatility	132.4% 133.3%
Expected dividend	0%

### 10 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

The remuneration of directors and key management of the Company for the three months ended July 31, 2015 and 2014 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by a director and VP of Exploration.

	<b>Three months ended July 31</b>	
	<b>2015</b>	<b>2014</b>
<b>(\$000's)</b>	<b>\$</b>	<b>\$</b>
Employment benefits	71	118
Schimann Consultants	34	80
Directors fees	-	100
Share-based compensation	7	54

The directors and key management were awarded the following share options under the employee share option plan during the three months ended July 31, 2015:

<b>Date of grant</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry</b>
May 8, 2015	55,000	\$0.20	May 8, 2020

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 11 Commitments

The Company has the following commitments in respect of operating leases for office space, land, or computer equipment:

<b>Fiscal Year Ending</b>	<b>Total \$000's</b>
2016	97
Thereafter	7
<b>Total</b>	<b>104</b>

The Company has sub leased its Vancouver office space to reduce its operating costs. However, the Company is committed for the full office lease amount.

## 12 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2015

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 13 Geographic Segmented Information

The Company operates in one business segment, the exploration of mineral property interests. The following summarizes the Company's operations based on the geographic areas in which it operates:

<b>July 31, 2015 (\$000's)</b>	<b>Canada</b>	<b>U.S.A.</b>	<b>New Zealand</b>	<b>Total</b>
Non-current assets	990	-	-	990
Total assets	2,790	-	-	2,790
Total liabilities	161	-	-	161
Loss for the period	(306)	-	-	(306)

<b>April 30, 2015 (\$000's)</b>	<b>Canada</b>	<b>U.S.A.</b>	<b>New Zealand</b>	<b>Total</b>
Non-current assets	1,089	-	-	1,089
Total assets	3,462	-	-	3,462
Total liabilities	137	-	-	137
Earnings (loss) for the year	(2,346)	1,535	1,612	801