

**CanAlaska Uranium Ltd.**  
CVV - TSX-V CVVUF - OTCBB DH7N – Frankfurt

**Management Discussion and Analysis  
For the Third Quarter and Nine Months Ended  
January 31, 2020**

**Dated March 9, 2020**

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, 2019. 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, 2020.

**Table of Contents:**

<b>1.</b>	<b>OVERVIEW OF THE COMPANY AND STRATEGY</b>	<b>2</b>
<b>2.</b>	<b>MILESTONES AND PROJECT UPDATES</b>	<b>3</b>
<b>3.</b>	<b>FINANCIAL POSITION</b>	<b>14</b>
<b>4.</b>	<b>EXPENDITURES REVIEW</b>	<b>18</b>
<b>5.</b>	<b>CASHFLOW REVIEW</b>	<b>19</b>
<b>6.</b>	<b>OTHER MATTERS</b>	<b>19</b>
<b>7.</b>	<b>QUARTERLY FINANCIAL INFORMATION</b>	<b>23</b>

*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 8 projects covering 115,000 hectares focused on Uranium, 2 projects covering 60,000 hectares focused on Diamonds and 5 projects covering 15,000 hectares focused on nickel, copper and other minerals (section 1.1)
- ✓ Cash resources of \$2.9 million (as at January 31, 2020)
- ✓ 57,575,875 common shares issued and outstanding (March 9, 2020)

### 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 several projects on which the Company has expended recent efforts. The West McArthur project was under a 50% joint venture with Mitsubishi up to mid January 2016 and as of October 19, 2018 is now under a new joint venture 30% with Cameco Corporation ("Cameco"), the Cree East project was under a 50% joint venture with a Korean Consortium up to early July 2017, the Moon South project is under option to Denison Mines, and the NW Manitoba project 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. Going forward it is expected that the Company will focus its effort on West McArthur, Cree East, West Athabasca Kimberlite and selected base metal and precious metal opportunities. The Company is actively marketing the remainder of its projects for option, joint venture or sale.

**Table 1: Canadian Strategic Property Summary**

Property / Project Name	Notes	Hectares
West McArthur	Joint Venture with Cameco Corporation	36,000
Cree East	Seeking Venture Partner.	58,000
NW Manitoba	Option with Northern Uranium Corp.	9,000
Moon South	Option with Denison Mines	3,000
West Athabasca Kimberlite	Seeking Venture Partner.	53,000

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 1985, CanAlaska has expended over \$81 million of the total equity of \$88.5 million on exploration and research towards the advancement of uranium, nickel and diamond discovery on our 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

- Complete equity financing options over the next months
- Targeted marketing of uranium projects for financing
- Targeted marketing of non-core projects
- 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 6, 2020, the Company had 57,575,875 shares outstanding with a total market capitalization of \$9.8 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, 2020, the Company reported a loss of \$2.9 million and as at that date had cash and cash equivalents of \$2.9 million, net working capital balance of \$3.0 million and an accumulated deficit of \$88.5 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, 2019 to March 9, 2020

- CanAlaska options North Thompson Nickel project in Manitoba to Fjordland Exploration (February 2020)
- CanAlaska starts drilling at West McArthur (January 2020)
- CanAlaska announces second and final tranche closing of private placement (January 2020)
- CanAlaska announces first tranche closing of private placement (December 2019)
- CanAlaska reports continued drilling for uranium and nickel in 2020 (November 2019)
- CanAlaska reports 7.95% uranium at West McArthur (October 2019)
- CanAlaska extends discovery with summer drill program (September 2019)
- CanAlaska announces second and final tranche closing of private placement (August 2019)
- CanAlaska announces first tranche closing of private placement (July 2019)
- CanAlaska begins drilling at West McArthur (June 2019)
- CanAlaska reports more nickel at Manibridge (June 2019)
- CanAlaska to drill West McArthur (May 2019)
- CanAlaska announces closing of \$3,185,015 private placement (May 2019)

In February 2020, the Company announced that it had entered into a Letter of Interest ("LOI") with Fjordland Exploration Inc. to allow Fjordland to earn up to 80% interest in CanAlaska's 100% owned North Thompson Nickel project in Manitoba. Fjordland may earn up to 80% interest in the project by undertaking work and payments in three defined earn-in stages. Fjordland may earn an initial 49% interest in the project by paying the Company \$25,000 cash, issue 1,000,000 common shares of Fjordland, and incur \$1,500,000 in exploration expenditures within 18 month of TSX Venture Exchange approval date. Fjordland may earn an additional 21% interest by paying \$50,000 cash, issue a further 1,500,000 common shares, and incur an addition \$2,500,000 in exploration expenditures within 24 months of entering the stage 2 option. Fjordland may earn an additional 10% by paying \$75,000, issue a further 6,000,000 common shares, and incur an additional \$5,000,000 in exploration expenditures in the project within 24 month of entering stage 3 of the option.

In January 2020, the Company reported that crews resumed drilling at the West McArthur uranium project. The project is a joint venture with Cameco, controlled and operated by CanAlaska. The 2019 drill program successfully extended the discovery footprint of holes drilled by Cameco during their recent work programs on the property. The mineralization, containing high-grade uranium as well as base metal mineralization, is similar in character to the nearby high-grade Fox Lake uranium deposit of Cameco and Orano. Drilling in the winter will focus on a 300 metre length of the C10 conductor where current drilling has indicated the presence of a strong hydrothermal system and a well mineralized target.

In January 2020, the Company announced that it had closed the second and final tranche of its non-brokered private placement. Under the second tranche, the Company had issued 3,826,250 non flow-through units for gross proceeds of \$612,200. In connection with the Second Tranche, the Company paid a finder's fee of \$902.40 and issued 5,640 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.40 for three years.



In December 2019, the Company announced that it had closed the first tranche of its non-brokered private placement. Under the first tranche, the Company had issued 6,190,889 flow-through units for gross proceeds of \$1,176,268.91 and 840,000 non flow-through units for gross proceeds of \$134,400, for total gross proceeds of \$1,310,668.91. In connection with the first tranche, the Company paid a total of \$50,796.54 and issued a total of 267,823 warrants as finder's fees. Each finder's warrant is exercisable for one common share at a price of \$0.40 for three years.

In November 2019, the Company reported that management is highly encouraged with the high-grade drill discoveries at the West McArthur uranium project and at the Manibridge nickel project. Latest West McArthur high-grade drill results include 6.8% U3O8 over 0.70 metres within a broad 650 metre by 400 metre geochemical halo – extending from bedrock to near-surface – provide strong support for continued drilling of the Grid 5 target zone in 2020. At the Manibridge nickel project, drilling intersected high-grade mineralization – up to 12% Ni – at the north zone. Compilation of historical drill-hole data from the newly acquired Manibridge mine property has identified multiple new exploration targets. Follow-up drilling is warranted for discovery of high-grade sulphide nickel deposits.

In October 2019, the Company reported high-grade uranium in final assay data for the recent drill program at the West McArthur uranium project. The mineralization containing high uranium, as well as base metal mineralization, is similar in character to the nearby high-grade Fox Lake uranium deposit of Cameco and Orano. Assay data for the latest drill holes, in particular for drill hole WMA055-2, has upgraded earlier U3O8 values up to 7.95%.

In September 2019, the Company reported that summer drilling was completed at the West McArthur uranium project. The unconformity related uranium mineralization intersected in Cameco's discovery holes WMA042 and WMA042-2, has been extended 50 metres to the south and 200 metres to the west and tied to down-hole geophysics imaging of the C10 conductor package. With downhole geophysics we have now located the C10 conductor horizon, approximately 100 metres south of the original high-grade discovery. There is highly elevated uranium, lead, cobalt, boron, nickel and copper in the mineralization and associated alteration halos in all of the drill holes where assays have been received to date. The program has successfully extended the discovery footprint of holes drilled by Cameco during their recent work programs on the property.

In August 2019, the Company announced that it has now completed the second and final tranche of its non-brokered private placement. Under the second tranche, the Company issued 695,000 flow-through units for gross proceeds of \$222,400 and 155,000 non flow-through units for gross proceeds of \$42,625. In connection with the second tranche, the Company paid a total of \$14,829 and issued a total of 47,100 warrants as finder's fees. Each finder's warrant is exercisable for one common share at a price of \$0.60 for five years. Together with the first tranche closing announced on July 18, 2019, the Company has now raised a total of \$417,525 (\$347,400 from the sale of flow-through units and \$70,125 from the sale of non-flow-through units).

In July 2019, the Company announced that has closed the first tranche of its non-brokered private placement, The Company issued 390,625 flow-through units for gross proceeds of \$125,000 and 100,000 non flow-through units for gross proceeds of \$27,500, for total gross proceeds of \$152,500. In connection with this financing, the Company paid a total of \$9,150 in finder's fees and issued a total of 29,437 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years.

In June 2019, the Company reported that drilling has commenced at the West McArthur uranium project to expand current high grade uranium mineralization discovered in holes drilled by Cameco during their recent work program on the property. The program is intended to locate high-grade uranium hosted in faults along the C10 horizon, the major regional fault structure.

In June 2019, the Company reported final laboratory assays for the high-grade sulphide nickel mineralization intercepted in the winter drill program at Manibridge, Manitoba. All four holes on the North Manibridge Zone returned upgraded assay results and lengths, with high-grade nickel up to 12.06% over 0.95 metre contained within semi-massive and disseminated sulphide mineralization.

In May 2019, the Company reported that drill and camp contracts have been awarded for the summer drill program at the West McArthur uranium project. The program is intended to locate high-grade uranium hosted in faults along the C10 horizon, the major regional fault structure. Two previous drill holes intersected high-grade uranium - up to 5% U3O8 - just west of the projection of the C10 horizon and near the unconformity contact. CanAlaska believes the controlling structure of this high-grade mineralization has yet to be intersected in drilling. The summer drill program is being operated by CanAlaska, and follows on the three-year target definition by Cameco's drill team.



In May 2019, the Company announced that it had closed its private placement financing and issued 1,744,500 flow-through units for gross proceeds of \$558,240 and 9,551,910 non flow-through units for gross proceeds of \$2,626,775.25, for total gross proceeds of \$3,185,015.25. In connection with this financing, the Company paid a total of \$178,330 in finder's fees and issued a total of 511,379 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years.

## 2.2 Project Updates

### Overview

The Company currently has 15 projects within the Athabasca basin area. There is significant exploration being carried out on the West McArthur project, which was under an option to Cameco and is now under a 30% joint venture with Cameco. In the first nine months of fiscal 2020, the Company spent approximately \$2.1 million on exploration.

Exploration spending in the first three quarter of 2020 is up from the same comparative quarter of 2019 largely due to exploration activities on the West McArthur property. 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, 2020.

<b>Table 2: (\$000's)</b>						<b>Other and</b>	
<b>Total Exploration</b>	<b>West</b>	<b>NW Manitoba</b>	<b>Cree East</b>	<b>Manibridge</b>	<b>Generative</b>	<b>Projects</b>	<b>Total</b>
Camp Cost & Operations	480	-	-	-	-	-	480
Drilling	1,106	-	-	-	-	-	1,106
General & Admin	212	11	2	2	(116)	-	111
Geochemistry	76	-	-	1	-	-	77
Geology	174	-	2	11	34	-	221
Geophysics	62	-	-	-	2	-	64
Other	19	-	-	-	-	-	19
<b>Gross Expenditures</b>	<b>2,129</b>	<b>11</b>	<b>4</b>	<b>14</b>	<b>(80)</b>		<b>2,078</b>
Reimbursement	-	-	-	-	-	-	-
<b>Net Expenditures</b>	<b>2,129</b>	<b>11</b>	<b>4</b>	<b>14</b>	<b>(80)</b>		<b>2,078</b>

The following section contains a comparative breakdown of project expenditures for the Company's significant projects.

### 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. The option agreement enables Cameco to earn up to a 60% interest in the West McArthur project through total expenditures of \$12.5 million until February 2022 (\$725,000 received) consisting of cash payments to the Company and accelerating exploration programs, culminating in a joint venture. In October 2018, the Company entered into a 30/70 joint venture agreement with Cameco Corporation.

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 (locally high grade) 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. However, the property is in close proximity to the McArthur River uranium mine operated by Cameco. 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.

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 since 2005. The West McArthur property is without known reserves and any proposed program is exploratory in nature.

In May 2017, the Company received Cameco's \$1.9 million budget for geophysics and drilling at the West McArthur uranium project. The exploration activities were targeting Grid 1 and Grid 5 using a helicopter supported team based at Cameco's nearby majority owned McArthur River mine.

In August and September 2017, the Company received interim drilling results from Cameco and in November 2017, the Company received final results from drill holes WMA042 and WMA042-2, on the West McArthur uranium project. First two holes on C10 conductor intersect 1.51% U<sub>3</sub>O<sub>8</sub> over 5.5 metres and 1.26% U<sub>3</sub>O<sub>8</sub> over 4.4 metres, highlighted by 4.15% U<sub>3</sub>O<sub>8</sub> over 1.4 metres. The two drill holes intersected high-grade uranium within a broad fault controlled zone of strongly bleached sandstone accompanied by a pyrite halo just above the Athabasca sandstone unconformity.

Also, in November 2017, the Company received Cameco's proposed 2018 program and budget for the West McArthur uranium project. Cameco proposed a \$1.61 million drill exploration program starting in the first quarter of 2018. The exploration program includes 6,200 metres (20,300 feet) of drilling (6 - 7 drill holes) at Grid 5 in the vicinity of the West McArthur discovery. Cameco's exploration campaign follows-up a successful seven-hole summer drill program that intersected high-grade uranium along trend from Cameco's Fox Lake uranium discovery.

In January 2018, ground geophysical surveys were completed and in March 2018, the winter program of 6 to 7 drill holes was ongoing and new targets had been defined following the completion of a Step Wise Moving Loop Time Domain EM ground survey. Initial drill holes were being followed-up with wide spaced step-out holes.

In April 2018, the Company received the result's from Cameco's winter drill program at the 5 kilometre long Grid 5 target area. Cameco's drilling concentrated on developing an overall view of the geology and alteration between hole WMA047, located 1.4 kilometres to the southwest of the uranium mineralization in hole WMA042, through to hole WMA050 located 800 metres to the northeast. Additional drill holes over a two kilometre trend also intercepted encouraging alteration and additional graphitic horizons. Of the seven drill holes completed this winter, six had significant faulting and alteration and one was mineralized (WMA045).

In May 2018, the Company reported ongoing summer work under Cameco's year 3 program at the 5 kilometre long Grid 5 target. The summer activities will include borehole EM to explain and locate the conductor and better interpret the fault location.

Total expenditures reported by Cameco Corporation during the option period to October 31, 2018 of \$5.0 million.

In October 2018, the Company reported that Cameco Corporation had given notice to acquire its 30% interest and form a joint venture on the West McArthur uranium project. The Company will not become operator of the joint venture. The Company is currently in the process of preparing a program of work for 2019 exploration



In December 2018, the Company reported that it had formed the "West McArthur Joint Venture", with Cameco Corporation. The Company would act as the operator and 70% owner. At the December 6, 2018 joint venture meeting, operatorship was transferred and a \$2.4 million exploration budget was accepted for 2019 drilling and geophysics. The program of work will focus on extending the footprint of the three uranium mineralized discovery holes completed in 2017 and 2018.

In January 2019, the Company reported that plans have been made for drill testing of the northern portion of Grid 5, where Cameco identified multiple intercepts of uranium mineralization in the most recent drill programs at the West McArthur project. Under the Joint Venture with Cameco, the Company will act as Operator and plans to drill 7000 metres in 10 drill holes this summer to endeavor to intersect lenses of higher-grade uranium mineralization.

In May 2019, the Company reported that drill and camp contracts have been awarded for the summer drill program at the West McArthur uranium project. The program is intended to locate high-grade uranium hosted in faults along the C10 horizon, the major regional fault structure. Two previous drill holes intersected high-grade uranium - up to 5% U<sub>3</sub>O<sub>8</sub> - just west of the projection of the C10 horizon and near the unconformity contact. CanAlaska believes the controlling structure of this high-grade mineralization has yet to be intersected in drilling. The summer drill program is being operated by CanAlaska, and follows on the three-year target definition by Cameco's drill team.

In June 2019, the Company reported that drilling has commenced at the West McArthur uranium project to expand current high grade uranium mineralization discovered in holes drilled by Cameco during their recent work program on the property. The program is intended to locate high-grade uranium hosted in faults along the C10 horizon, the major regional fault structure.

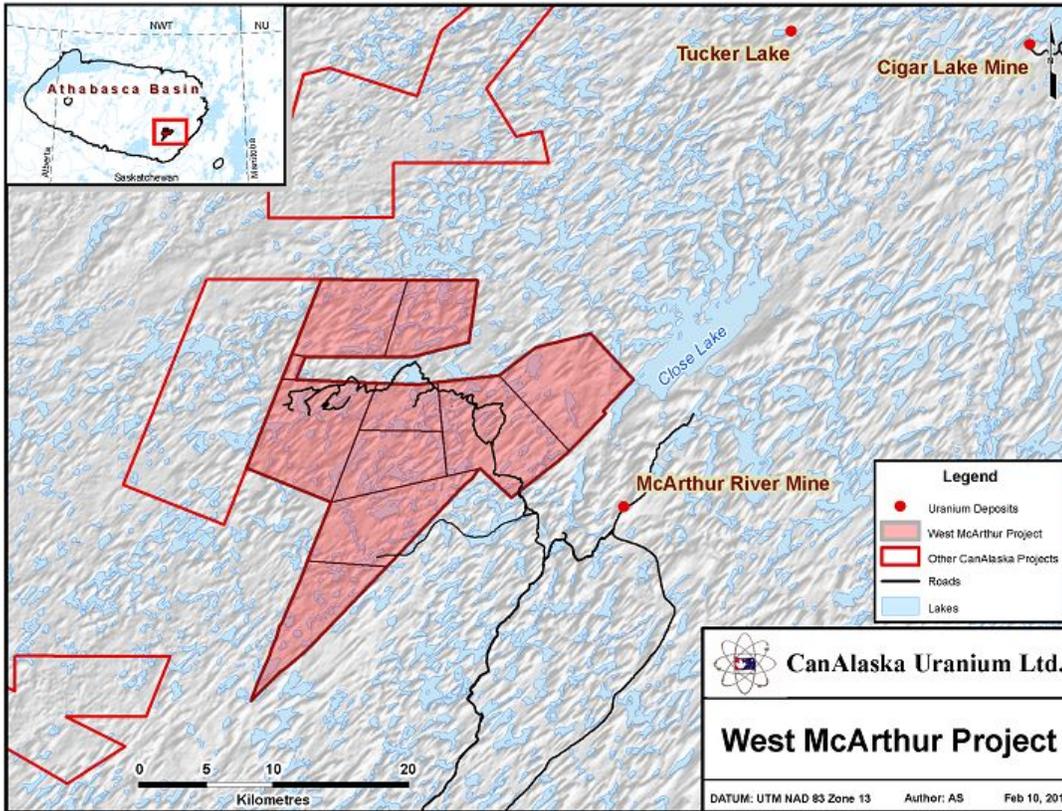
In September 2019, the Company reported that summer drilling was completed at the West McArthur uranium project. The unconformity related uranium mineralization intersected in Cameco's discovery holes WMA042 and WMA042-2, has been extended 50 metres to the south and 200 metres to the west and tied to down-hole geophysics imaging of the C10 conductor package. With downhole geophysics we have now located the C10 conductor horizon, approximately 100 metres south of the original high-grade discovery. There is highly elevated uranium, lead, cobalt, boron, nickel and copper in the mineralization and associated alteration halos in all of the drill holes where assays have been received to date. The program has successfully extended the discovery footprint of holes drilled by Cameco during their recent work programs on the property.

In October 2019, the Company reported high-grade uranium in final assay data for the recent drill program at the West McArthur uranium project. The mineralization containing high uranium, as well as base metal mineralization, is similar in character to the nearby high-grade Fox Lake uranium deposit of Cameco and Orano. Assay data for the latest drill holes, in particular for drill hole WMA055-2, has upgraded earlier U<sub>3</sub>O<sub>8</sub> values up to 7.95%.

In October 2019, the Company reported that the latest West McArthur high-grade drill results include 6.8% U<sub>3</sub>O<sub>8</sub> over 0.70 metres within a broad 650 metre by 400 metre geochemical halo – extending from bedrock to near-surface – provide strong support for continued drilling of the Grid 5 target zone in 2020.

In January 2020, the Company reported that crews resumed drilling at the West McArthur uranium project. The 2019 drill program successfully extended the discovery footprint of holes drilled by Cameco during their recent work programs on the property. The mineralization, containing high-grade uranium as well as base metal mineralization, is similar in character to the nearby high-grade Fox Lake uranium deposit of Cameco and Orano. Drilling in the winter will focus on a 300 metre length of the C10 conductor where current drilling has indicated the presence of a strong hydrothermal system and a well mineralized target.

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 July 2017, the Company reported that it and its Korean partners, Hanwha, KORES, KEPCO, and SK Networks, had entered into a buy back agreement for the Korean partners' 50% interest in the Cree East uranium project limited partnership. The Company bought back the 50% interest in the limited partnership earned by the Korean partners in consideration for certain indemnities which it provided to the Partners. In addition, all funds previously invested by the partners that was held in the partnership's bank account on the date of closing, was returned to the partners at closing. The Company owned an unencumbered 100% interest in the project.

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.

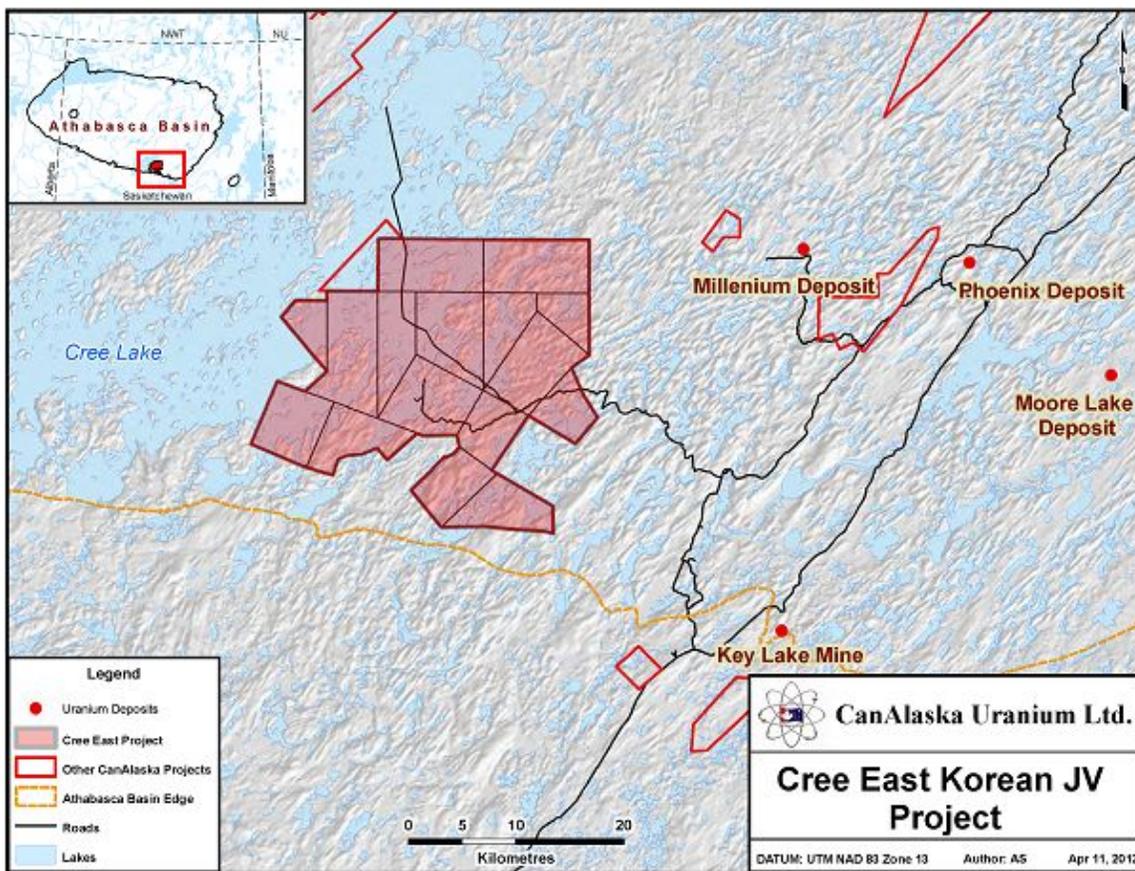


The property has undergone extensive exploration since 2005 with \$19.3 million expended on surveys, extensive geophysical testing and over 70 drill holes testing targets. The Cree East property is without known reserves and any proposed program is exploratory in nature.

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 million to \$4 million, including drill geophysics, camp and logistics.

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 had 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 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 in September 2015.

In November 2017, Northern Uranium reported its intention to form a 70/30% joint venture with the Company for the NW Manitoba property.

In June 2018, the Company and Northern Uranium staked 37 claim block totalling 9,472 hectares. The Company's portion of the staking cost amounted to \$29,518.

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

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 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 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.

On April 26, 2017, the Company received notice from Fjordland Exploration Inc. for the termination of the West Athabasca Kimberlite project option.

In December 2017, the Company acquired five claim blocks totalling 2,780 hectares in the Western Athabasca Basin northeast of the Carswell structure and close to a large crustal structure, the Grease River Shear Zone for \$1,692. These claims complement the Western Athabasca diamond project, previously optioned by De Beers.

In June and October 2018, the Company acquired 48 claim blocks totalling 32,600 hectares in the Western Athabasca Basin northeast of the Carswell structure and close to a large crustal structure, the Grease River Shear Zone for \$22,019.

In July and December 2018, the Company recognized an impairment on its West Athabasca Kimberlite claims of approximately \$7,000 as it did not renew certain of its permits on these claims.

### **2.2.5 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.

In May 2017, the Company received notification that Denison has met the exploration requirement for the first option and has earned 51% legal and beneficial interest in the Moon project.

In July 2017, the Company recognized an impairment on certain of its Moon North claims of approximately \$2,000 as it did not renew its permits on these claims.

### **2.2.6 Ruttan-Nisku**

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.

In April 2017, the Company announced it had completed four drill holes to depths of 140 to 260 metres from surface, to test the Nisku geophysical target located 12 kilometres northeast of the past producing Ruttan mine. Three drill holes intercepted semi-massive to massive sulphide mineralization. The fourth drill hole intersected a more complex tuffaceous sequence that also included sections of sulphide mineralization. Drill assay results were released in May.

In May 2017, the Company announced results from the four reconnaissance drill holes at the Nisku target located 7 kilometres east of the Company's North Ruttan copper-zinc property in the Leaf Rapids area of northern Manitoba. Drilling intersected massive iron sulphides between surface and 150 metres depth, with elevated copper mineralization in holes NSK001- NSK002 and NSK003. Drill hole NSK004 located to the east intersected volcanics with minor sulphides. The drilling has set the framework for more detailed interpretation of the zone and the localization of the expected feeder pipes proximal to the massive sulphides and stratigraphic rock package intersected in these first four drill holes.

In June 2017, the Company received \$90,641 from the Mineral Exploration Assistance Program (MEAP) from the Manitoba government for exploration expenditures on the Ruttan project.

### **2.2.7 Manibridge**

In January 2019, the Company reported that contracts have been signed for drill testing of the Manibridge high grade nickel targets, in the southern Thompson Nickel Belt (“TNB”) Manitoba. The Company has three large projects in the Thompson Nickel Belt. The Manibridge target shows a significant concentration of high-grade nickel within a broad fold structure that appears to extend to depth. A 400 metre long high-grade nickel target within a 1,200 metre long horizon of semi-continuous nickel mineralization, north of the former producing Manibridge nickel mine, will be tested with an initial 1000 metres of core drilling.

In February 2019, the Company reported that drill testing of the Manibridge high-grade nickel zone, in the Thompson Nickel Belt has begun. As previously reported, the 400 metre long Manibridge high-grade nickel zone shows a significant concentration of nickel within a broad fold structure that appears to extend to depth. This high-grade zone of nickel mineralization lies within a 1,200 metre long zone of semi-continuous, high-tenor nickel mineralization. This zone extends north from the past-producing Manibridge nickel mine. The objectives of the 1,100 metre drilling program will be to test the nickel mineralization grade, thickness, continuity and geological controls, and to test a newly identified geophysical target. Two of the best historical intersections from this 400 metre zone were 12.1 metres of 1.46% Ni in hole W50-130 and 2.6 metres of 3.05% Ni, in hole W50-124.

In February 2019, the Company reported on successful completion of drilling at Manibridge, Manitoba. Four holes showed semi-massive and massive sulphide mineralization with associated wider zones of disseminated sulphides near existing mineralization. The four hole, 1,000 metre drill program successfully intercepted a broad fold structure, 2.5 kilometres north of the past-producing high-grade Manibridge nickel mine. Nickel mineralization was intersected in all holes. In each case a zone of massive sulphides, 0.5 to 4 metres long in drill holes, is hosted by a broad zone of disseminated sulphide mineralization (8 to 14 metres in length). Portable XRF analyses of the core shows that nickel is present both in the massive and in the disseminated sulphide mineralization.

In March 2019, the Company reported intersection of high-grade sulphide nickel mineralization at Manibridge, Manitoba. All four holes from the recently completed drill program at the North Manibridge Zone returned high-grade nickel up to 9.47% contained within semi-massive and disseminated sulphide mineralization.

In March 2019, the Company reported it had agreed to purchase 100% of the past-producing Manibridge Nickel Mine in the Thompson Nickel Belt, Manitoba, from Pure Nickel Inc. The Thompson Nickel Belt is the fifth largest and third highest grade sulphide nickel belt in the world. Pursuant to the terms of the agreement, the Company issued Pure Nickel Inc 300,000 shares and 100,000 warrants and paid \$25,000 to obtain 100% ownership of the Manibridge Mine claims totalling 270 hectares.

In June 2019, the Company reported final laboratory assays for the high-grade sulphide nickel mineralization intercepted in the winter drill program at Manibridge, Manitoba. All four holes on the North Manibridge Zone returned upgraded assay results and lengths, with high-grade nickel up to 12.06% over 0.95 metre contained within semi-massive and disseminated sulphide mineralization.



In October 2019, the Company reported drilling intersected high-grade mineralization – up to 12% Ni – at the north zone. Compilation of historical drill-hole data from the newly acquired Manibridge mine property has identified multiple new exploration targets and that follow-up drilling is warranted for discovery of high-grade sulphide nickel deposits in 2020.

### 2.2.8 Hunter

In January 2019, the Company staked 11 claim blocks totalling 2,455 hectares in central Manitoba, north-west of the Manibridge Mine for \$21,255.

### 2.2.9 Quesnel

In February and March 2019, the Company recognized an impairment on certain of its Quesnel claims of approximately \$1,000 as it did not renew its permits on these claims.

### 2.2.10 Zeballos

In February 2019, the Company sold 22 crown grants and entered into a property purchase agreement with Privateer Gold Ltd. ("Privateer") for \$250,000 cash (received) and a net smelter royalty of 2%.

### 2.2.11 Thompson Nickel Belt

In June 2019, the Company recognized an impairment on certain of its Thompson Nickel Belt claims of approximately \$4,000 as it did not renew its permits on these claims.

In February 2020, the Company announced that it had entered into a Letter of Interest ("LOI") with Fjordland Exploration Inc. to allow Fjordland to earn up to 80% interest in CanAlaska's 100% owned North Thompson Nickel project in Manitoba. Fjordland may earn up to 80% interest in the project by undertaking work and payments in three defined earn-in stages. Fjordland may earn an initial 49% interest in the project by paying the Company \$25,000 cash, issue 1,000,000 common shares of Fjordland, and incur \$1,500,000 in exploration expenditures within 18 month of TSX Venture Exchange approval date. Fjordland may earn an additional 21% interest by paying \$50,000 cash, issue a further 1,500,000 common shares, and incur an addition \$2,500,000 in exploration expenditures within 24 months of entering the stage 2 option. Fjordland may earn an additional 10% by paying \$75,000, issue a further 6,000,000 common shares, and incur an additional \$5,000,000 in exploration expenditures in the project within 24 month of entering stage 3 of the option.

### 2.2.12 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 3:**

<b>Other projects update</b>	<b>Status</b>	<b>Recent work undertaken</b>
Alberta Diamond	Seeking Venture Partner	Airborne survey in October 2016
Key Lake	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
NW Kimberlite	Option with Fjordland and De Beers option terminated in Dec 2016	7 of the 300+ De Beers kimberlite targets tested
Patterson	Seeking Venture Partner. Option with Makena terminated	Two drill holes carried out by Makena
Waterbury	Portion purchased by Cameco	Drill program carried out by Cameco in 2017
Zeballos	Sold to Privateer Gold Ltd.	

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 2020, the Company recognized an impairment on its Thompson Nickel Belt claim of approximately \$3,000 as it did not renew certain of its permit on this property.



CanAlaska maintains 6 other projects in the Athabasca basin and 2 projects 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.

### 3. FINANCIAL POSITION AND CAPITAL RESOURCES

#### 3.1 Cash and Working Capital

<b>Table 4: (\$000's)</b>		
<b>Cash and Working Capital</b>	<b>Jan-20</b>	<b>Apr-19</b>
Cash and cash equivalents	2,854	1,073
Prepaid and deposits	160	110
Equity securities	282	315
Trade and other payables	(274)	(157)
<b>Working capital</b>	<b>3,022</b>	<b>1,341</b>

For analysis and discussion of the movement in cash and cash equivalents reference should be made to Section 5 of this MD&A. Reference should be made to note 4 of the condensed interim consolidated financial statements for further details.

As at January 31, 2020, included within trade and other receivables is approximately \$10,000 in Goods and Services Tax ("GST") refunds, \$93,000 in prepaid market related services expenses and \$14,000 in prepaid insurance, \$19,000 in interest receivable and \$19,000 in mineral property application deposits. The decrease in equity securities is primarily a result of a decrease in the market value of the Company's portfolio of equity securities at period end. The increase in trade and other payables is due primarily to the increase in corporate and exploration activities compared with the fourth quarter of 2019.

#### 3.2 Other Assets and Liabilities

<b>Table 5: (\$000's)</b>		
<b>Other Assets and Liabilities</b>	<b>Jan-20</b>	<b>Apr-19</b>
Reclamation bonds	49	75
Property and equipment	47	26
Mineral property interests (Section 2.2)	364	368

During the nine months ended January 31, 2020, the Company recognized an impairment on its Thompson Nickel Belt project for approximately \$4,000 as it did not renew certain of its permits for this property. Also during the period, the Company forfeited approximately \$25,000 of reclamation bonds for its Strong, Hunter and Manibridge projects and purchased a vehicle for approximately \$27,000.

#### 3.3 Equity and Financings

<b>Table 6: (\$000's)</b>		
<b>Shareholders' Equity</b>	<b>Jan-20</b>	<b>Apr-19</b>
Common shares	79,600	76,337
Share subscription received	-	437
Equity reserve	14,224	12,471
Investment revaluation reserve	(1,824)	(1,810)
Deficit	(88,518)	(85,625)
<b>Total shareholders' equity</b>	<b>3,482</b>	<b>1,810</b>

**Table 7: (000's)**

<b>Equity Instruments</b>	<b>Jan-20</b>	<b>Apr-19</b>
Common shares outstanding	57,576	34,082
Options outstanding		
Number	3,854	3,325
Weighted average price	\$0.31	\$0.34
Warrants outstanding		
Number	24,154	5,227
Weighted average price	\$0.55	\$0.59

**Equity instruments**

As of March 9, 2019, the Company had the following securities outstanding. Common shares - 57,575,875; stock options – 5,220,000 and warrants – 23,215,156.

On January 20, 2020, the Company completed a non-brokered private placement and issued 3,826,250 non flow-through units for gross proceeds of \$612,200. Each non flow-through unit was sold at a price of \$0.16 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.40. In connection with this financing, the Company paid cash finder's fees of \$902, legal and filing fees of \$18,282 and issued a total of 5,640 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.40/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$194 using the Black Scholes option pricing model.

On December 30, 2019, the Company completed a non-brokered private placement and issued 6,190,889 flow-through units for gross proceeds of \$1,176,269 and 840,000 non flow-through units for gross proceeds of \$134,400, for total gross proceeds of \$1,310,669. Each flow-through unit was sold at a price of \$0.19 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.16 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.40. In connection with this financing, the Company paid cash finder's fees of \$50,797, legal and filing fees of \$22,046 and issued a total of 267,823 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.40/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$8,725 using the Black Scholes option pricing model.

On August 15, 2019, the Company completed a non-brokered private placement and issued 695,000 flow-through units for gross proceeds of \$224,400 and 155,000 non flow-through units for gross proceeds of \$42,625, for total gross proceeds of \$265,025. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$14,829, legal and filing fees of \$7,453 and issued a total of 47,100 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$1,309 using the Black Scholes option pricing model. As the Company has incurred \$222,400 of exploration expenditures related to the flow-through financing, it has recognized \$55,600 of the \$55,600 flow-through premium in income.

On July 18, 2019, the Company completed a non-brokered private placement and issued 390,625 flow-through units for gross proceeds of \$125,000 and 100,000 non flow-through units for gross proceeds of \$27,500, for total gross proceeds of \$152,500. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$9,150 and issued a total of 29,437 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$929 using the Black Scholes option pricing model. As the Company has incurred \$125,000 of exploration expenditures related to the flow-through financing, it has recognized \$27,344 of the \$27,344 flow-through premium in income.



On May 16, 2019, the Company completed a non-brokered private placement and issued 1,744,500 flow-through units for gross proceeds of \$558,240 and 9,551,910 non flow-through units for gross proceeds of \$2,626,775.25, for total gross proceeds of \$3,185,015.25. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$178,330, legal and filing fees of \$85,771 and issued a total of 511,379 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$12,408 using the Black Scholes option pricing model. As the Company has incurred \$558,240 of exploration expenditures related to the flow-through financing, it has recognized \$165,728 of the \$165,728 flow-through premium in income.

On December 27, 2018, the Company completed a non-brokered private placement and issued 930,000 flow-through units at a price of \$0.35 per unit for gross proceeds of \$325,500. Each flow-through unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.60 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$22,785, legal fees of \$6,388 and issued 65,100 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$1,041 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units. As the Company has incurred \$325,500 of exploration expenditures related to the flow-through financing, it has recognized \$37,200 of the \$37,200 flow-through premium in income.

On November 20, 2018, the Company completed a non-brokered private placement and issued 1,795,375 units at a price of \$0.32 per unit for gross proceeds of \$574,520. Each unit consists of one common share and a half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share for a period of three years from the closing date, at a price of \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$4,800, legal fees of \$7,784 and issued 15,000 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$572 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units.

On June 20, 2018, the Company completed a non-brokered private placement and issued 853,276 flow-through units at a price of \$0.39 and 531,588 units at a price of \$0.34 per unit for gross proceeds of \$513,518. Each flow-through unit and ordinary unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$20,292, legal fees of \$10,060 and issued 52,955 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$2,359 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units. As the Company has incurred \$332,778 of exploration expenditures related to the flow-through financing, it has recognized \$21,332 of the \$21,332 flow-through premium in income.

On February 20, 2018, the Company completed a non-brokered private placement and issued 1,722,823 units at a price of \$0.34 per unit for gross proceeds of \$585,760. Each unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 per share for 10 consecutive trading days then thereafter the exercise period of the share purchase warrant will be reduced to a period of 30 calendar days following the date express written notice of such acceleration is provided by the Company to the warrant holder. The Company paid cash finder's fee of \$26,418, legal fees of \$10,183 and issued 77,700 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded



at a fair value of \$5,791 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units.

<b>Table 8: Proceeds from Financings</b>			
<b>Date</b>	<b>Type</b>	<b>Intended Use</b>	<b>Actual Use</b>
February 2018	\$0.5 million – 1,722,823 Ordinary units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
June 2018	\$0.5 million – 531,588 Ordinary units and 853,276 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
November 2018	\$0.6 million – 1,795,395 Ordinary units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
December 2018	\$0.3 million – 930,000 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
May 2019	\$3.2 million – 9,551,910 Ordinary units and 1,744,500 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
July 2019	\$0.2 million – 100,000 Ordinary units and 390,625 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
August 2019	\$0.3 million – 155,000 Ordinary units and 695,000 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
December 2019	\$1.3 million – 840,000 Ordinary units and 6,190,889 Flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended
January 2020	\$0.6 million – 3,826,250 Ordinary units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and Alberta as well as for general corporate purposes	As Intended



## 4. EXPENDITURES REVIEW

Table 9: (\$000's) Quarterly Net Loss & Comprehensive Loss Summary	Quarterly							
	Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320
<b>Exploration Cost</b>								
Mineral property expenditures net of reimbursements	102	60	112	135	345	907	935	236
Mineral property write-offs	5	3	-	5	1	4	-	-
Recoveries on option payments received	(29)	-	-	-	-	-	-	-
Gain on sale of mineral property interest	-	-	-	-	(250)	-	-	-
	78	63	112	140	96	911	935	236
<b>Other Expenses (Income)</b>								
Consulting, labour and professional fees	144	113	140	193	262	227	154	252
Depreciation	3	2	2	2	2	2	4	1
Foreign exchange (gain) loss	(2)	-	(1)	1	1	-	1	(1)
Insurance, licenses and filing fees	15	31	26	12	35	38	21	9
Interest income	(1)	(2)	(3)	(2)	(2)	(13)	(10)	(8)
Other corporate costs	12	9	10	14	17	3	15	10
Investor relations and presentations	44	40	24	21	40	43	69	50
Rent	3	4	3	4	3	4	3	3
Stock-based payments	-	85	-	306	-	127	-	-
Travel and accommodation	12	13	11	13	12	14	17	7
Impairment and loss (gain) on disposal of equity securities	(31)	-	-	-	-	-	-	-
Flow-through premium	-	(3)	(7)	(10)	(39)	(193)	(56)	-
	199	282	196	554	331	252	218	323
<b>Net loss for the period</b>	<b>(277)</b>	<b>(355)</b>	<b>(317)</b>	<b>(694)</b>	<b>(427)</b>	<b>(1,163)</b>	<b>(1,153)</b>	<b>(559)</b>
<b>Other comprehensive loss</b>								
<b>Items that may be subsequently reclassified to profit or loss:</b>								
Unrealized loss (gain) on equity securities	68	-	-	-	-	-	-	-
<b>Items that will not be subsequently reclassified to profit or loss</b>								
Net realized and unrealized loss (gain) on equity securities	-	(51)	173	60	(34)	30	31	(28)
<b>Comprehensive loss</b>	<b>(345)</b>	<b>(304)</b>	<b>(490)</b>	<b>(754)</b>	<b>(393)</b>	<b>(1,193)</b>	<b>(1,184)</b>	<b>(531)</b>
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.03)	(0.01)	(0.01)

In the nine months ended January 31, 2020, the Company spent \$2,078,000 on exploration costs. The majority of the exploration expenditures were allocated to the West McArthur project.

In Q120, the Company recognized mineral property impairments on the Thompson Nickel Belt project for approximately \$4,000 as the Company did not renew certain of its permits for this project.

Consulting, labour, and professional fees were higher in Q320 compared to Q319. The increase is primarily attributed to an increase in Legal fee of approximately \$18,000 and labour of approximately \$57,000 relative to Q319.

Insurance, licenses and filing fees are lower in Q320 compared to Q319. The decrease is primarily due to minor decreases in filing fees and insurance compared the same comparative prior period.

Investor relations expenses were higher in Q320 compared to Q319. The increase is primarily attributed to an increase in the use of an investor relations consultant and the usage of print and web-based media and attendance to investor relations conferences in Q320 relative to Q319.

Rent expenses were consistent with the same comparative prior period in Q319.



## 5. CASHFLOW AND LIQUIDITY REVIEW

As of January 31, 2020, the Company had \$2.9 million in cash and cash equivalents and working capital of \$3.0 million and as of April 30, 2019, the Company had \$1.1 million in cash and cash equivalents and working capital of \$1.3 million.

### 5.1 Operating Activities

The Company's operating activities resulted in net cash outflows of \$2.9 million and \$1.1 million for the nine months ended January 31, 2020 and 2019 respectively. Operating activities and costs for the nine months ended January 31, 2020 are higher than the nine months ended January 31, 2019. The increase was primarily due to the increase in the Company's exploration activity compared to the prior period. The Company is however 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 approximately \$4.7 million and \$1.3 million for the nine months ended January 31, 2020 and 2019 respectively. During the nine month period ended January 31, 2020, the Company completed several non-brokered private placements for gross proceeds of \$4.7 million. During the nine month period ended January 31, 2019, the Company completed a non-brokered private placement for gross proceeds of \$1.3 million. 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 outflows of approximately \$27,000 and \$38,000 for the nine months ended January 31, 2020 and 2019 respectively. During the nine months ended January 31, 2020, the Company purchased a vehicle for approximately \$27,000. During the nine months ended January 31, 2019, the Company acquired claims for NW Manitoba, West Athabasca Kimberlite and Manibridge projects totalling approximately \$74,000. Also, during the nine months ended January 31, 2019, the Company received approximately \$39,000 in proceeds from the sale of equity securities.

## 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, 2019, 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, 2020 and 2019 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by VP of Exploration and to a director of the Company.

Table 10: Compensation to Related Parties (\$000's)	Three months ended January 31		Nine months ended January 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Employment benefits	138	101	379	261
Consulting fees	35	48	102	124
Directors fees	8	8	23	15
Share-based compensation	-	294	122	361



The directors and key management were awarded the following share options under the employee share option plan during the nine months ended January 31, 2020:

**Table 11: Share Option Issuance**

<b>Date of grant</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry</b>
June 12, 2019	1,150,000	\$0.26	June 12, 2021

## **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 10 of the audited consolidated financial statements for the year ended April 30, 2019. 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, 2020 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**

The adoption of IFRS 16 began on May 1, 2019. The adoption of IFRS 16 had an immaterial impact on the Company's financial statements.

### **6.7 Future Accounting Pronouncements**

There are no other IFRS's or International Financial Reporting Interpretations Committee ("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 189,747 ha of property to reduce to 137,630 ha by December 31 2020, and 121,479 ha by December 31 2021. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 10 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.

**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**

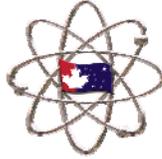
Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

**7. QUARTERLY FINANCIAL INFORMATION**

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

<b>Table 12: (\$000's)</b>	<b>Quarterly</b>							
<b>Loss &amp; Comprehensive Loss Summary</b>	<b>Q418</b>	<b>Q119</b>	<b>Q219</b>	<b>Q319</b>	<b>Q419</b>	<b>Q120</b>	<b>Q220</b>	<b>Q320</b>
<b>Revenue</b>	-	-	-	-	-	-	-	-
<b>Loss for the period</b>	(277)	(345)	(308)	(694)	(427)	(1,163)	(1,152)	(559)
<b>Loss per share</b>	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.03)	(0.02)	(0.01)

<b>Table 13: (\$000's) Financial Position summary</b>	<b>As at</b>							
	<b>Apr 30, 2018</b>	<b>Jul 31, 2018</b>	<b>Oct 31, 2018</b>	<b>Jan 31, 2019</b>	<b>Apr 30, 2019</b>	<b>Jul 31, 2019</b>	<b>Oct 31, 2019</b>	<b>Jan 31, 2020</b>
<b>Total Assets</b>	1,758	2,035	1,543	1,887	1,967	3,764	2,307	3,756
<b>Total Liabilities</b>	210	243	241	213	157	586	124	274
<b>Total Equity</b>	1,548	1,792	1,302	1,674	1,810	3,178	2,183	3,482



# **CanAlaska Uranium Ltd.**

Condensed Interim Consolidated Financial Statements

**Third Quarter - January 31, 2020**

(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)

	January 31 2020 \$000's	April 30 2019 \$000's
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	2,854	1,073
Prepaid and deposits	160	110
Equity securities (note 5)	282	315
<b>Total current assets</b>	<b>3,296</b>	<b>1,498</b>
<b>Non-current assets</b>		
Reclamation bonds	49	75
Property and equipment (note 6)	47	26
Mineral property interests (note 7)	364	368
<b>Total assets</b>	<b>3,756</b>	<b>1,967</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	274	157
	<b>274</b>	<b>157</b>
<b>Equity</b>		
Common shares (note 8)	79,600	76,337
Share subscription received (note 8)	-	437
Equity reserve (note 8)	14,224	12,471
Investment revaluation reserve	(1,824)	(1,791)
Accumulated deficit	(88,518)	(85,644)
	<b>3,482</b>	<b>1,810</b>
	<b>3,756</b>	<b>1,967</b>

**Going Concern** (note 2)

**Commitments** (note 11)

**Approved by the Board of Directors**

“Peter Dasler”

Director

“Jean Luc Roy”

Director

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

# CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

**For the nine months ended January 31, 2020 and 2019**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

	Three months ended January 31 2020 (\$000's)	Three months ended January 31 2019 (\$000's)	Nine months ended January 31 2020 (\$000's)	Nine months ended January 31 2019 (\$000's)
<b>EXPLORATION COSTS</b>				
Mineral property expenditures net of reimbursements	236	135	2,078	307
Mineral property write-offs (note 7)	-	5	4	8
	<u>236</u>	<u>140</u>	<u>2,082</u>	<u>315</u>
<b>OTHER EXPENSES (INCOME)</b>				
Consulting, labour and professional fees	252	193	633	446
Depreciation and amortization (note 6)	1	2	6	5
Foreign exchange (gain) loss	(1)	1	-	-
Insurance, licenses and filing fees	9	12	68	69
Interest income	(8)	(2)	(31)	(7)
Other corporate costs	10	14	28	34
Investor relations and presentations	50	21	162	85
Rent	3	4	10	11
Share-based payments (note 9)	-	306	127	391
Travel and accommodation	7	13	38	37
Impairment of available-for-sale securities (note 5)	-	-	-	-
Flow-through premium (note 8)	-	(10)	(249)	(20)
	<u>323</u>	<u>554</u>	<u>792</u>	<u>1,051</u>
<b>Net loss for the period</b>	(559)	(694)	(2,874)	(1,366)
<b>Other comprehensive loss</b>				
Realized and unrealized loss (gain) on equity securities	(28)	60	33	182
<b>Total comprehensive loss for the period</b>	<u>(531)</u>	<u>(754)</u>	<u>(2,907)</u>	<u>(1,548)</u>
<b>Basic and diluted loss per share (\$ per share)</b>	(0.01)	(0.02)	(0.06)	(0.04)
<b>Basic and diluted weighted average common shares outstanding (000's)</b>	49,241	32,481	46,490	31,286

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

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended January 31, 2020 and 2019

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

	Common Shares		Share Subscriptions Received	Equity Reserve \$000's	Investment Revaluation Reserve \$000's	Accumula ted Deficit \$000's	Total Equity \$000's
	Shares 000's	Amount \$000's					
<b>Balance-April 30, 2018</b>	<b>29,672</b>	<b>75,219</b>	-	<b>11,823</b>	<b>(1,643)</b>	<b>(83,851)</b>	<b>1,548</b>
Issued on private placement for cash	4,110	1,414	-	-	-	-	1,414
Warrants issued on private placement	-	(242)	-	242	-	-	-
Flow-through premium (note 8)	-	(59)	-	-	-	-	(59)
Share issuance costs	-	(76)	-	4	-	-	(72)
Share-based payments	-	-	-	391	-	-	391
Realized and unrealized loss on equity securities	-	-	-	-	(182)	-	(201)
Loss for the period	-	-	-	-	-	(1,366)	(1,347)
<b>Balance-January 31, 2019</b>	<b>33,782</b>	<b>76,256</b>	-	<b>12,460</b>	<b>(1,825)</b>	<b>(85,217)</b>	<b>1,674</b>
<b>Balance - April 30, 2019</b>	<b>34,082</b>	<b>76,337</b>	<b>437</b>	<b>12,471</b>	<b>(1,791)</b>	<b>(85,644)</b>	<b>1,810</b>
Issued on private placement for cash	23,494	5,525	(437)	-	-	-	5,088
Warrants issued on private placement	-	(1,602)	-	1,602	-	-	-
Flow-through premium (note 8)	-	(249)	-	-	-	-	(249)
Share issuance costs	-	(411)	-	24	-	-	(387)
Share-based payments	-	-	-	127	-	-	127
Realized and unrealized loss on equity securities	-	-	-	-	(33)	-	(33)
Loss for the period	-	-	-	-	-	(2,874)	(2,874)
<b>Balance-January 31, 2020</b>	<b>57,576</b>	<b>79,600</b>	-	<b>14,224</b>	<b>(1,824)</b>	<b>(88,518)</b>	<b>3,482</b>

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)

	Nine months ended January 31 2020 \$000's	Nine months ended January 31 2019 \$000's
<b>Cash flows used in operating activities</b>		
Loss for the period	(2,874)	(1,366)
Items not affecting cash		
Depreciation and amortization (note 6)	6	5
Mineral property write-offs	4	8
Flow-through premium (note 8)	(249)	(20)
Write down on reclamation bond	25	-
Share-based payments (note 9)	127	391
	<u>(2,961)</u>	<u>(982)</u>
Change in non-cash operating working capital		
Increase in trade and other receivables	(50)	(57)
Increase (decrease) in trade and other payables	119	(34)
	<u>(2,892)</u>	<u>(1,073)</u>
<b>Cash flows from financing activities</b>		
Issuance of common shares (net of share issuance costs)	4,700	1,341
	<u>4,700</u>	<u>1,341</u>
<b>Cash flows used in investing activities</b>		
Additions to mineral property interests	-	(74)
Additions to property and equipment	(27)	-
Proceeds on sale of equity securities	-	39
Reclamation bond	-	(3)
	<u>(27)</u>	<u>(38)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	1,781	230
<b>Cash and cash equivalents - beginning of period</b> (note 4)	<u>1,073</u>	<u>899</u>
<b>Cash and cash equivalents - end of period</b> (note 4)	<u>2,854</u>	<u>1,129</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 nine month period ended January 31, 2020**

**(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, nickel and diamond properties. The Company may bring the properties to production, structure 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 and its mineral interests are 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. The Company’s shares trade on the TSX Venture Exchange under the symbol “CVV”. 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”. 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 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 the 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.

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. At January 31, 2020, the Company had cash and cash equivalents of \$2.9 million (April 30, 2019: \$1.1 million) (note 4) and working capital of \$3.0 million (April 30, 2019: \$1.3 million). The Company has a deficit of \$88.5 million at January 31, 2020. 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.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(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, 2019 consolidated annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on March 9, 2020.

### **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 subsidiary, CanAlaska West McArthur Uranium Ltd., a B.C. company.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has power over its investee; is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. 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.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 4 Cash and Cash Equivalents

	January 31, 2020	April 30, 2019
	\$000's	\$000's
Cash	304	573
Cash equivalents	2,550	500
<b>Total</b>	<b>2,854</b>	<b>1,073</b>

## 5 Equity Securities

	January 31, 2020		April 30, 2019	
	Carrying value	Market Value	Carrying value	Market Value
	\$000's	\$000's	\$000's	\$000's
Northern Uranium Corp.	700	60	700	120
Fjordland Exploration Inc.	228	57	228	46
Green Thumb Industries (formerly Bayswater Uranium Corp.)	16	28	16	43
Canterra Minerals Corp.	180	20	180	30
Other available-for-sale securities	1,001	117	1,001	76
<b>Total</b>	<b>2,125</b>	<b>282</b>	<b>2,125</b>	<b>315</b>

The Company holds available-for-sale securities as strategic investment and has less than 10% equity interest in each of the investees.

During the nine months ended January 31, 2020, the Company sold nil (nine months ended January 31, 2019: 2,678) shares of Green Thumb Industries for \$nil (nine months ended January 31, 2019: \$38,967) and recognized a gain on sale of available-for-sale securities of \$nil (nine months ended January 31, 2019: \$19,258).

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 6 Property and Equipment

	Mining equipment \$000's	Mining equipment \$000's	Office equipment \$000's	Total \$000's
<b>Cost</b>				
At May 1, 2018	-	441	452	893
At April 30, 2019	-	441	452	893
Additions	27	-	-	27
At January 31, 2020	27	441	452	920
<b>Accumulated Depreciation and Amortization</b>				
At May 1, 2018	-	(434)	(425)	(859)
Depreciation and amortization	-	(2)	(6)	(8)
At April 30, 2019	-	(436)	(431)	(867)
Depreciation and amortization	(3)	-	(3)	(6)
At January 31, 2020	(3)	(436)	(434)	(873)
<b>Carrying Value</b>				
At April 30, 2019	-	5	21	26
At January 31, 2020	24	5	18	47

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 7 Mineral Property Interests

The Company holds approximately 189,000 hectares of mining claims in the Athabasca Basin located across the provinces of Saskatchewan, Manitoba and Alberta in Canada. The holdings are comprised of 15 projects which are in various stages of exploration and discovery.

The Company also holds mining claims in British Columbia.

Details of acquisition costs and property impairments for the twelve and nine months ended April 30, 2019 and January 31, 2020 are as follows:

<b>Project (\$000's)</b>	<b>May 1, 2018</b>	<b>Additions/ write-offs/ recoveries</b>	<b>April 31, 2019</b>	<b>Additions/ write-offs/ recoveries</b>	<b>January 31, 2020</b>
Athabasca Basin					
Cree East (a)	85	-	85	-	85
West McArthur (b)	-	-	-	-	-
Key Lake	-	-	-	-	-
NW Manitoba (c)	-	30	30	-	30
McTavish	-	-	-	-	-
Ruttan	-	-	-	-	-
Patterson	-	-	-	-	-
Manibridge	41	120	161	-	161
Hunter	-	21	21	-	21
Other	25	-	25	-	25
Other					
West Athabasca Kimberlite (d)	22	14	36	-	36
Project Generation, Various (e)	11	(1)	10	(4)	6
<b>Total</b>	<b>184</b>	<b>119</b>	<b>368</b>	<b>(4)</b>	<b>364</b>

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the nine month period ended January 31, 2020

(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>1</sup>	Cash \$000's	Total <sup>2</sup> Spend <sup>1</sup> \$000's	Shares
2020	-	-	-
2021	-	500	-
2022	-	500	-
Thereafter	-	500	-

<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

Cree East consists of approximately 58,000 hectares of mineral claims in the Athabasca. On July 7, 2017, the Company completed a buyback agreement with the Korean Consortium for the 50% interest in the Limited Partnership earned by the Korean partners in consideration for certain indemnities which it will provide to the partners. In addition, all funds previously invested by the partners that were held in the partnership's bank account on the date of closing, was returned to the partners at closing. The property has a carrying value of approximately \$85,000.

#### b) West McArthur, Saskatchewan - Cameco Corporation

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca. On January 13, 2016, the Company entered into a buy back agreement for the 50% interest in the West McArthur project held by Mitsubishi. The Company agreed to a staged cash payment of \$600,000 (\$600,000 paid) and a 1% royalty arrangement.

In February 2016, the Company entered into an option agreement with Cameco Corporation for cash payments up to \$1.25 million (\$725,000 received) and staged property expenditures of up to \$11.25 million to earn up to 60% interest in the project.

The total expenditures on the property for the three months ended July 31, 2019 was approximately \$908,000 (three months ended July 31, 2018: \$1,000) and has a carrying value of \$nil. Total expenditures reported by Cameco Corporation during the option period to October 31, 2018 was \$5.0 million.

On October 19, 2018, Cameco Corporation gave notice to acquire its 30% interest and form a Joint Venture on the West McArthur uranium project. The Company will now become operator of the joint venture.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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

### **c) NW Manitoba, Manitoba - Northern Uranium Corp ("Northern")**

In September 2013, the Company entered into an option agreement with Northern, previously MPVC Inc., for an interest in the NW Manitoba project. The project covered an area along the Saskatchewan/Manitoba border. Northern earned a 70% interest in the project by carrying out a \$6 million in exploration expenditures, make a cash payment of \$35,000 (received), issue 12 million common shares (received) and issue 6 million common share purchase warrants (received).

In June 2018, the Company and Northern staked 37 claim block totalling 9,472 hectares. The Company's portion of the staking cost amounted to \$29,518.

### **d) West Athabasca Kimberlite, Saskatchewan**

In June 2018, the Company acquired 28 claim blocks totalling 13,535 hectares in the Western Athabasca Basin northeast of the Carswell structure and close to a large crustal structure, the Grease River Shear Zone for \$9,769.

In July 2018, the Company recognized an impairment on its West Athabasca Kimberlite claims of approximately \$2,000 as it did not renew certain of its permits on these claims.

### **e) Other Projects, Various**

#### **Thompson Nickel Belt, Manitoba**

In June 2019, the Company recognized an impairment on its Thompson Nickel Belt claims of approximately \$4,000 as it did not renew certain of its permits on these claims.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## 8 Share Capital

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

### Share Issuances

- a) On January 20, 2020, the Company completed a non-brokered private placement and issued 3,826,250 non flow-through units for gross proceeds of \$612,200. Each non flow-through unit was sold at a price of \$0.16 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.40. In connection with this financing, the Company paid cash finder's fees of \$902, legal and filing fees of \$18,282 and issued a total of 5,640 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.40/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$194 using the Black Scholes option pricing model.
- b) On December 30, 2019, the Company completed a non-brokered private placement and issued 6,190,889 flow-through units for gross proceeds of \$1,176,269 and 840,000 non flow-through units for gross proceeds of \$134,400, for total gross proceeds of \$1,310,669. Each flow-through unit was sold at a price of \$0.19 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.16 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.40. In connection with this financing, the Company paid cash finder's fees of \$50,797, legal and filing fees of \$22,046 and issued a total of 267,823 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.40/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$8,725 using the Black Scholes option pricing model.
- c) On August 15, 2019, the Company completed a non-brokered private placement and issued 695,000 flow-through units for gross proceeds of \$224,400 and 155,000 non flow-through units for gross proceeds of \$42,625, for total gross proceeds of \$265,025. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$14,829, legal and filing fees of \$7,453 and issued a total of 47,100 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$1,309 using the Black Scholes option pricing model. As the Company has incurred \$222,400 of exploration expenditures related to the flow-through financing, it has recognized \$55,600 of the \$55,600 flow-through premium in income.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **8 Share Capital (continued)**

- d) On July 18, 2019, the Company completed a non-brokered private placement and issued 390,625 flow-through units for gross proceeds of \$125,000 and 100,000 non flow-through units for gross proceeds of \$27,500, for total gross proceeds of \$152,500. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$9,150 and issued a total of 29,437 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$929 using the Black Scholes option pricing model. As the Company has incurred \$125,000 of exploration expenditures related to the flow-through financing, it has recognized \$27,344 of the \$27,344 flow-through premium in income.
- e) On May 16, 2019, the Company completed a non-brokered private placement and issued 1,744,500 flow-through units for gross proceeds of \$558,240 and 9,551,910 non flow-through units for gross proceeds of \$2,626,775.25, for total gross proceeds of \$3,185,015.25. Each flow-through unit was sold at a price of \$0.32 and consists of one flow-through common share and transferable common share purchase warrant. Each non flow-through unit was sold at a price of \$0.275 and consists of one common share and transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 5 years at a price of \$0.60. In connection with this financing, the Company paid cash finder's fees of \$178,330, legal and filing fees of \$85,771 and issued a total of 511,379 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.60/share for five years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$12,408 using the Black Scholes option pricing model. As the Company has incurred \$558,240 of exploration expenditures related to the flow-through financing, it has recognized \$165,728 of the \$165,728 flow-through premium in income.
- f) On December 27, 2018, the Company completed a non-brokered private placement and issued 930,000 flow-through units at a price of \$0.35 per unit for gross proceeds of \$325,500. Each flow-through unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.60 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$22,785, legal fees of \$6,388 and issued 65,100 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$1,041 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units. As the Company has incurred \$325,500 of exploration expenditures related to the flow-through financing, it has recognized \$37,200 of the \$37,200 flow-through premium in income.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## 8 Share Capital (continued)

- g) On November 20, 2018, the Company completed a non-brokered private placement and issued 1,795,375 units at a price of \$0.32 per unit for gross proceeds of \$574,520. Each unit consists of one common share and a half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share for a period of three years from the closing date, at a price of \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$4,800, legal fees of \$7,784 and issued 15,000 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$572 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units.
- h) On June 20, 2018, the Company completed a non-brokered private placement and issued 853,276 flow-through units at a price of \$0.39 and 531,588 units at a price of \$0.34 per unit for gross proceeds of \$513,518. Each flow-through unit and ordinary unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 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 cash finder's fee of \$20,292, legal fees of \$10,060 and issued 52,955 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$2,359 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units. As the Company has incurred \$332,778 of exploration expenditures related to the flow-through financing, it has recognized \$21,332 of the \$21,332 flow-through premium in income.
- i) On February 20, 2018, the Company completed a non-brokered private placement and issued 1,722,823 units at a price of \$0.34 per unit for gross proceeds of \$585,760. Each unit consists of one common share and a half share purchase warrant. Each whole 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 \$0.51 per share, provided that after the four month hold period expires, if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90 per share for 10 consecutive trading days then thereafter the exercise period of the share purchase warrant will be reduced to a period of 30 calendar days following the date express written notice of such acceleration is provided by the Company to the warrant holder. The Company paid cash finder's fee of \$26,418, legal fees of \$10,183 and issued 77,700 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair value of \$5,791 determined using the Black-Scholes option pricing model and have the same terms as the warrants attached to the units.
- j) During the year ended April 30, 2018, the Company issued 605,000 common shares from the exercise of stock options for proceeds of \$140,650. The historical fair value of the stock options exercised of \$75,388 was transferred from equity reserve to common shares.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(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 10% of the issued and outstanding 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 \$
<b>Outstanding - May 1, 2018</b>	<b>2,510</b>	<b>0.43</b>
Granted	2,685	0.33
Expired	(1,845)	0.44
Forfeited	(25)	0.33
<b>Outstanding – April 30, 2019</b>	<b>3,325</b>	<b>0.34</b>
Granted	1,200	0.26
Expired	(660)	0.40
<b>Outstanding – January 31, 2020</b>	<b>3,865</b>	<b>0.31</b>

As at January 31, 2020, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	2,665	2,665	\$0.20 - \$0.34	2021
	1,200	1,200	\$0.26	2022
<b>Total</b>	<b>3,865</b>	<b>3,865</b>		

For the three months ended January 31, 2020, total share-based compensation expense was \$nil (January 31, 2019: \$305,619). For the nine months ended January 31, 2020, total share-based compensation expense was \$127,021 (January 31, 2019: \$390,728).

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements For the nine month period ended January 31, 2020

(Unaudited)

(Expressed in Canadian dollars except where indicated)

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

#### Warrants

	Number of warrants 000's	Weighted average exercise price \$
<b>Outstanding - May 1, 2018</b>	<b>3,079</b>	<b>0.64</b>
Granted	2,288	0.53
Expired	(140)	0.70
<b>Outstanding – April 30, 2019</b>	<b>5,227</b>	<b>0.59</b>
Granted	18,927	0.54
<b>Outstanding – January 31, 2020</b>	<b>24,154</b>	<b>0.55</b>

At January 31, 2020, the following warrants were outstanding:

Number of warrants outstanding 000's	Exercise price \$	Expiry date
2,000	\$0.70	July 8, 2020 <sup>1</sup>
939	\$0.51	February 20, 2020 <sup>2</sup>
745	\$0.51	June 20, 2020 <sup>2</sup>
530	\$0.60	December 27, 2020 <sup>2</sup>
913	\$0.51	November 20, 2021 <sup>2</sup>
100	\$0.28	April 2, 2021
11,808	\$0.60	May 16, 2024
520	\$0.60	July 18, 2024
897	\$0.60	August 15, 2024
3,783	\$0.40	December 30, 2022
1,919	\$0.40	January 20, 2023
<b>Total</b>	<b>24,154</b>	

<sup>1</sup> On June 29, 2018, the Company received TSX Venture Exchange approval to extend the expiry date of 2,000,000 outstanding share purchase warrants from July 8, 2018 to July 8, 2020. No value was attributed to the warrant extension. Also, the expiry date of warrants will be on July 8, 2020, provided that if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$1.00/share for 10 consecutive trading days then thereafter the exercise period of the warrants will be reduced to a period of 10 calendar days following the date express written notice of such acceleration is provided by the Company.

<sup>2</sup> Expiry date of warrants will be on February 20, 2020, June 20, 2020, December 27, 2020 and November 20, 2021 respectively, provided that if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$0.90/share for 10 consecutive trading days then thereafter the exercise period of the warrants will be reduced to a period of 30 calendar days following the date express written notice of such acceleration is provided by the Company.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(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 nine months ended January 31, 2020 and 2019:

<b>Options</b>	<b>Nine months ended January 31</b>	
	<b>2020</b>	<b>2019</b>
Weighted average fair value	\$0.11	\$0.15
Forfeiture rate	0%	0%
Risk-free interest rate	1.43%	1.83% - 1.93%
Expected life	2.0 years	2.0 years
Expected volatility	73.82%	75.9% - 99.7%
Expected dividend	0%	0%

<b>Warrants</b>	<b>Nine months ended January 31</b>	
	<b>2020</b>	<b>2019</b>
Weighted average fair value	\$0.12	\$0.13
Forfeiture rate	0%	0%
Risk-free interest rate	1.13% - 1.66%	1.84% - 2.22%
Expected life	3.0 years - 5.0 years	2.0 years - 3.0 years
Expected volatility	40% - 103.5%	40% - 100.5%
Expected dividend	0%	0%

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine month period ended January 31, 2020

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 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 and nine months ended January 31, 2020 and 2019 were as follows.

(\$000's)	Three months ended January 31		Nine months ended January 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Employment benefits	138	101	379	261
Consulting fees	35	48	102	124
Directors fees	8	8	23	15
Share-based compensation	-	294	122	361

The directors and key management were awarded the following share options under the employee share option plan during the nine months ended January 31, 2020:

Date of grant	Number of options	Exercise price	Expiry
June 12, 2019	1,150,000	\$0.26	June 12, 2021

## 11 Commitments

The Company has the following commitments in respect of operating leases for office space:

Fiscal Year Ending	Total \$000's
2020	1
2021	1
2022	-
<b>Total</b>	<b>2</b>

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the nine month period ended January 31, 2020**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **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.