CanAlaska Uranium Ltd.

CVV - TSX CVVUF - OTCBB DH7N – Frankfurt

Management Discussion and Analysis For the Fourth Quarter and Year Ended April 30, 2012

Dated July 30, 2012

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*. 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 audited consolidated financial statements for the year ended April 30, 2012.

Table of Contents:

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

- ✓ Exploration expenditures of $5.6 million ($7.6 million net of $2.0 million from reimbursements from partners and impairments) for year ended April 30, 2012 in the Athabasca Basin
- ✓ $1.3 million in funding provided from our Japanese partners for the West McArthur project (section 2.2.2)
- ✓ Over 20 projects covering 926,000 hectares focused on Uranium (section 1.1)
- ✓ Cash resources of $4.4 million (as at April 30, 2012)
- ✓ 22,058,136 common shares issued and outstanding (July 25, 2012)
- ✓ Over 12,434 metres drilled in fiscal 2012
  - Cree East (6,012 metres)
  - West McArthur (6,422 metres)

Due to increasingly difficult market conditions facing junior uranium exploration, the Company's management is evaluating its priorities and taking steps to streamline non-discretionary expenditures. 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. From time to time, the Company will evaluate new properties and direct activities to these based on the Board of Director's evaluation of financial and market considerations at the time.

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 for the past seven years has been the exploration for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan. As of July 25, 2012, the Company had 22,058,136 shares outstanding with a total market capitalization of $5.6 million. The Company's shares trade on the Toronto Stock Exchange ("CVV") and are quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N").

Table 1: Canadian Land Position Summary

Property / Project Name	2012 Notes	Hectares
Alberta		76,000
Arnold		14,000
BC Copper (BC property)	Option with private third party	25,000
Carswell		29,000
Collins Bay Extension	Option with Bayswater Uranium	39,000
Cree East	Ventured with Korean Consortium	56,000
Cree West		13,000
Fond Du Lac	Option with Fond Du Lac Denesuline	17,000
Grease River		38,000
Helmer		52,000
Hodgson		25,000
Kasmere	Awaiting licence	267,000
Key		3,000
Lake Athabasca		44,000
McTavish		1,000
Moon		4,000
NW Manitoba		144,000
Poplar		37,000
Waterbury		6,000
West McArthur	Ventured with Mitsubishi	36,000
TOTAL	**20 Projects**	**926,000**

In the Athabasca region of Saskatchewan, the Company controls an exploration portfolio of 19 large projects totalling over 3,479 square miles (901,000 hectares) and has a land position that rivals the combined holdings of established uranium producing giants Cameco Corporation and Areva. The Company has built a strong in-house exploration team and has established strategic exploration funding relationships with MC Resources Canada, a wholly owned subsidiary of Japan's Mitsubishi Corporation Ltd. ("Mitsubishi") (on the West McArthur property), with a Korean Consortium comprised of Hanwha Corp., Korea Resources Corp. ("KORES"), Korea Electric Power Corporation ("KEPCO"), and SK Networks Co. Ltd. (on the Cree East property).

In addition, CanAlaska has entered into option agreements on Fond Du Lac and Collins Bay Extension projects with other third-parties through which the Company has committed to undertake and fund the exploration work. CanAlaska plans to actively market other projects to potential partners.

CanAlaska's commitment to the Athabasca has also resulted in its building strong ties with the local First Nations communities. The Company obtained approval from the communities of Fond Du Lac to undertake exploration on their reserve lands under the official sanction of Indian and Northern Affairs Canada ("INAC"). In achieving this, CanAlaska has the distinction of becoming the first company to undertake uranium exploration on First Nations' reserve territory in Saskatchewan in over twenty-five years. CanAlaska's record of operational safety and environmental compliance were recognized as key contributing factors during the lengthy review and approval process.

The Company's exploration activities have been managed through CanAlaska offices maintained in Vancouver, BC (Head Office), Saskatoon, SK (Field Support Office), and La Ronge, SK (Equipment Warehouse).

The Company believes that the fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels will ensure the long-term future of global uranium markets and prices. Since 2004, CanAlaska has expended over $84 million on exploration and research towards the advancement of uranium discovery on our project areas.

1.2 Outlook

- 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 progressively terminated all long term contracts and is taking steps to streamline non-discretionary expenditures and financial overheads
- Our Korean partners have contributed $19.0 million of their $19.0 million funding commitment towards the Cree East project, but have requested a slow-down in expenditures, or introduction of an incoming partner
- At the West McArthur project, exploration is being carried out under a 50/50 joint venture with MC Resources Canada ("MCRC"), a wholly owned subsidiary of Mitsubishi Corporation, and CanAlaska, but maybe deferred in 2013 to await better market conditions
- At the Collins Bay Extension project, results from the Company's previous program provide strong exploration targets for the large breccia targets on the property, but further funding is required to progress this property
- CanAlaska is actively marketing all of its projects to potential partners

1.3 Senior Management compensation

- The Company is in the process of completing the negotiation of the employment agreements with senior staff and management

2. MILESTONES AND PROJECT UPDATES

2.1 Overview– May 1, 2011 to July *25*, 2012

- Acquired claims adjacent to Manitoba Ruttan Copper Mine (June 2012)
- Reported assay results for Cree East project (May 2012)
- Geophysical surveys defined new uranium drill targets at NW Manitoba project (May 2012)
- Preliminary summary of winter 2012 drilling at West McArthur and Cree East projects (April 2012)
- Recommence exploration at NW Manitoba uranium – REE project (March 2012)
- Closed private placement of $0.9 million (March 2012)
- Commenced 2012 drill programs totalling 14,000 metres of drilling exploration at West McArthur and Cree East uranium projects (January 2012)
- Reported approval of $3.1 million winter 2012 exploration program at Cree East (November 2011)
- Reported results on its West McArthur geophysical TDEM and DC Resistivity surveys (November 2011)
- Reported results on its Cree East winter drilling program (August 2011)
- Completed two airborne ZTEM geophysical surveys on Hodgson and Carswell project (July 2011)
- Reported results of its 2011 Phase One reverse circulation and diamond core drilling program on Fond Du Lac project (June 2011)
- Completed two airborne ZTEM geophysical surveys on the Hodgson and Carswell projects.
- Completed ground geophysical resistivity surveys on the West McArthur project (June 2011) and Cree East (Dec 2011).
- Listed on Toronto Stock Exchange (TSX) (June 2011)

- Closed private placement of $0.5 million (May 2011)

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

In June 2012, the Company announced the acquisition by staking of two blocks of claims, totalling 11,563 hectares adjacent to and northeast of the past-producing Ruttan Copper Mine, located near Leaf Rapids in Northern Manitoba.

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

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 recent ground resistivity and gravity geophysical surveys 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.

In April 2012, the Company announced the preliminary summary of drilling for its two winter drill programs in the Athabasca Basin. Drilling was undertaken at both the West McArthur and Cree East projects. The two programs comprised over $6 million in exploration expenditures with 12,434 metres of drilling. At West McArthur, seven diamond drill holes were completed totalling 6,422 metres. The winter drill program has demonstrated on Grid 5 the presence of requisite geological environment for unconformity uranium deposits. Significant faulting and fracturing are present in a number of drill holes, with individual radioactive spikes or elevated radioactivity in zones of hydrothermal alteration. At Cree East, fifteen diamond drill holes were attempted with completed drilling of 6,012 metres. Only ten drill holes reached their target depth in the basement. This was mostly due to extremely difficult drilling conditions related to intensely hydrothermally altered aureoles in the overlying Athabasca sandstone units within newly-targeted Zone B.

In March 2012, the Company announced the commencement of geophysical field work on its NW Manitoba uranium-REE project. The project covers a large area of the geologically favourable Wollaston Belt in the province of Manitoba, where the uranium rich basement rocks associated with the Athabasca uranium deposits intermittently come to surface. The Company has discovered multiple mineralized zones with extensive boulder dispersion trains and surface showings of high grade uranium (>1% U_3O_8), rare earths (REE) and molybdenum mineralization across numerous mineralized belts, either within, or cutting across all rock types in the area.

In March 2012, the Company closed a non-brokered private placement for a total of 1,805,000 common shares for gross proceeds of $0.9 million. The placement consisted of 1,522,000 flow-through common shares at a price of $0.51 per common share for proceeds of $0.78 million and 283,000 common shares at a price of $0.43 per common share for proceeds of $0.12 million.

In January 2012, the Company announced the commencement of two major programs totalling over 14,000 metres of drilling exploration this winter at its West McArthur and Cree East uranium projects. The West McArthur program of 6,800 metres in seven diamond drill holes has been laid out within the Grid 5 target area, located near Epp Lake. The Cree East program of 7,600 metres of diamond drilling in 18 drill holes are within Zones A, B, C, D, G, I and J.

In November 2011, the Company reported the approval by the joint venture partners of Cree East uranium project of a $3.1 million winter 2012 exploration program, comprising ground geophysics and 7,650 metres of diamond drilling. Drilling commenced in January 2012 and focused on a 5 kilometre long basement conductor, in the centre of Grid 7. Geophysical ground resistivity surveys commenced in December 2011 and targeted the eastern and north-eastern portion of Grid 7, where previous exploration had identified strong conductive targets at depth.

In November 2011, the Company reported the results of an extensive program of surface geophysical moving loop TDEM and DC resistivity surveys carried out on the West McArthur project through 2011 winter and summer. The $2.4 million program has delineated several new drill targets at Grids 1, 5 and 7. The Grid 5 drill targets have been approved by the joint venture and are scheduled for drill testing in the first quarter of 2012.

In August 2011, the Company reported the results from the winter drilling program on the Cree East project. All three winter drill holes that reached into the basement rocks (CRE072, CRE073, and CRE074) showed distinctly anomalous alteration and mineralization features, further extending the zones of strong alteration which characterize Zone A and Zone I.

A ground geophysical crew at the West McArthur project completed ground resistivity surveying over Grid #1 and Grid #7 in August 2011. Further ground geophysical surveys were carried out at Cree east in December 2011 in preparation for winter drilling.

In July 2011, the Company announced the completion of two airborne ZTEM geophysical surveys on its wholly-owned Hodgson and Carswell projects. The newly-developed ZTEM surveys provide a new dimension for surveying electromagnetic targets, providing superior details of conductive zones at depth. The first ZTEM survey at the Hodgson project identified five areas with basement conductors. The second ZTEM survey, with covered claims on the western portion of the Carswell project confirms basement conductors in areas where previous VTEM surveys were hampered because of conductive overburden.

In June 2011, the Company reported on results from its 2011 Phase One reverse circulation and initial diamond core drilling program on the Fond Du Lac project. The exploration identified additional uranium targets proximal to the existing Fond Du Lac uranium deposit, and provided further targets for the planned 2011 Phase Two diamond drill program. Thirty-four vertical (2,895 metres) reverse circulation drill holes were completed in five soil anomaly target areas. Nine diamond drill holes were drilled at the west Fond Du Lac zone and five diamond drill holes were drilled at the main Fond Du Lac zone. The best uranium mineralization was encountered in diamond drill hole WFDL001, with 2-metres at 0.5% U_3O_8.

In June 2011, the Company's common shares were listed and commenced trading on the Toronto Stock Exchange ("TSX").

In May 2011, the Company closed a non-brokered flow-through private placement of 418,141 common shares for gross proceeds of $0.47 million.

2.2 Project Updates

Overview

The Company currently has over 19 projects within the Athabasca basin area and has carried out exploration programs on 6 of these in the past year. In fiscal 2012, the Company spent $5.6 million ($7.6 million net of 2.0 million from reimbursements from partners and write-offs) on exploration costs in the Athabasca Basin area. The two largest exploration projects were at West McArthur and at Cree Lake.

As part of the transition to IFRS, the Company adopted an accounting policy to retrospectively expense all pre-feasibility exploration and evaluation costs. The effects of this transitional change are as follows:

(i) At May 1, 2010:
   a) decrease deferred exploration assets of $44,542,000
   b) increase opening deficit by $44,542,000

(ii) At April 30, 2011:
   a) decrease deferred exploration assets of $52,345,000
   b) increase opening deficit by $44,542,000
   c) increase net loss by $7,803,000

The following table summarizes the Company's expenditures in the Athabasca Basin over the last eight quarters. The reimbursements figures in the table do not include the contributions from our Korean Partners on Cree East which is disclosed in Table 3 below.

Table 2: ($000's)				**Quarterly**					**Year Ended**	
Total Exploration	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**Q412**	**Apr-11**	**Apr-12**
Camp Cost & Operations	260	262	214	556	8	15	303	512	1,292	838
Drilling	508	893	59	1,382	(2)	-	256	2,348	2,842	2,602
General & Admin	52	39	54	100	130	13	39	47	245	229
Geochemistry	77	71	10	52	38	10	5	60	210	113
Geology	245	378	124	294	125	64	61	393	1,041	643
Geophysics	302	463	99	1,639	1,116	218	244	789	2,503	2,367
Other	462	419	264	506	143	56	218	361	1,651	778
Gross Expenditures	**1,906**	**2,525**	**824**	**4,529**	**1,558**	**376**	**1,126**	**4,510**	**9,784**	**7,570**
Reimbursement/Write-offs	(184)	(189)	(165)	(1,420)	(453)	(144)	(193)	(1,188)	(1,958)	(1,978)
Net Expenditures	**1,722**	**2,336**	**659**	**3,109**	**1,105**	**232**	**933**	**3,322**	**7,826**	**5,592**

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

2.2.1 Cree East Project, Saskatchewan – Korean Consortium

Cree East is a high-priority project 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 16 contiguous mineral claims totalling approximately 56,000 hectares. A Korean Consortium (Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Networks Co. Ltd.), in December 2007 agreed to spend $19.0 million on the properties to earn into a 50% interest in the Cree East project.

As of April 30, 2012, the Korean Consortium has contributed its $19.0 million towards exploration of the project and holds a 50% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership. The following table summarizes the Korean Consortium expenditures and advances by quarter, fiscal year ended, and life to date ("LTD") on the project. The table does not include a $1.0 million payment made directly to CanAlaska in 2007 ($0.6 million) and 2010 ($0.4 million) for intellectual property associated with the project.

Table 3: ($000's)				**Quarterly**					**Year Ended**		
Cree East Project	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**Q412**	**Apr-11**	**Apr-12**	**LTD**
Camp Cost & Operations	227	222	203	161	-	-	163	279	813	442	3,340
Drilling	522	891	26	367	(6)	-	186	1,163	1,806	1,343	6,713
General & Admin	15	8	10	32	62	(19)	6	15	65	64	440
Geochemistry	23	45	9	9	3	1	2	32	86	38	530
Geology	151	178	38	76	30	14	44	211	443	299	1,509
Geophysics	51	83	60	356	4	10	171	38	550	223	3,257
Management Fees	111	152	38	110	8	(31)	60	182	411	219	1,532
Other	131	104	76	96	10	2	27	66	407	105	1,422
Net Expenditures	**1,231**	**1,683**	**460**	**1,207**	**111**	**(23)**	**659**	**1,986**	**4,581**	**2,733**	**18,743**

In June 2011 the Company announced the results for the three holes drilled at the Cree East project during winter 2011 exploration. The eighteen-hole winter drill program, which was to be comprised of approximately 7,650 metres of drilling split between three target zones on the property, was suspended following a fatal accident with a crew member of our drill contractor. Operations at the project have now been approved to continue, the Company continued the drill programs and additional geophysics in December 2011 and January 2012.

In August 2011, the Company processed the data from the three new holes completed into the basement during the winter drilling program on the Cree East project. All three winter drill holes that reached into the basement rocks (CRE072, CRE073 and CRE074) showed distinctly anomalous alteration and mineralization features, further extending the zones of strong alteration which characterize Zone A and Zone I. Of particular interest was drill hole CRE073, which was finally lost in a highly-altered zone of strongly hematised massive clay in basement rock at Zone A. The analyses of the samples from drill hole CRE073 show elevated silver (highest 6.4 oz/t), associated with elevated copper, cobalt, nickel, zinc and minor uranium mineralization in the basement clay zones.

In November 2011, the Company reported the approval by the joint venture partners of Cree East uranium project of a $3.1 million winter 2012 exploration program, comprising ground geophysics and 7,650 metres of diamond drilling. Drilling commenced in January 2012 and focussed on a 5 kilometre long basement conductor, in the centre of Grid 7. Geophysical ground resistivity surveys commenced in December 2011 and targeted the eastern and north-eastern portion of Grid 7, where previous exploration had identified strong conductive targets at depth.

In December 2011, geophysical survey work commenced on the Cree East project and was completed in early January 2012. In January 2012, the winter drill program commenced which entails 7,600 metres in 18 drill holes within Zones A, B, C, D, G, I and J with two drills.

In April 2012, the Company announced a preliminary summary of drilling at its Cree East project. Fifteen diamond drill holes were attempted during late January, February and March 2012 with completed drilling of 6,012 metres. Only ten drill holes reached their target depth in the basement. This was mostly due to extremely difficult drilling conditions. The Zone B target became the priority drill target with the discovery, in the first drill hole, of a major hydrothermal system. In the drill hole the entire 400 metre sandstone column is heavily fractured, clay altered and friable. Additional drilling occurred in Zone A, J, and G. Drill core samples were transited to the laboratory for multi-element analyses to confirm the uranium content of intersections showing occasional radioactive spikes, or high background radioactivity.

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

Under the Cree East agreement, CanAlaska is entitled to charge an operator fee of 10% to recoup its indirect costs associated with the project, which the Company recognizes as management fees.

IFRS impact on accounting for Cree East Project

Under Canadian GAAP, the Company accounted for its interest in CKULP (“Partnership”) as a variable interest entity (“VIE”) with the Company as the primary beneficiary. The Partnership was determined to be a VIE because the total equity investment at risk is not sufficient to permit the Partnership to finance its mine exploration and development activities without additional financial support from its partners. Consequently, the Company concluded that the entity was a VIE and identified the primary beneficiary of the Partnership as the Company. Accordingly, the Company consolidated 100% of the Partnership, and previously reported a non-controlling interest.

IFRS requires the Company to consolidate entities including Special Purpose Entities only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. On application of IFRS, the Company has determined that it has joint control of the Partnership under the contractual provisions of the joint venture agreement (the “JV Agreement”). The Company does not control the Partnership based on voting interest and does not own more than half of the voting power. Furthermore, both the Consortium and the Company have equal rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership’s Board of Directors. Decision making is governed by the Partnership’s Board of Directors, with equal representation from the Consortium and the Company. Under IFRS, the Company has elected to apply the proportionate consolidation method to account for its interest in the Partnership.

Under the JV Agreement the contributions by the Consortium to obtain its 50% ownership have occurred over time commencing with the formation of the Partnership in 2007. The change from full consolidation to proportionate consolidation has resulted in periodic dilution gains attributable to increased cash contributions by the Consortium. These gains have been reflected in equity during the year ended April 30, 2011 as they result from transactions at the shareholder level and do not result in a change of joint control. The effects of the deconsolidation and the dilution gains are as follows:

(i) At May 1, 2010:
   a) cash decreased by $836,000
   b) non-controlling interest decreased by $12,600,000
   c) dilution gain resulting from above credited to deficit in the amount of $11,764,000

(ii) At April 30, 2011:
   a) cash decreased by $1,774,000
   b) non-controlling interest decreased by $19,000,000
   c) dilution gain resulting from above credited to deficit in the amount of $5,462,000

2.2.2 West McArthur Project, Saskatchewan – Mitsubishi

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 could exercise an option to earn a 50% interest in the property by investing $11.0 million. In February 2010, Mitsubishi exercised their option with a payment to the Company and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee between 5% and 10%, based on expenditures incurred. The West McArthur project is located immediately west of the McArthur River uranium mine operated by Cameco Corp, and covers approximately 36,000 hectares.

Table 4: ($000's)				**Quarterly**					**Year Ended**		
West McArthur Project	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**Q412**	**Apr-11**	**Apr-12**	**LTD**
Camp Cost & Operations	6	6	4	-	-	-	143	230	16	373	2,984
Drilling	-	-	34	-	-	-	72	1,165	34	1,237	6,745
General & Admin	33	27	30	26	40	32	27	23	116	122	2,020
Geochemistry	12	8	-	-	8	4	1	27	20	40	323
Geology	66	36	14	15	19	49	10	176	131	254	935
Geophysics	165	147	16	977	652	161	63	274	1,305	1,150	5,548
Other	45	24	20	59	50	29	53	106	148	238	646
Gross Expenditures	**327**	**248**	**118**	**1,077**	**769**	**275**	**369**	**2,001**	**1,770**	**3,414**	**19,201**
Reimbursement	(169)	(129)	(59)	(563)	(403)	(144)	(193)	(1,041)	(920)	(1,781)	(13,995)
Net Expenditures	**158**	**119**	**59**	**514**	**366**	**131**	**176**	**960**	**850**	**1,633**	**5,206**

During fiscal 2011, the Company carried out a deep penetrating ZTEM survey across the project. This initial survey was followed up by intensive geophysical surveying on four grid areas across the property for a total budget of $2.6 million. This geophysical survey, work, which includes ground EM surveys and ground resistivity surveys, commenced in winter 2011 and continued into summer 2011.

On the property there is evidence of hydrothermal alteration extending well into the sandstone, matching the typical alteration model of Athabasca unconformity style uranium deposits. There is evidence of uranium mineralization from drill testing in multiple areas, either as enrichment at the unconformity or in basement stringers. The most compelling features for further exploration are the uranium values in sandstone higher in the stratigraphy, the hematized and broken rock in the sandstone, and the pattern of basement offsets and geophysical conductivity.

In June 2011, the Company commenced a ground resistivity survey over Grid 1 and Grid 7. These surveys followed a successful airborne ZTEM survey undertaken on the project last year.

In November 2011, the Company reported surface geophysical moving loop TDEM and DC resistivity surveys carried out on the West McArthur project through 2011 winter and summer. The $2.4 million program has delineated several new drill targets at Grids 1, 5 and 7. The Grid 5 drill targets have been approved by the joint venture and were drill tested in the 2012 winter drill program.

The Grid 5 geophysical surveys followed up on geological modeling of airborne survey results, and current exploration information on potential uranium bearing basement stratigraphy. The EM surveys on Grid 5 have defined an east to north-east trending conductor package, located 12 kilometres south of the Grid 1 conductor trend and 6 kilometres north of the Grid 4 conductor trend. The Grid 5 conductor, as a result of follow-up DC resistivity surveys, exhibits six discrete zones of low sandstone resistivity overlying the graphitic conductor where low resistivity breaches the surface.

The Grid 1 geophysical surveys confirmed the character of the main conductor and possible locations of apparent sandstone breaches. The 2011 results have delineated several new drill targets in proximity of current drill holes at Grid 1 West. In the northern sector of the project at Grid 7, a new basement conductor has been traced, and structural offsets with possible sandstone alteration have been located. These areas are scheduled for additional geophysical surveys as part of the Phase 1 reconnaissance evaluation by the joint venture.

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

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

Included within Other expenses are management fees charged to and reimbursed by Mitsubishi for CanAlaska acting as the project operator.

2.2.3 Fond Du Lac Project, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008 and September 10, 2010, CanAlaska optioned the Fond Du Lac project from the Fond Du Lac Denesuline First Nation. The project spans approximately 17,000 hectares and contains a uranium deposit with a historical (43-101 compliant) resource. CanAlaska may earn a 50% interest in the project by funding $2 million in exploration over 5 years. In addition, the Company was committed to pay to the Fond Du Lac Denesuline First Nation a further $130,000 in cash consideration ($130,000 paid), 40,000 shares (40,000 issued) and work commitments of $2.0 million ($1.2 million by June 2011 and an additional $800,000 by June 2012). As of April 30, 2012, the Company had met the work commitment and had incurred cumulative $4.5 million in exploration expenditures on the property.

In Q111, the Company was focused on interpretation of the drilling data. In Q211, the Fond Du Lac option agreement was amended whereby the Company's participating interest in the project was increased from 49% to 50%. In consideration for the amendment, the Company issued 10,000 common shares and accelerated its staged cash payments and share issuances due on June 30, 2011. As a result, in September 2010, the Company issued an aggregate of 20,000 common shares under the amended option agreement for the Fond Du Lac project.

In October 2010, an NI 43-101 technical summary report was published for the Fond Du Lac project. This report, available on SEDAR and EDGAR databases for public viewing, provides detailed information on the current state of the project.

In Q311, the Company began a program of reverse circulation drilling on the Fond Du Lac project, concentrating on geochemical targets outside of the current mineral deposit. This program continued until late March 2011. At the same time a localized airborne EM survey was carried out over the Fond Du Lac west area. A short program of diamond drilling was carried out on the Fond Du Lac west zone to test a 2 kilometres long conductor zone, which had previously been drilled in the 1950's. Limited uranium mineralization was discovered and the drill returned for a short drill program to test the north-south structure indicated by the first mineralized reverse circulation drill holes. The anticipated winter drill program at Fond Du Lac was delayed following the relocation of the diamond drill to the nearby Grease River project. Results from this Fond Du Lac reverse circulation drilling were released after compilation in Q212.

In June 2011, the Company released results from its 2011 Phase One reverse circulation ("RC") and initial diamond core drilling program.

2.2.4 Grease River Project, Saskatchewan

The Grease River project covers approximately 38,000 hectares in three separate claim blocks that extend from Bulyea River, north of Fond Du Lac, to Marytnuik Lake, north of Stony Rapids, and covers four geological domains.

In August 2010, the Company executed an option agreement with Westcan Uranium Ltd. ("Westcan") to commence exploration of the Grease River project. Under the terms of the option agreement, Westcan can earn a 50% interest in the property by issuing up to 5% of the issued and outstanding shares of Westcan and making exploration expenditures of $4.5 million by December 2013.

In November 2010, the Company received 804,808 common shares of Westcan to fulfill the share commitment related to the option agreement and in January 2011, Westcan approved a $0.8 million winter drill program for the Grease River project. Between January 2011 to April 2011, the Company received $0.8 million in funds from Westcan.

In February 2011, an NI 43-101 technical summary report was published for the Grease River project. This report is available on SEDAR and EDGAR databases for public viewing.

An airborne survey was carried out across the eastern portion of the project in the vicinity of the Bradley showing in February 2011. Drilling was carried out on the project in March 2011. A total of 6 drill holes (796 metres) tested the surface uranium mineralization in the intrusive dyke system in the Shearika ridge area, and two drill holes (126 metres) tested the eastern "Bradley Showing", where there is uranium mineralization in sediments. Assay results were released in July 2011.

In August 2011, the option agreement with WestCan for the Grease River project was terminated.

2.2.5 Cree West Project, Saskatchewan

The Cree West project comprises a 100% interest in 6 mineral claims (approximately 13,000 hectares) located 70 kilometres northwest of the Key Lake uranium mine and between 25 and 57 kilometres north of the south rim of the Athabasca Basin. In April 2006, the Company granted to Westcan an option to earn up to a 75% interest in the Cree West project. Westcan can earn a 50% interest in the property by making cash payments of $150,000 (received), issuing 600,000 shares (received) and making $3.6 million of exploration expenditures.

On July 2010, the Company extended the option agreement for a period of one year beginning on August 2010 in consideration of 125,000 common shares of Westcan. The common shares of Westcan were received by the Company on November 2010.

An airborne magnetic and electromagnetic survey was carried out in 2006, and ground AMT surveys were carried out in early winter 2007 and 2008. Drill testing has been recommended to determine the cause of the anomalous geophysical targets. Only minimal activity occurred through fiscal 2011 and 2012.

In August 2011, WestCan's earn-in option for the Cree West project expired.

2.2.6 Key Lake Project, Saskatchewan

The Key Lake project comprises of 2 mineral claims in two separate blocks totalling approximately 3,000 hectares located within 15 kilometres of the formerly producing Key Lake uranium mine. In March 2006, the Company optioned to Westcan up to a 75% interest in the Key Lake project. Westcan can earn a 50% interest in the property by making cash payments of $150,000 (received), issuing 300,000 shares (received), and making exploration expenditures of $2 million.

In July 2010, the Company extended the option agreement for a period of one year beginning in August 2010 in consideration of 125,000 common shares of Westcan. The common shares of Westcan were received by the Company in November 2010.

In winter 2007, three holes costing $0.2 million were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U_3O_8 over 1 metre), but with strong alteration and faulting. In winter 2008, an additional target was drill-tested on another claim, returning highly-anomalous rare earths mineralization. Only minimal activity occurred through fiscal 2011 and 2012.

In August 2011, WestCan's earn-in option for the Key Lake project expired.

2.2.7 Carswell Project, Saskatchewan

Carswell is comprised of approximately 29,000 hectares of mineral claims in the vicinity of Cluff Lake, Saskatchewan. In December 2009, the Company issued 125,000 shares and made a $62,500 cash payment under a purchase agreement with Hawk Uranium Inc. to acquire mineral claims in the Cluff Lake area adjacent to its Carswell property. Hawk Uranium Inc. will retain a 2.5% Net Smelter Return ("NSR"), 2% of which will be purchasable by the Company for payment of $2.0 million.

In November 2010, an NI 43-101 technical summary report was published for the Carswell project. This report is available on SEDAR and EDGAR databases for public viewing.

In June 2011, the Company commenced an airborne ZTEM geophysical survey. which covered CanAlaska's claims on the western portion of the Carswell structure. This survey has confirmed basement conductors in areas where previous VTEM surveys were hampered because of conductive overburden. CanAlaska has assembled a large land position, north and north-west of the new discoveries by Areva and UEX, and west and south of the historic Cluff Lake uranium mines, located within the basement uplift.

2.2.8 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 recent ground resistivity gravity geophysical surveys 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.

2.2.9 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 "Property" section, and accompanying news releases of work on the Company's website at www.canalaska.com.

Table 5:

Other projects update	Status	Recent work undertaken
Alberta	Seeking Venture Partner	Viable drill targets identified
Arnold	Seeking Venture Partner	Title expired subsequent to year end
BC Copper	Option with private third party	Work Applications being completed
Collins Bay Extension	Option with Bayswater Uranium	Preparation for drill testing
Helmer	Seeking Venture Partner	Reports of work
Hodgson	Seeking Venture Partner	ZTEM survey completed
Kasmere	Under application	Exploration permits pending
Lake Athabasca	Seeking Venture Partner	43-101 report completed
McTavish	Seeking Venture Partner	Evaluating drill targets
Moon	Seeking Venture Partner	Evaluating drill targets
Poplar	Seeking Venture Partner	Evaluating drill targets
Waterbury	Seeking Venture Partner	Evaluating drill targets
Rainbow Hill AK	Seeking Venture partner	No significant work undertaken
Zeballos	Seeking Venture Partner	Consolidating ownership
Glitter Lake	Disposed, NSR retained	
Reefton Property,NZ	Seeking Venture Partner	Sampling and mapping completed
Ruttan	Seeking Venture Partner	Five claims staked

BC Copper is comprised of approximately 25,000 hectares located in south central British Columbia. In November 2011, the Company optioned the claims to Tyrone Docherty and subsequently amended the agreement in February 2012 whereby certain acquired claims were included and excluded in the option as well as a reduction in the required exploration expenditure. Tyrone

Docherty may earn a 50% interest in the property by making payments of $30,000 (received) and making exploration expenditures of $250,000 before July 2014.

In the year ended April 30, 2012, the Company recognized an impairment on its Black Lake claim for ($147,000) as it did not renew its permits on this property after the expiration in February 2012.

In the year ended April 30, 2012, the Company recognized an impairment on its Rise and Shine claim of ($301,000) as the lease expired and the ground was forfeited.

In fiscal 2012, the Company wrote down its Voisey's Bay claim ($3,000) as it did not intend to renew its permits on this property.

CanAlaska's New Zealand subsidiary, Golden Fern Resources Ltd., carried out mapping and sampling work on the Reefton lease, EP 40677, located in the Reefton District, west coast South Island New Zealand, which is held 100% by the Company.

2.2.9 Project Expenditure Summary

Details of life to date ("LTD") exploration and evaluation expenditures:

Table 6: ($000's)	2012 Fiscal Expenditures				Life to Date - April 30, 2012			
Project	**Acquisition Costs**	**Exploration Expenditures**	**Writeoffs/ Reimbursement**	**Net LTD**	**Acquisition Costs**	**Exploration Expenditures**	**Writeoffs/ Reimbursement**	**Net LTD**
Athabasca Basin								
Cree East	-	2,733	-	2,733	-	18,743	-	18,743
West McArthur	-	3,414	(1,781)	1,633	65	19,136	(13,995)	5,206
Poplar	-	11	-	11	166	3,637	(3,210)	593
Fond Du Lac	-	123	-	123	120	4,397	-	4,517
Black Lake	-	79	(147)	(68)	-	1,582	-	1,582
Grease River	-	50	(50)	-	133	3,494	(2,850)	777
Cree West	-	-	-	-	48	1,112	(1,137)	23
Key Lake	-	-	-	-	24	1,027	(1,047)	4
NW Manitoba	-	564	-	564	16	7,272	-	7,288
Helmer	-	2	-	2	107	5,032	-	5,139
Lake Athabasca	-	-	-	-	118	5,966	-	6,084
Alberta	-	-	-	-	11	2,329	-	2,340
Hodgson	-	250	-	250	109	1,480	-	1,589
Arnold	-	1	-	1	35	1,341	-	1,376
Collins Bay	-	21	-	21	-	1,309	-	1,309
McTavish	-	12	-	12	74	683	(108)	649
Carswell	-	295	-	295	173	730	-	903
Other	-	15	-	15	53	2,868	(1,919)	1,002
New Zealand								
Rise and Shine, NZ	-	-	(301)	(301)	-	416	(407)	9
Reefton and Other NZ Projects	-	111	-	111	24	780	(481)	323
Other								
Other Projects, Various	10	126	(3)	133	80	483	(343)	220
Total	**10**	**7,807**	**(2,282)**	**5,535**	**1,356**	**83,817**	**(25,497)**	**59,676**

Table 7: ($000's)	2011 Fiscal Expenditures				Life to Date - April 30, 2011			
Project	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimbursement	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimbursement	Total
Athabasca Basin								
Cree East	-	4,581	-	4,581	-	16,010	-	16,010
West McArthur	-	1,770	(920)	850	65	15,722	(12,214)	3,573
Poplar	-	140	-	140	166	3,626	(3,210)	582
Fond du Lac	-	1,621	-	1,621	120	4,274	-	4,394
Black Lake	-	16	-	16	147	1,503	-	1,650
Grease River	15	801	(891)	(75)	133	3,444	(2,800)	777
Cree West	8	3	(27)	(16)	48	1,112	(1,137)	23
Key Lake	-	3	(12)	(9)	24	1,027	(1,047)	4
NW Manitoba	-	97	-	97	16	6,708	-	6,724
Helmer	-	30	-	30	107	5,030	-	5,137
Lake Athabasca	6	65	-	71	118	5,966	-	6,084
Alberta	-	-	-	-	11	2,329	-	2,340
Hodgson	65	10	-	75	109	1,230	-	1,339
Arnold	-	101	-	101	35	1,340	-	1,375
Collins Bay	-	402	-	402	-	1,288	-	1,288
McTavish	-	17	(108)	(91)	74	671	(108)	637
Carswell	-	19	-	19	173	435	-	608
Other	-	14	-	14	53	2,854	(1,919)	988
New Zealand								
Rise and Shine, NZ	-	-	(7)	(7)	301	416	(407)	310
Reefton and Other NZ Projects	-	67	-	67	24	669	(481)	212
Other								
Other Projects, Various	-	11	-	11	73	357	(343)	87
Total	**94**	**9,768**	**(1,965)**	**7,897**	**1,797**	**76,011**	**(23,666)**	**54,142**

3. FINANCIAL POSITION AND CAPITAL RESOURCES

3.1 Cash and Working Capital

Table 8: ($000's) Cash and Working Capital	Apr-12	Apr-11
Cash and cash equivalents	4,394	9,642
Trade and other receivables	243	422
Available-for-sale securities	223	559
Trade and other payables	(1,792)	(2,461)
Working capital	**3,068**	**8,162**

For analysis and discussion of the movement in cash and cash equivalents reference should be made to Section 5 of this MD&A. Included within cash and cash equivalents are $0.4 million in funds from the CKU Partnership which are dedicated to the Cree East project. Reference should be made to note 5 of the consolidated financial statements for further details.

As at April 30, 2012, included within trade and other receivables is approximately $163,000 in HST refunds. The decrease for April 30, 2011 is due primarily to decrease in the HST receivable account.

The decrease in available-for-sale securities is a result of marking the securities to market as well as recording an impairment of approximately $122,000 on a number of investments.

The decrease in trade and other payables is consistent with the decrease in exploration activities compared with the fourth quarter 2011. The winter drill season in 2012 ended earlier than 2011 as we had warmer weather in late March and early April. This resulted in an early break up for our winter 2012 drill season.

3.2 Other Assets and Liabilities

Table 9: ($000's) Other Assets and Liabilities	**Apr-12**	**Apr-11**
Reclamation bonds	345	343
Property and equipment	504	616
Mineral property interests (Section 2.2)	1,356	1,797

During the fiscal year ended April 30, 2012, exploration and evaluation expenditures were made primarily on the West McArthur, Cree East, Carswell, Hodgson Fond Du Lac and NW Manitoba projects (Section 2).

During fiscal 2012, the Company wrote down its Voisey's Bay, Black Lake and Rise and Shine projects for an aggregate amount of $451,000.

3.3 Equity and Financings

Table 10: ($000's) Shareholders' Equity	**Apr-12**	**Apr-11**
Common shares	73,210	72,108
Equity reserve	10,506	10,170
Investment revaluation reserve	53	267
Deficit	(78,496)	(71,627)
Total shareholders' equity	**5,273**	**10,918**

Table 11: (000's) Equity Instruments	**Apr-12**	**Apr-11**
Common shares outstanding	22,058	19,830
Options outstanding		
Number	2,906	1,790
Weighted average price	$0.81	$1.03
Warrants outstanding		
Number	1,311	3,439
Weighted average price	$1.83	$2.44

Equity instruments

As of July 25, 2012, the Company had the following securities outstanding. Common shares - 22,058,136; Stock options – 2,894,750; and Warrants – 1,310,627.

In March 2012, the Company issued 283,000 common shares for gross proceeds of $121,690. A finder's fee of $4,867 in cash and 11,320 warrants were issued in connection with the financing. Each finder's warrant entitles the holder to purchase on additional common share for a period of eighteen months from the closing date, at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $1,825 which was determined using the Black Scholes model.

In March 2012, the Company issued 1,522,000 flow-through common shares for gross proceeds of $776,220. A finder's fee of $31,049 in cash and 60,880 warrants were issued in connection with the financing. $68,490 was allocated to premium as the market value on the date of close was less than the offering price associated with this offering. Each finder's warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $9,816 using the Black Scholes model.

In July 2011, the Company issued 5,000 common shares under the option agreement for the Black Lake project.

In May 2011, the Company issued 418,141 flow-through common shares for gross proceeds of $472,500. $133,805 was allocated to the flow-through share premium as the market value on the date of close was less than the offering price associated with this offering.

In February 2011, the Company issued 20,000 common shares for the exercise of stock option for gross proceeds of $20,000.

In January 2011, the Company issued 373,250 common share for the exercise of stock option for gross proceeds of $373,250.

In December 2010, the Company issued 1,721,708 ordinary units for gross proceeds of $2,754,733. Each unit consists of one common share and one-half of a share purchase warrant. Each warrant entitles the holder to purchase on additional common share for a period of twenty four months from the closing date, at a price of $1.90 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $205,499 using the Black Scholes model. A finder's fee of $119,055 in cash and 31,250 common shares and 136,192 warrants were issued in connection with the financing.

In December 2010, the Company issued 446,167 flow-through units for gross proceeds of $713,867. Each unit consists of one flow-through common share and one-half of one share purchase warrant. No part of the offering was allocated to premium as there was no premium associated with this offering. Each whole warrant entitles the holder to purchase one additional common share for a period of twenty four months from the closing date at a price of $1.90 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $53,254 using the Black Scholes model. A finder's fee of $29,280 in cash and 18,300 warrants were issued in connection with the financing.

In November 2010, the Company issued 26,000 common shares for the exercise of stock options for gross proceeds of $26,000.

In September 2010, the Company issued 20,000 common shares under the amended option agreement for the Fond Du Lac project.

In July 2010, the Company issued 5,000 common shares under the option agreement for the Black Lake project.

Table 12: Proceeds from Financings

Date	Type	Intended Use	Actual Use
March 2012	$0.1 million – 283,000 common shares	Uranium exploration in Saskatchewan	As Intended
March 2012	$0.8 million – 1,522,000 flow-through common shares	Uranium exploration in Saskatchewan	As Intended
May 2011	$0.5 million – 418,141 flow through common shares	Uranium exploration in Saskatchewan	As Intended
December 2010	$2.75 million – 1,721,708 ordinary units	Uranium exploration in Saskatchewan	As Intended
December 2010	$0.71 million – 446,167 flow-through units	Uranium exploration in Saskatchewan	As Intended

IFRS impact on flow-through share financings

Under Canadian GAAP, the Company followed the recommendations of the Emerging Issues Committee (“EIC”) of the CICA with respect to flow-through shares, as outlined in EIC-146. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is reasonable assurance that the expenditures will be made. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

As part of the transition to IFRS the Company has adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred. In particular, the corresponding reduction of share capital in respect of flow-through share financing as a result of the allocation of the proceeds as previously recorded under Canadian GAAP is now recorded as other income in the statements of loss and comprehensive loss.

Pursuant to the above policy the allocation of the proceeds from flow-through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income when the Company has the intention to renounce the expenditures with the Canadian taxation authorities for qualifying expenditures previously incurred. The deferred tax impact, if any, is recorded at the same time.

The effects of this transitional change are as follows:

(i) Premium on flow-through shares:
  a) decreased share capital and deficit at May 1, 2010 by $792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features.

(ii) Renouncement of flow-through tax credits:
  a) increased share capital and deficit by $7,569,000 at May 1, 2010;
  b) decreased share capital and deferred tax provision expense by $149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

4. EXPENDITURES REVIEW

Table 13: ($000's)				Quarterly					Year End	
Quarterly Loss & Comprehensive Loss Summary	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**Q412**	**2011**	**2012**
Revenue	-	-	-	-	-	-	-	-	-	-
Exploration Cost										
Mineral property expenditures	1,708	2,344	789	3,185	1,223	396	758	2,448	8,026	4,825
Mineral property write-offs	-	-	-	-	-	-	-	451	-	451
Equipment rental income	(60)	(75)	(78)	(90)	-	-	(28)	(129)	(303)	(157)
Net option payments	-	(6)	-	-	-	-	-	-	(6)	-
	1,648	2,263	711	3,095	1,223	396	730	2,770	7,717	5,119
Other Expenses (Income)										
Consulting, labour and professional fees	272	269	457	301	287	271	341	356	1,299	1,255
Depreciation	44	44	45	45	34	34	34	34	178	136
Gain on disposal of properties and equipments	-	-	-	(11)	-	(6)	(1)	-	(11)	(7)
Foreign exchange (gain) loss	(2)	(2)	1	7	(12)	7	(5)	6	4	(4)
Insurance, licenses and filing fees	18	49	20	43	22	54	10	29	130	115
Interest income	(38)	(15)	(26)	(11)	(50)	(28)	(23)	(18)	(90)	(119)
Other corporate costs	35	32	53	39	31	40	29	64	159	164
Investor relations and presentations	13	56	46	48	25	45	27	35	163	132
Rent	36	38	31	13	35	36	27	36	118	134
Stock-based payments	21	435	162	5	31	2	279	7	623	319
Travel and accommodation	7	23	34	30	5	30	15	18	94	68
Impairment and loss (gain) on disposal of available-for-sale securities	-	-	-	(28)	-	-	-	122	(28)	122
Premium on flow-thru shares	-	-	-	-	-	(134)	-	(68)	-	(202)
Management fees	(126)	(164)	(42)	(228)	(51)	18	(77)	(253)	(560)	(363)
	280	765	781	253	357	369	656	368	2,079	1,750
Loss for the period	**(1,928)**	**(3,028)**	**(1,492)**	**(3,348)**	**(1,580)**	**(765)**	**(1,386)**	**(3,138)**	**(9,796)**	**(6,869)**
Other comprehensive loss										
Unrealized loss (gain) on available-for-sale securities	(50)	12	(156)	(63)	124	115	103	(128)	(257)	214
Comprehensive loss	**(1,878)**	**(3,040)**	**(1,336)**	**(3,285)**	**(1,704)**	**(880)**	**(1,489)**	**(3,010)**	**(9,539)**	**(7,083)**
Basic and diluted loss per share	(0.11)	(0.18)	(0.08)	(0.17)	(0.08)	(0.04)	(0.07)	**(0.15)**	(0.54)	**(0.34)**

In the fiscal year ended April 30, 2012, the Company spent $5.6 million ($7.6 million net of $2.0 million from reimbursements from partners and impairments) in the Athabasca Basin.

In Q412, the Company recorded mineral property impairments on three of it projects (Black Lake, Voisey's Bay and Rise and Shine) for a total write-down of $0.5 million as the Company did not renew its permits for the Black Lake and Voisey's Bay project and the lease expired and the ground forfeited on the Rise and Shine project.

Camp and other miscellaneous exploration equipment owned by the Company is maintained at our La Ronge warehouse. Equipment rental income is comprised of income (cost recapture) from charging exploration projects for the rental of this equipment. In Q412, the equipment rental income is related to the winter drill programs for the Cree East and West McArthur projects. Equipment rental income in fiscal 2012 is lower compared to fiscal 2011 as the Company did not conduct summer exploration program in fiscal 2012.

Consulting, labour, and professional fees are lower than prior periods. The decrease is primarily attributed to a decrease in salaries expense. In fiscal 2012, salaries expense decreased by approximately $167,000 with a corresponding increase in consulting fees of approximately $112,000.

Insurance, licenses and filing fees are consistent with prior periods. During the fiscal year ended April 30, 2012, the Company graduated from the TSX Venture Exchange to the Toronto Stock Exchange.
Interest income was higher in 2012 compared to 2011. The increase was attributed to both the increased in the cash balances held during the year and better investment rates of return.

Investor relations expenses were lower in 2012 compared to 2011. The decrease is primarily attributed to a decrease in various sponsorship opportunities relative to 2011. Investor related expenses of the Company include the retention of the services of an established Canadian investor relations firm which has been terminated subsequent to year end.

The share-based payments amount for the year is lower than the amount for previous years. The decrease was primarily due to the share-based payment expense on the incremental fair value of the stock options which were modified in Q211.

Write-down on available-for-sale securities increased in Q412. The increase is attributed to a significant or prolonged impairment on a number of investments. The Company wrote the balances down to their market values due to the significant decline in market value that was viewed as other than a temporary impairment.

Management fees were lower in fiscal 2012 compared to fiscal 2011. This was primarily due to the decrease in our exploration activities relative to last year. During the same period last year, the Company spent $9.8 million on exploration, of which $7.0 million were related to our joint venture projects where management fees were generated. During 2012, the Company spent $6.2 million on exploration, of which the majority of the expenditures was related to our joint venture projects.

IFRS impact on share based payments

Under IFRS graded vesting awards are accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition is as follows: (i) increased deficit and equity reserve by $469,000 at May 1, 2010, (ii) decreased share-based payments expense and equity reserve by $97,000 for the year ended April 30, 2011.

5. CASHFLOW AND LIQUIDITY REVIEW

As of April 30, 2012, the Company had $4.4 million in cash and cash equivalents and working capital of $3.1 million and as of April 30, 2011, the Company had $9.6 million in cash and cash equivalents and working capital of $8.2 million.

5.1 Operating Activities

The Company's operating activities resulted in net cash outflows of $6.6 million and $7.4 million for the fiscal years ended April 30, 2012 and 2011 respectively.

5.2 Financing Activities

Financing activities resulted in net cash inflows of $1.3 million and $9.2 million for the fiscal years ended April 30, 2012 and 2011 respectively. During the fiscal year ended April 30, 2012, the Company raised $0.9 million from flow-through and ordinary common share financing completed in March 2012 and $0.5 million from a flow-through financing completed in May 2011. For the fiscal year ended April 30, 2011, the Company raised $3.3 million from an ordinary and a flow-through financing in December 2010 and received net cash contributions of $5.5 million from our Korean joint venture partner.

5.3 Investing Activities

Investing activities resulted in net cash outflows of $9,000 and $2,000 for the fiscal year ended April 30, 2012 and 2011 respectively. During the fiscal year ended April 30, 2012, the Company purchased additional property and equipment of approximately $43,000 and also receive proceeds on the sale of equipment of approximately $26,000.

5.4 IFRS Impact

As described in Section 2.2.1, IFRS impact on accounting for Cree East Project, the deconsolidation of CKULP resulted in a decrease in cash and cash equivalents as follows:

(i) At May 1, 2010: a) cash decreased by $836,000
(ii) At April 30, 2011: a) cash decreased by $1,774,000

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, 2012, which are available on the Company's website at www.canalaska.com and the risk factor section of the most recently filed Form 20-F on EDGAR.

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 key management of the Company for the year ended April 30, 2012 and 2011 were as follows.

Table 14: ($000's)
Compensations to Related Parties

($000's)	2012	2011
Employment benefits and directors fees	705	744
Share-based compensation	242	471

The directors and key management were awarded the following share options under the employee share option plan during the fiscal year ended April 30, 2012:

Table 15: Share Option Issuance

Date of grant	Number of options	Exercise price	Expiry
July 25, 2011	100,000	$1.00	July 24, 2014
November 8, 2011	888,750	$0.50	November 7, 2014

6.2 Financing

Management believes that the funds on hand at April 30, 2012 are sufficient to meet corporate, administrative, exploration activities for the next twelve months given the continuing funding from our joint venture partners. 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 successful 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

6.3.1 Share-Based Payment Plan

The Company has in effect a Stock Option Plan. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black Scholes model with the assumptions described in the notes to the financial statements. These assumptions are estimated by management based on available information and may be subject to change.

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 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 (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 year ended April 30, 2012 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 Recently Adopted Standards and Future Accounting Changes

There were no changes in significant accounting policies of the Company for the fiscal year ended April 30, 2012, except as noted below and noted in the Company's audited financial statements.

IFRS Transition

Effective January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the Company's effective transition date is May 1, 2010. The three months ended July 31, 2011 is the Company's first reporting period under IFRS.

The Company's IFRS conversion team identified three phases to our conversion: (i) Initial diagnostic phase; (ii) Impact analysis, evaluation and solution development phase; and (iii) Implementation and review phase. Post-implementation will continue in future periods, as outlined below.

The following outlines the Company's transition project, IFRS transitional impacts and the on-going impact of IFRS on the financial results. Note 17 to the consolidated financial statements provides more detail on the key Canadian GAAP to IFRS difference, the accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards, optional exemptions for significant or potentially significant areas that have had an impact on the financial statements on transition to IFRS or may have an impact in future periods.

6.6.1 Transitional Financial Impact

The tables below outline:

a) Adjustments to the Company's equity on adoption of IFRS on May 1, 2010 and April 30, 2011 for comparative purposes.
b) Adjustments to statement of loss for the year ended April 30, 2011.

The following tables should be read in conjunction with the more detailed note 17 in the consolidated financial statements as referenced in the tables. Selected sections of note 17 in the consolidated financial statements have also been reproduced under applicable discussions throughout this MD&A.

The Canadian GAAP consolidated statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
	April 30, 2011			May 1, 2010		
Assets						
Current assets						
Cash and cash equivalents	11,416	(1,774)	9,642	8,722	(836)	7,886
Trade and other receivables	422	-	422	1,148	-	1,148
Available-for-sale securities	559	-	559	261	-	261
Total current assets	12,397	(1,774)	10,623	10,131	(836)	9,295
Non-current assets						
Reclamation bonds	343	-	343	391	-	391
Property and equipment	616	-	616	743	-	743
Mineral property interests	54,142	(52,345)	1,797	46,245	(44,542)	1,703
Total assets	67,498	(54,119)	13,379	57,510	(45,378)	12,132
Liabilities						
Current liabilities						
Trade and other payables	2,461	-	2,461	1,626	-	1,626
Non- current liabilities						
Deferred income tax liability	3,596	(3,596)	-	3,399	(3,399)	-
	6,057	(3,596)	2,461	5,025	(3,399)	1,626
Equity						
Common shares	65,182	6,926	72,108	60,878	6,777	67,655
Equity reserve	9,798	372	10,170	9,665	469	10,134
Investment revaluation reserve	267	-	267	10	-	10
Deficit	(32,806)	(38,821)	(71,627)	(30,668)	(36,625)	(67,293)
	42,441	(31,523)	10,918	39,885	(29,379)	10,506
Non-controlling interest	19,000	(19,000)	-	12,600	(12,600)	-
	61,441	(50,523)	10,918	52,485	(41,979)	10,506
	67,498	(54,119)	13,379	57,510	(45,378)	12,132

Reconciliation of consolidated statement of comprehensive loss.

	Canadian GAAP ($000's)	Effect of Transition to IFRS ($000's)	IFRS ($000's)
	For the year ended April 30, 2011		
EXPLORATION COSTS			
Mineral property expenditures	223	7,803	8,026
Equipment rental income	(303)	-	(303)
Net option payments	(6)	-	(6)
	(86)	7,803	7,717
OTHER EXPENSES (INCOME)			
Consulting, labour and professional fees	1,299	-	1,299
Depreciation and amortization	178	-	178
Gain on disposal of properties and equipment	(11)	-	(11)
Foreign exchange (gain) loss	4	-	4
Insurance, licenses and filing fees	130	-	130
Interest income	(90)	-	(90)
Other corporate costs	159	-	159
Investor relations and presentations	163	-	163
Rent	118	-	118
Share-based payments	719	(96)	623
Travel and accommodation	94	-	94
Impairment loss on disposal of Available-for-sale securities	(28)	-	(28)
Management fees	(560)	-	(560)
	2,175	(96)	2,079
Loss before income taxes	(2,089)	(7,707)	(9,796)
Deferred income tax recovery (expense)	(49)	49	-
Loss for the year	(2,138)	(7,658)	(9,796)
Other comprehensive loss			
Unrealized loss (gain) on available-for-sale securities	(257)	-	(257)
Total comprehensive Loss for the year	(1,881)	(7,658)	(9,539)

The transition to IFRS did not significantly impact the Company's key ratios.

6.7 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.

6.7.1 Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. At the current time, uranium prices have remained depressed following the Fukushima nuclear incident. 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.

6.7.2 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, 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.

6.7.3 Foreign Political Risk

The Company's material property interests are currently located in Canada and New Zealand. 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.

6.7.4 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.

6.7.5 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.

6.7.6 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.

6.7.7 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 884,364 ha of property to reduce to 864,407 ha by December 31 2012, and 582,776 ha by December 31 2014. The Company's Fond Du Lac property reaches its last anniversary on February 13 2013, following which time a new lease will be required by the Fond Du Lac community from Aboriginal and Northern Affairs Canada. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 15 years from the current date.

6.7.8 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. The Company has terminated all long term employment contracts with senior management and is in the process of completing the negotiation of reduced contracts with the CEO, CFO, VP Corporate Devlopment and VP Exploration. Non essential technical staff have been terminated and remaining technical staff are currently occupied on third party contracts, and projects which require minimal funding. This status is being monitored and adjusted on a monthly basis.

6.7.9 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.

6.7.10 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.

6.7.11 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 AND ANNUAL FINANCIAL INFORMATION

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

Table 16: ($000's)				**Quarterly**					**Year End**	
Quarterly Loss & Comprehensive Loss Summary	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**Q412**	**2011**	**2012**
Revenue	-	-	-	-	-	-	-	-	-	-
Exploration Cost										
Mineral property expenditures	1,708	2,344	789	3,185	1,223	396	758	2,448	8,026	4,825
Mineral property write-offs	-	-	-	-	-	-	-	451	-	451
Equipment rental income	(60)	(75)	(78)	(90)	-	-	(28)	(129)	(303)	(157)
Net option payments	-	(6)	-	-	-	-	-	-	(6)	-
	1,648	2,263	711	3,095	1,223	396	730	2,770	7,717	5,119
Other Expenses (Income)										
Consulting, labour and professional fees	272	269	457	301	287	271	341	356	1,299	1,255
Depreciation	44	44	45	45	34	34	34	34	178	136
Gain on disposal of properties and equipments	-	-	-	(11)	-	(6)	(1)	-	(11)	(7)
Foreign exchange (gain) loss	(2)	(2)	1	7	(12)	7	(5)	6	4	(4)
Insurance, licenses and filing fees	18	49	20	43	22	54	10	29	130	115
Interest income	(38)	(15)	(26)	(11)	(50)	(28)	(23)	(18)	(90)	(119)
Other corporate costs	35	32	53	39	31	40	29	64	159	164
Investor relations and presentations	13	56	46	48	25	45	27	35	163	132
Rent	36	38	31	13	35	36	27	36	118	134
Stock-based payments	21	435	162	5	31	2	279	7	623	319
Travel and accommodation	7	23	34	30	5	30	15	18	94	68
Impairment and loss (gain) on disposal of available-for-sale securities	-	-	-	(28)	-	-	-	122	(28)	122
Premium on flow-thru shares	-	-	-	-	-	(134)	-	(68)	-	(202)
Management fees	(126)	(164)	(42)	(228)	(51)	18	(77)	(253)	(560)	(363)
	280	765	781	253	357	369	656	368	2,079	1,750
Loss for the period	**(1,928)**	**(3,028)**	**(1,492)**	**(3,348)**	**(1,580)**	**(765)**	**(1,386)**	**(3,138)**	**(9,796)**	**(6,869)**
Other comprehensive loss										
Unrealized loss (gain) on available-for-sale securities	(50)	12	(156)	(63)	124	115	103	(128)	(257)	214
Comprehensive loss	**(1,878)**	**(3,040)**	**(1,336)**	**(3,285)**	**(1,704)**	**(880)**	**(1,489)**	**(3,010)**	**(9,539)**	**(7,083)**
Loss per share	(0.11)	(0.18)	(0.08)	(0.17)	(0.08)	(0.04)	(0.07)	**(0.15)**	(0.54)	**(0.34)**

Table 17: ($000's) Financial Position Summary	As at Apr 30, 2010	Jul 31, 2010	Oct 31, 2010	Jan 31, 2011	Apr 30, 2011	Jul 31, 2011	Oct 31, 2011	Jan 31, 2012	Apr 30, 2012
Financial Position									
Assets									
Cash and cash equivalents	7,886	7,852	5,313	11,631	9,642	7,381	6,264	5,869	4,394
Trade and other receivables	1,148	162	166	260	422	182	190	252	243
Available-for-sale securities	261	318	317	573	559	435	320	217	223
Total Current Assets	9,295	8,332	5,796	12,464	10,623	7,998	6,774	6,338	4,860
Reclamation bond	391	364	348	350	343	343	343	345	345
Property and equipment	743	720	693	659	616	585	544	536	504
Mineral property interests	1,703	1,776	1,791	1,792	1,797	1,797	1,797	1,804	1,356
Total Assets	12,132	11,192	8,628	15,265	13,379	10,723	9,458	9,023	7,065
Liabilities									
Trade and other payables	1,626	1,080	358	1,702	2,461	997	745	1,519	1,792
Total Liabilities	1,626	1,080	358	1,702	2,461	997	745	1,519	1,792
Shareholders' Equity									
Common shares	67,655	67,661	67,678	72,009	72,108	72,583	72,449	72,449	73,210
Equity reserve	10,134	10,174	10,625	10,232	10,170	10,207	10,208	10,488	10,506
Investment revaluation reserve	10	60	48	204	267	143	28	(75)	53
Deficit	(67,293)	(67,783)	(70,081)	(68,882)	(71,627)	(73,207)	(73,972)	(75,358)	(78,496)
Total Shareholders' Equity	10,506	10,112	8,270	13,563	10,918	9,726	8,713	7,504	5,273
	12,132	11,192	8,628	15,265	13,379	10,723	9,458	9,023	7,065
Weighted average common shares outstanding (000's)	15,377	17,187	17,194	17,565	18,114	20,130	20,192	20,212	20,425
Working Capital	7,669	7,252	5,438	10,762	8,162	7,001	6,029	4,819	3,068

CanAlaska Uranium Ltd.

Consolidated Financial Statements
April 30, 2012 and 2011

(Expressed in Canadian dollars, except where indicated)

Deloitte.

Deloitte & Touche LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

Report of Independent Registered Chartered Accountants

To the Board of Directors and Shareholders of CanAlaska Uranium Ltd.

We have audited the accompanying consolidated financial statements of CanAlaska Uranium Ltd. and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2012, April 30, 2011, and May 1, 2010, and the consolidated statements of net loss and comprehensive loss, changes in equity, and cash flows for the years ended April 30, 2012 and April 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CanAlaska Uranium Ltd. and subsidiaries as at April 30, 2012, April 30, 2011, and May 1, 2010, and financial performance and their cash flows for the years ended April 30, 2012 and April 30, 2011 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company has a deficit of $78.5 million at April 30, 2012 and incurred a net loss of $6.9 million during the year ended April 30, 2012. These matters indicate the existence of material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern.

Deloitte & Touche LLP

Independent Registered Chartered Accountants
July 27, 2012
Vancouver, Canada

CanAlaska Uranium Ltd.

Consolidated Statements of Financial Position
As at April 30, 2012 and 2011 and May 1, 2010
(Expressed in Canadian dollars except where indicated)

	Notes	April 30 2012 $000's	April 30 2011 $000's	May 1 2010 $000's
Assets			(note 17)	(note 17)
Current assets				
Cash and cash equivalents	*5*	4,394	9,642	7,886
Trade and other receivables		243	422	1,148
Available-for-sale securities	*6*	223	559	261
Total current assets		4,860	10,623	9,295
Non-current assets				
Reclamation bonds		345	343	391
Property and equipment	*7*	504	616	743
Mineral property interests	*8*	1,356	1,797	1,703
Total assets		7,065	13,379	12,132
Liabilities				
Current liabilities				
Trade and other payables		1,792	2,461	1,626
Equity				
Common shares	*9*	73,210	72,108	67,655
Equity reserve	*9*	10,506	10,170	10,134
Investment revaluation reserve		53	267	10
Deficit		(78,496)	(71,627)	(67,293)
		5,273	10,918	10,506
		7,065	13,379	12,132
Going Concern	*2*			
Commitments	*13*			
Subsequent Events	*18*			

Approved by the Audit Committee of the Board of Directors

"Peter Dasler"
Director

"Jean Luc Roy"
Director

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

CanAlaska Uranium Ltd.

Consolidated Statements of Net Loss and Comprehensive Loss
For the year ended April 30, 2012 and 2011
(Expressed in Canadian dollars except where indicated)

	Notes	2012 ($000's)	2011 ($000's) (note 17)
EXPLORATION COSTS			
Mineral property expenditures		4,825	8,026
Mineral property write-offs	*8*	451	-
Equipment rental income		(157)	(303)
Net option payment		-	(6)
		5,119	7,717
OTHER EXPENSES (INCOME)			
Consulting, labour and professional fees		1,255	1,299
Depreciation and amortization	*7*	136	178
Gain on disposal of property and equipment		(7)	(11)
Foreign exchange (gain) loss		(4)	4
Insurance, licenses and filing fees		115	130
Interest income		(119)	(90)
Other corporate costs		164	159
Investor relations and presentations		132	163
Rent		134	118
Share-based payments	*10*	319	623
Travel and accommodation		68	94
Management fees		(363)	(560)
Impairment and loss (gain) on disposal of available-for-sale securities	*6*	122	(28)
Premium on flow-through shares	*9*	(202)	-
		1,750	2,079
Net loss for the year		(6,869)	(9,796)
Other comprehensive loss			
Unrealized loss (gain) on available-for-sale securities	*6*	214	(257)
Total comprehensive loss for the year		(7,083)	(9,539)
Basic and diluted loss per share ($ per share)		(0.34)	(0.54)
Basic and diluted weighted average common shares outstanding (000's)		20,425	18,114

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

CanAlaska Uranium Ltd.

Consolidated Statements of Changes in Equity
For the year ended April 30, 2012 and 2011
(Expressed in Canadian dollars except where indicated)

		Common Shares			Investment		
		Shares	Amount	Equity Reserve	Revaluation Reserve	Accumulated Deficit	Total Equity
	Note	000's	$000's	$000's	$000's	$000's	$000's
Balance-May 1, 2010		17,187	67,655	10,134	10	(67,293)	10,506
Issued on private placement for cash		2,199	3,516	-	-	-	3,516
Warrants issued on private placement		-	(297)	297	-	-	-
Issued on exercise of stock options		419	419	-	-	-	419
Issued to acquire mineral property interest		25	24	-	-	-	24
Share issuance costs		-	(216)	-	-	-	(216)
Share-based payments		-	-	746	-	-	746
Transfer on exercise of stock options		-	1,007	(1,007)	-	-	-
Unrealized gain on available-for-sale securities		-	-	-	257	-	257
Contributions to the CKU Partnership	*17*	-	-	-	-	5,462	5,462
Net loss for the year		-	-	-	-	(9,796)	(9,796)
Balance-April 30, 2011		19,830	72,108	10,170	267	(71,627)	10,918
Issued on private placement for cash		2,223	1,168	-	-	-	1,168
Warrants issued on private placement		-	-	12	-	-	12
Issued to acquire mineral property interest		5	4	-	-	-	4
Share issuance costs		-	(70)	-	-	-	(70)
Share-based payments		-	-	324	-	-	324
Unrealized loss on available-for-sale securities		-	-	-	(214)	-	(214)
Net loss for the year		-	-	-	-	(6,869)	(6,869)
Balance-April 30, 2012		**22,058**	**73,210**	**10,506**	**53**	**(78,496)**	**5,273**

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

CanAlaska Uranium Ltd.

Consolidated Statements of Cash Flows
For the year ended April 30, 2012 and 2011
(Expressed in Canadian dollars except where indicated)

	Notes	2012 $000's	2011 $000's
Cash flows from operating activities			
Net loss for the year		(6,869)	(9,796)
Items not affecting cash			
Impairment and loss (gain) on disposal of available-for-sale securities	*6*	122	(28)
Gain on disposal of property and equipment		(7)	(11)
Depreciation and amortization	*7*	136	178
Premium on flow-through shares	*9*	(202)	-
Mineral property write-offs		451	-
Other		10	41
Share-based payments	*10*	319	623
Interest income		(119)	(90)
		(6,159)	(9,083)
Interest received		118	77
Change in non-cash operating working capital			
Decrease in trade and other receivables		181	748
(Decrease) increase in trade and other payables		(670)	835
		(6,530)	(7,423)
Cash flows from financing activities			
Issuance of common shares (net of share issue costs)		1,311	3,300
Proceeds from exercise of stock options		-	419
Funding from partners	*17*	-	5,462
		1,311	9,181
Cash flows from investing activities			
Additions to mineral property interests		(10)	(94)
Proceeds on disposal of available-for-sale securities		-	103
Acquisition of property and equipment		(43)	(57)
Option payments received		-	12
Proceeds from disposal of property and equipment		26	-
Reclamation bond		(2)	34
		(29)	(2)
(Decrease) increase in cash and cash equivalents		(5,248)	1,756
Cash and cash equivalents - beginning of year	*5*	9,642	7,886
Cash and cash equivalents - end of year	*5*	4,394	9,642

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

1 Nature of Operations

CanAlaska Uranium Ltd. (the "Company" or "CanAlaska") and its subsidiaries for the past 7 years have been principally engaged in the exploration of uranium properties. The Company will attempt to 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 is considered to be in the exploration stage. From time to time, the Company evaluates new properties and directs exploration on these properties based on the Board of Director's evaluation of financial and market considerations at the time. On June 21, 2011, the Company's shares commenced trading on the Toronto Stock Exchange under the symbol "CVV" and ceased trading on the TSX Venture Exchange. The Company's shares are also quoted on the Over-The-Counter Bulletin Board ("OTCBB") 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 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 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.

At April 30, 2012, the Company had cash and cash equivalents of $4.4 million (April 30, 2011: $9.6 million) (note 5) and working capital of $3.1 million (April 30, 2011: $8.2 million). The Company has a deficit of $78.5 million at April 30, 2012 and incurred a net loss of $6.9 million during the year ended April 30, 2012. Management believes that the cash on hand at April 30, 2012 is sufficient to meet corporate, administrative and selected exploration activities for the coming twelve months. Should management be successful in its forthcoming exploration programs it may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. The above factors cast substantial doubt regarding the Company's ability to continue as a going concern.

3 Summary of Significant Accounting Policies

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with and in full compliance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Boards ("IASB"). These IFRS consolidated financial statements are the Company's first annual consolidated financial statements prepared in accordance with IFRS for the year ending April 30, 2012. Previously, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in the opening IFRS statement of financial position as at May 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 17 discloses the impact of the transition to IFRS on the Company's reported consolidated statements of financial position, statement of net loss and comprehensive loss and statement of cash flows, including the nature and effect of significant changes in accounting policies from those used in the financial statements for the year ended April 30, 2011.

The policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS issued and effective at April 30, 2012. These financial statements were approved by the Board of Directors for issue on July 27, 2012.

b) Basis of preparation

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

- CanAlaska Resources Ltd. U.S.A., a Nevada company
- CanAlaska West McArthur Uranium Ltd., a B.C. company
- Golden Fern Resources Limited, a New Zealand company
- Poplar Uranium Limited., a B.C. company

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

These consolidated financial statements also include the proportionate share of each of the assets, liabilities, revenues and expenses of its interest in CanAlaska Korean Uranium Limited Partnership ("CKULP" or the "Partnership" or the "CKU Partnership") and CanAlaska Korean Uranium Limited.

3 Summary of Significant Accounting Policies (continued)

c) Share-based payments

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. 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 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.

d) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax is recognized in the consolidated statement of net loss and comprehensive loss except to the extent it relates to items recognized directly in equity, in which case the related taxes are recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantially enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable income;
- initial recognition of goodwill;
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3 Summary of Significant Accounting Policies (continued)

e) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company has adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The allocation of the proceeds is made based on the residual difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income when the Company has the intention to renounce the expenditures with the Canadian taxation authorities for qualifying expenditures previously incurred. The deferred tax impact, if any, is recorded at the same time.

f) Property and equipment

Property and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company provides for amortization of its property and equipment as follows:

Automotive	30% declining balance basis
Leasehold improvements	30% declining balance basis
Mining equipment	30% declining balance basis
Office equipment	20% declining balance basis

g) Exploration and evaluation expenditures

Exploration and evaluation expenditure include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred as mineral property expenditures. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of comprehensive loss.

Acquisition costs are capitalized to the extent that these costs can be related directly to the acquisition of a specific area of interest where it is considered likely to be recoverable by future exploitation or sale.

3 Summary of Significant Accounting Policies (continued)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of expensing all costs relating to exploration for and development of mineral claims and crediting all proceeds received for option or farm-out arrangements or recovery of costs against the mineral expenditures.

h) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company’s non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Management considers both external and internal sources of information in assessing whether there are any indications that the Company’s non-financial assets are impaired. External sources of information management considers include changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its non-financial assets. Internal sources of information management consider include the manner in which non-financial assets are being used or are expected to be used and indications of economic performance of the assets.

3 Summary of Significant Accounting Policies (continued)

i) Foreign currencies

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the spot rates prevailing at the date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the date of the transaction and not revalued every period.

j) Financial assets and liabilities

Financial assets held are cash and cash equivalents, trade and other receivables and available-for-sale securities. Financial liabilities are trade and other payables.

These are classified into the following specified categories: available-for-sale (“AFS”) financial assets, loans and receivables and other liabilities. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Available-for-sale securities held by the Company that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in other comprehensive income in the investments revaluation reserve with the exception of significant or prolonged losses which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in the consolidated statement of net loss and comprehensive loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the financial position reporting date. The change in fair value attributable to translation differences that result from a change in amortized cost of the asset is recognized in profit or loss. Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Other financial liabilities are measured at amortized cost.

The Company has classified its financial instruments as follows:

Cash and cash equivalents	Loans and receivables
Available-for-sale securities	Available-for-sale
Trade and other receivables	Loans and receivables
Trade and other payables	Other financial liabilities

3 Summary of Significant Accounting Policies (continued)

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's available for sale investments are classified as Level 1 financial instruments. There have been no transfers between fair value levels during the reporting period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of net loss and comprehensive loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

k) Investment revaluation reserve

Investment revaluation reserve includes unrealized gains and losses on available-for-sale securities, none of which are included in the calculation of net earning or losses until realized or until there is a significant or prolonged decline in the investments value.

3 Summary of Significant Accounting Policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in banks, bankers' acceptances and certificates of deposits (note 5) and are readily convertible into a known amount of cash with maturity days of three months or less.

m) Decommissioning liabilities

Obligations associated with the decommissioning of tangible non-current assets are recorded as provisions when those obligations are incurred, with the amount of the liability initially measured at management's best estimates. These obligations are capitalized in the accounts of the related non-current assets and are amortized over the useful lives of the related assets. It is possible that the Company's estimates of its ultimate decommissioning liabilities could change as a result of changes in regulations, the extent of environmental remediation required and the means of reclamation or costs estimates. Changes in estimates are accounted for prospectively from the period these estimates are revised. There are no decommissioning liabilities obligations as at April 30, 2012, April 30, 2011 and May 1, 2010.

n) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

o) Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

p) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

q) Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the period by the weighted average number of common shares outstanding in the period. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. Stock options, shares to be issued, and warrants outstanding are not included in the computation of diluted (loss) earnings per share if their inclusion would be anti-dilutive.

3 Summary of Significant Accounting Policies (continued)

r) Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company operates in one segment, the exploration of mineral property interests.

s) Accounting standards issued but not yet effective

- *IFRS 9, Financial Instruments: Classification and Measurement*, issued in December 2009, effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2015.

- *IFRS 7 Financial Instruments: Disclosures (Amendment)*, the amendment, effective for annual periods beginning on or after July 1, 2011, with early application permitted, requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where: financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them or; financial assets that are not derecognized in their entirety.

- *IAS 12 Income Taxes (Amendment)*, IAS 12 Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets introduces an exception to the existing principle for the measurement of deferred tax assets and liabilities arising on investment property measured at fair value, and the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after January 1, 2012.

- *IAS 1 Presentation of Financial Statements (Amendment)*, the amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRS to group together items within other comprehensive income (“OCI”) that may be reclassified to the profit or loss section of the income statement. The amendments retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). In addition, the tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendment is effective for annual periods beginning on or after July 1, 2012.

3 Summary of Significant Accounting Policies (continued)

- *IFRS 10 Consolidated Financial Statements* replaces the portion of *IAS 27 Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements, and *SIC12 Consolidation - Special Purpose Entities*. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as a basis for consolidation; (iii) sets out how to apply the principle of control whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRS 10 may be adopted to an earlier accounting period, but in doing so, an entity must disclose the fact that it has early adopted the standard and apply *IFRS 11 Joint Arrangements*, *IFRS 12 Disclosure of Interests in Other Entities*, *IAS 27 Separate Financial Statements* (as amended in 2011), *IAS 28 Investments in Associates and Joint Ventures*)as amended in 2011).

- *IFRS 11* replaces *IAS 31 Interest in Joint Ventures* and *SIC-13 Jointly-Controlled Entities – Non-Monetary Contributions by Venturers.* This standard establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement (joint operations or joint ventures). This standard is effective for annual periods on or after January 1, 2013, with early adoption permitted.

- *IFRS 12* combines the disclosure requirements for an entity's interest in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. This standard requires the disclosure of information that enable users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, and entities are permitted to incorporate any of the new disclosures into their financial statements before that date.

- *IFRS 13 Fair Value Measurement* provides guidance on how to measure fair value, but does not change when fair value is required or permitted under IFRS. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payments transactions within the scope of *IFRS 2 Share-based Payments*; leasing transactions with the scope of *IAS 17 Leases*; measurements that have some similarities to fair value that are not fair value, such as net realizable value in *IAS 2 Inventories*; or value in use *IAS 36 Impairment of Assets*. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

- *IAS 27* has the objective of setting standards to be applied in accounting for investments in subsidiaries, jointly controlled entities, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

3 Summary of Significant Accounting Policies (continued)

- *IAS 28* prescribes the accounting for investments in associates and to set the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

- *IAS 19 Employee Benefits ("IAS 19"),* in June 2011, the IASB issued amendments to IAS 19 that introduced significant changes to the accounting for defined benefit plans and other employee benefits. The amendments include elimination of the options to defer or recognize in full in profit or loss actuarial gains and losses and instead mandates the immediate recognition of all actuarial gains and losses in other comprehensive income. The amended IAS 19 also requires calculation of net interest on the net defined benefit liability or asset using the discount rate used to measure the defined benefit obligation. In addition, other changes incorporated into the amended standard include changes made to the date of recognition of liabilities for termination benefits and changes to the definitions of short-term employee benefits and other long-term employee benefits which may impact on the classification of liabilities associated with those benefits. The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

- *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20"),* in October 2011, the IASB issued IFRIC 20. IFRIC 20 clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted and includes guidance on transition fro pre-existing stripping assets.

The Company is assessing the application of the standards, amendments and interpretations described above and whether it has a material impact on the results and financial position of the Company.

4 Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

4 Significant Accounting Judgments and Estimates (continued)

a) Critical judgments

The Company has determined that it will account for its investment in CKU Partnership using the proportionate consolidation method to reflect its joint control with the Korean Consortium. In assessing whether the Company has joint control the Company assessed whether all the parties, or a group of the parties, control the arrangement. This assessment necessarily involves judgment as to whether (i) the Consortium and the Company have equal rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership's Board of Directors and (ii) decision making is governed by the Partnership's Board of Directors, with equal representation from the Consortium and the Company.

The Company decided not to recognize deferred tax assets consisting of Canadian exploration expenses, capital losses and unused tax losses as it considered it not to be probable that taxable income will be available in the near future to offset these deferred tax assets.

A variety of practices have historically been adopted in the accounting for exploration and evaluation expenditures. Some mining entities have capitalized all exploration and evaluation expenditures as a matter of policy, while others have written off the costs as incurred until a decision was made that commercial exploitation is probable, from which point the costs have been capitalized. The Company has elected to have a policy to expense all costs for exploration and evaluation expenditures.

The Company believes that the cash on hand at April 30, 2012 is sufficient to meet corporate, administrative and selected exploration activities for the coming twelve months.

b) Estimates

- the recoverability of trade and other receivables which are included in the consolidated statements of financial position;
- the useful lives of property and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statement of comprehensive loss;
- the fair value estimation of share-based awards included in the consolidated statements of financial position and the inputs used in accounting for share-based compensation expense in the consolidated statements of comprehensive loss;
- the accounting and recognition of income taxes which is included in the consolidation statement of net loss and comprehensive loss and composition of deferred income tax asset and liabilities included in the consolidated statement of financial position;
- the inputs used in determining the various commitments and contingencies accrued in the consolidated statements of financial position; and,
- the assessment of indications of impairment of each mineral properties and related determination of the net realizable value and write-down of those properties where applicable.

5 Cash and Cash Equivalents

	April 30, 2012 $000's	April 30, 2011 $000's	May 1, 2010 $000's
CKULP funds	399	1,774	1,223
Option-in advances	329	911	276
Cash in bank and other short term deposits	3,666	6,957	6,387
Total	**4,394**	**9,642**	**7,886**

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

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

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

	April 30, 2012 $000's	April 30, 2011 $000's	May 1, 2010 $000's
Cash	1,544	292	3,269
Cash equivalents	2,850	9,350	4,617
Total	**4,394**	**9,642**	**7,886**

6 Available-for-Sale Securities

	April 30, 2012		April 30, 2011		May 1, 2010	
	Cost $000's	Fair Value $000's	Cost $000's	Fair Value $000's	Cost $000's	Fair Value $000's
Pacific North West Capital Corp.	53	93	53	292	53	110
Westcan Uranium Corp.	33	33	116	83	15	5
Mega Uranium Ltd.	12	12	48	25	48	28
Other available-for-sale securities	71	85	75	159	135	118
Total	**169**	**223**	**292**	**559**	**251**	**261**

The Company reviewed the carrying values of its available-for-sale securities, and after considering where the decreases on fair value were significant or prolonged, the Company recognized an impairment on available-for-sale securities of $122,000. In 2011, the Company realized a gain on disposal of available-for-sale securities of $28,000.

7 Property and Equipment

Property and equipment are comprised of the following:

	Automotive $000's	Leasehold improvements $000's	Mining equipment $000's	Office equipment $000's	Total $000's
Cost					
At May 1, 2010	**111**	**270**	**987**	**476**	**1,844**
Additions	-	-	39	18	57
Disposals	-	-	(19)	-	(19)
At April 30, 2011	**111**	**270**	**1,007**	**494**	**1,882**
Additions	-	-	36	7	43
Disposals	(29)	-	(19)	-	(48)
At April 30, 2012	**82**	**270**	**1,024**	**501**	**1,877**

Accumulated Depreciation and Amortization					
At May 1, 2010	**(72)**	**(62)**	**(661)**	**(306)**	**(1,101)**
Depreciation and amortization	(12)	(22)	(102)	(42)	(178)
Disposals	-	-	13	-	13
At April 30, 2011	**(84)**	**(84)**	**(750)**	**(348)**	**(1,266)**
Depreciation and amortization	(4)	(21)	(79)	(32)	(136)
Disposals	21		8		29
At April 30, 2012	**(67)**	**(105)**	**(821)**	**(380)**	**(1,373)**
Carrying Value					
At May 1, 2010	39	208	326	170	743
At April 30, 2011	27	186	257	146	616
At April 30, 2012	**15**	**165**	**203**	**121**	**504**

8 Mineral Property Interests

The Company holds approximately 901,000 hectares of mining claims in the Athabasca region located across the provinces of Alberta, Saskatchewan, and Manitoba in Canada. The holdings are comprised of 19 projects which are in various stages of exploration and discovery.

The Company also holds mining claims in New Zealand, Alaska and British Columbia.

Details of acquisition costs and mineral property impairments for the years ended April 30, 2012 and 2011 respectively are as follows:

Project ($000's)	May 1, 2010	Additions	April 31, 2011	Additions/ write-offs	April 30, 2012
Athabasca Basin					
Cree East (a)	-	-	-	-	-
West McArthur (b)	65	-	65	-	65
Fond du Lac (c)	120	-	120	-	120
Grease River (d)	118	15	133	-	133
Cree West (e)	40	8	48	-	48
Key Lake (f)	24	-	24	-	24
NW Manitoba	16	-	16	-	16
Poplar	166	-	166	-	166
Black Lake (g)	147	-	147	(147)	-
Helmer	107	-	107	-	107
Lake Athabasca	112	6	118	-	118
Alberta	11	-	11	-	11
Hodgson	44	65	109	-	109
Arnold	35	-	35	-	35
Collins Bay	-	-	-	-	-
McTavish	74	-	74	-	74
Carswell	173	-	173	-	173
Other	53	-	53	-	53
New Zealand					
Rise and Shine, NZ (h)	301	-	301	(301)	-
Reefton and Other NZ Projects	24	-	24	-	24
Other					
Other Projects, Various (i)	73	-	73	7	80
Total	**1,703**	**94**	**1,797**	**(441)**	**1,356**

8 Mineral Property Interests (continued)

Summary of option payments remaining due by CanAlaska in the years ending April 30	**Cash $000's**	**Total Spend[1] $000's**	**Shares**
2013	-	1,200	-
2014	-	1,800	-
Thereafter	-	6,200	120,000

Summary of option payments receivable by CanAlaska in the years ending April 30[1]	**Cash $000's**	**Total Spend[1] $000's**	**Shares**
2013	-	150	-
2014	-	433	-
Thereafter	-	720	-

[1] Represents cumulative spend required not the spend per fiscal year to maintain certain interests in the Company's properties.

a) Cree East, Saskatchewan – Korean Consortium

Cree East consists of approximately 56,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium ("Consortium") to develop Cree East. Under the terms of agreements, the Korean Consortium would invest $19.0 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period. As of April 30, 2012, the Korean Consortium had contributed $19.0 million (April 30, 2011: $19.0 million) and held a 50% interest (April 30, 2011: 50%) in the CKU Partnership. The total cash contribution for the year ended April 30, 2012 from the Korean Consortium was $nil (2011: $6.0 million). The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred. The total expenditures on the property for the year ended April 30, 2012 was $2,733,000 (2011: $4,581,000).

b) West McArthur, Saskatchewan - Mitsubishi

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca. In April 2007, the Company optioned the claims to Mitsubishi Development Pty Ltd. ("Mitsubishi") whereby Mitsubishi could exercise an option to earn a 50% interest in the property by funding expenditures of $10.0 million and by making a $1.0 million payment upon completion of the $10.0 million funding requirement. In February 2010, Mitsubishi exercised their option with a payment to the Company of $1.0 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The total cash contribution for the year ended April 30, 2012 from Mitsubishi was $1.3 million (2011: $1.5 million). The Company acts as project operator and earns a fee (between 5% and 10%) based on the expenditures incurred.

8 Mineral Property Interests (continued)

c) Fond Du Lac, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008 and September 10, 2010, the Company acquired from the Fond Du Lac Denesuline First Nation an option to earn a 50% interest in the Fond Du Lac property (comprising approximately 17,000 hectares in the Athabasca) for total payments of $130,000 (paid), the issuance of 40,000 shares (issued) and work commitments of $2.0 million ($1.2 million by June 2011 and an additional $800,000 by June 2012). As of April 30, 2012, the Company had fully met the work commitment and had incurred $4.5 million in exploration expenditures on the property.

In September 2010, the Fond Du Lac option agreement was amended whereby the Company's participating interest in the project was increased from 49% to 50%. In consideration for the amendment, the Company issued 10,000 common shares and accelerated its staged cash payments and share issuances due on June 30, 2011. As a result, in September 2010, the Company issued an aggregate of 20,000 common shares under the amended option agreement for the Fond Du Lac project (note 9(c)).

d) Grease River, Saskatchewan

Grease River is comprised of approximately 38,000 hectares of mineral claims located in the Athabasca. In August 2010, the Company executed an option agreement with Westcan Uranium Corp. ("Westcan") to commence exploration of the Grease River project. Under the terms of the option agreement, Westcan can earn a 50% interest in the property by issuing up to 5% of the issued and outstanding shares of Westcan (804,808 common shares received in November 2010) and making exploration expenditures of $4.5 million by December 2013. In August 2011, the option agreement with Westcan for the Grease River project was terminated.

e) Cree West, Saskatchewan

Cree West is comprised of approximately 13,000 hectares of mineral claims located in the south-east of the Athabasca. In April 2006, the Company optioned the claims to Westcan. Westcan can earn a 50% interest in the property by making payments of $150,000 (received), issuing 600,000 shares (issued) and making exploration expenditures of $3.6 million before May 2009. In July 2010, the Company extended the option agreement for a period of one year beginning in August 2010 for consideration of 125,000 common shares of Westcan, which were received by the Company in November 2010. In August 2011, Westcan's earn-in option for the Cree West project expired.

8 Mineral Property Interests (continued)

f) Key Lake, Saskatchewan

Key Lake is comprised of approximately 3,000 hectares of mineral claims located in the south-east of the Athabasca. In March 2006, the Company optioned the claims to Westcan. Westcan can earn a 50% interest by making payments of $150,000 (received), issuing 300,000 shares (received) and completing work commitments of $2 million by May 2009. In July 2010, the Company extended the option agreement for a period of one year beginning in August 2010 for consideration of 125,000 common shares of Westcan, which were received in November 2010. In August 2011, Westcan's earn-in option for the Key Lake project expired.

g) Black Lake, Saskatchewan

In the year ended April 30, 2012, the Company recognized an impairment on its Black Lake claim for ($147,000) as it did not renew its permits on this property after the expiration in February 2012.

h) Rise and Shine, New Zealand

In the year ended April 30, 2012, the Company recognized an impairment on its Rise and Shine claim of ($301,000) as the lease expired and the ground was forfeited.

i) Other Projects – BC Copper, British Columbia

- BC Copper is comprised of approximately 25,000 hectares located in south central British Columbia. In November 2011, the Company optioned the claims to Tyrone Docherty and subsequently amended the agreement in February 2012 whereby certain acquired claims were included and excluded in the option as well as a reduction in the required exploration expenditure. Tyrone Docherty may earn a 50% interest in the property by making payments of $30,000 (received) and making exploration expenditures of $250,000 before July 2014.

- In March 2012, the Company optioned additional claims comprising approximately 8,899 hectares in south central British Columbia to Tyrone Docherty. Tyrone Docherty may earn a 50% interest in the property by making exploration expenditures of $470,000 by July 2014. In May 2012 the company amended the agreement and reduced the property holdings to the Big Creek property, where a third party, Discovery Ventures Ltd and Docherty will earn 50% interest for the expenditure of $75,000 in summer 2012, a further $87,500 of exploration expenditure by July 1 2013, and a further $87,500 of exploration expenditure by July 1 2014.

- In fiscal 2012, the Company wrote down its Voisey's Bay claim ($3,000) as it did not intend to renew its permits on this property.

9 Share Capital

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

Share Issuances

a) On September 23, 2010, shareholders approved a share consolidation of ten to one. The shares of the Company began trading on a consolidated basis on November 8, 2010. All references to common shares, stock options, warrants and per share amounts for all periods have been adjusted on a retrospective basis to reflect the common share consolidation.

b) In March 2012, the Company issued 283,000 common shares for gross proceeds of $121,690. A finder's fee of $4,867 in cash and 11,320 warrants were issued in connection with the financing. Each finder's warrant entitles the holder to purchase on additional common share for a period of eighteen months from the closing date, at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $1,825 which was determined using the Black Scholes model.

In March 2012, the Company issued 1,522,000 flow-through common shares for gross proceeds of $776,220. A finder's fee of $31,049 in cash and 60,880 warrants were issued in connection with the financing. $68,490 was allocated to the flow-through share premium as the market value on the date of close was less than the offering price associated with this offering. Each finder's warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $9,816 using the Black Scholes model.

In May 2011, the Company issued 418,141 flow-through common shares for gross proceeds of $472,500. $133,805 was allocated to the flow-through share premium as the market value on the date of close was less than the offering price associated with this offering.

In December 2010, the Company issued 1,721,708 units for gross proceeds of $2,754,733. Each unit consists of one common share and one-half of a share purchase warrant. Each warrant entitles the holder to purchase on additional common share for a period of twenty four months from the closing date, at a price of $1.90 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $205,499 using the Black Scholes model. A finder's fee of $119,055 in cash and 31,250 common shares and 136,192 warrants were issued in connection with the financing.

In December 2010, the Company issued 446,167 flow-through units for gross proceeds of $713,867. Each unit consists of one flow-through common share and one-half of one share purchase warrant. There was no premium associated with this offering. Each whole warrant entitles the holder to purchase one additional common share for a period of twenty four months from the closing date at a price of $1.90 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $53,254 using the Black Scholes model. A finder's fee of $29,280 in cash and 18,300 warrants were issued in connection with the financing.

9 Share Capital (continued)

c) In July 2011, the Company issued 5,000 common shares under the option agreement for the Black Lake project.

In September 2010, the Company issued 20,000 common shares under the amended option agreement for the Fond Du Lac project (note 8(c)). In July 2010, the Company issued 5,000 common shares under the option agreement for the Black Lake project.

10 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 3,400,000 common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options 000's	**Weighted average exercise price $**
Outstanding - May 1, 2010	2,094	3.20
Granted	406	1.05
Exercised	(419)	1.00
Expired	(172)	4.46
Forfeited	(119)	2.02
Outstanding – April 30, 2011	**1,790**	**1.03**
Granted	1,340	0.54
Expired	(191)	1.00
Forfeited	(33)	1.22
Outstanding – April 30, 2012	**2,906**	**0.81**

10 Share Stock Options and Warrants (continued)

As at April 30, 2012, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	661	661	$1.00 - $1.50	2013
	829	785	$0.54 - $1.00	2014
	1,416	1,416	$0.50 - $1.00	2015
Total	**2,906**	**2,862**		

For the year ended April 30, 2012, total share-based compensation expense was $324,295 (2011: $746,293) of which $5,753 was allocated to specific projects and expensed to mineral property expenditures on the statement of net loss and comprehensive loss (2011: $123,255). The remainder was recognized as share-based payments expense in the year.

Warrants

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2010	2,847	3.20
Granted	1,238	1.90
Expired	(646)	4.78
Outstanding – April 30, 2011	**3,439**	**2.44**
Granted	72	0.55
Expired	(2,200)	2.74
Outstanding – April 30, 2012	**1,311**	**1.83**

At April 30, 2012, the following warrants were outstanding:

	Number of warrants outstanding 000's	Exercise price $	Expiry date
	1,239	$1.90	December 22, 2012
	72	$0.55	September 21, 2013
Total	**1,311**		

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. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the period ended April 30, 2012:

10 Share Stock Options and Warrants (continued)

	Warrants	Options
Weighted average fair value	$0.16	$0.24
Forfeiture rate	0%	15.40% - 15.42%
Risk-free interest rate	1.28%	1.08% - 1.74%
Expected life	1.5 years	1.48 – 2.79 years
Expected volatility	84%	82% - 94%
Expected dividend	0%	0%

The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the period ended April 30, 2011:

	Warrants	Options
Weighted average fair value	$0.25	$0.63
Forfeiture rate	0%	15.04% - 15.17%
Risk-free interest rate	1.68%	1.26% - 1.82%
Expected life	2.0 years	2.0 – 2.53 years
Expected volatility	40%	106% - 112%
Expected dividend	0%	0%

11 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 key management of the Company for the year ended April 30, 2012 and 2011 were as follows.

($000's)	2012 $	2011 $
Employment benefits and directors fees	705	744
Share-based compensation	242	471

The directors and key management were awarded the following share options under the employee share option plan during the year ended April 30, 2012:

Date of grant	Number of options	Exercise price	Expiry
July 25, 2011	100,000	$1.00	July 24, 2014
November 8, 2011	888,750	$0.50	November 7, 2014

12 Income Tax

Income tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to CanAlaska Uranium Ltd., to the loss before tax provision due to the following:

	2012 $000's	**2011 $000's**
Loss before income taxes	(6,869)	(9,796)
Canadian federal and provincial income tax rates	26.39%	28.15%
Income tax expense based on Canadian federal and provincial income tax rates	(1,813)	(2,758)
Increase (decrease) attributable to:		
Non-deductible expenditures	465	209
Adjustment for prior periods	117	(1,614)
Flow-through shares renounced	329	408
Changes in unrecognized deferred tax assets	861	3,537
Other	41	218
Income tax expense (recovery)	-	-

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2012 $000's	**2011 $000's**
Deferred tax assets:		
Capital losses	6	34
	6	34
Deferred tax liabilities:		
Available for sale investments	6	34
	6	34

12 Income Tax (continued)

Unrecognized deductible temporary differences, unused tax losses, and unused tax credits are attributable to the following:

	2012 $000's	2011 $000's
Non-capital loss carry forwards	10,823	8,513
Capital loss carry forwards	254	192
Excess tax value of property and equipment over book value	1,327	1,198
Mineral property interests	21,134	19,410
Share issuance costs	364	560
Investment tax credit	842	564
	34,744	30,437

The Company has income tax loss carry-forwards of approximately $9,075,000 (April 30, 2011 - $7,043,000) for Canadian tax purposes. These tax losses will expire between 2014 to 2032.

The Company has net capital loss carry-forwards of approximately $254,000 (April 30, 2011 - $192,000) for Canadian tax purposes. These tax losses are carried forward indefinitely.

The Company has income tax loss carry-forwards of approximately $89,000 (April 30, 2011 - $80,000) for the United States tax purposes. These tax losses are carried forward indefinitely.

The Company has income tax loss carry-forwards of approximately $1,659,000 (April 30, 2011 - $1,389,000) for New Zealand tax purposes. These tax losses are carried forward indefinitely.

13 Commitments

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

Fiscal Year Ending	Total $000's
2013	198
2014	150
2015	150
2016	133
Thereafter	7
Total	**638**

The Company has outstanding and future commitments under mineral properties option agreements to pay cash and/or issue common shares of the Company (note 8).

14 Financial Instruments

The fair value of the Company's cash and cash equivalent, trade and other receivables and trade and other payables approximate their carrying values due to the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

a) Currency Risk

The Company's presentation and functional currency is the Canadian dollar, while the functional currency of its New Zealand subsidiary is the New Zealand dollar and its United States subsidiary is the US$. The Company is therefore exposed to the financial risk related to the fluctuation of foreign exchange rates, both in the New Zealand dollar relative to the Canadian dollar , and in the US$ relative to the Canadian dollar.

The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

A 10% change in the New Zealand dollar exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by 22,000.

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's comprehensive loss by $1,000.

14 Financial Instruments (continued)

b) Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and trade and other receivables. To mitigate exposure to credit risk, the Company deposits cash and cash equivalents with high quality large Canadian financial institutions as determined by rating agencies.

As at April 30, 2012, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and trade and other receivables.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is reliant upon equity issuances as it source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents to capital and operating needs.

d) Interest Rate Risk

The Company's interest income earned on cash and cash equivalents is exposed to interest rate risk. A decrease in interest rates would result in lower relative interest income and an increase in interest rates would result in higher relative interest income.

15 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.

16 Geographic Segmented Information

The Company operates in one segment, the exploration of mineral property interest.

April 30, 2012 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	2,174	6	24	2,205
Assets	7,009	6	50	7,065
Loss for the Year	6,454	10	405	6,869

April 30, 2011 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	2,425	6	325	2,756
Assets	13,031	6	342	13,379
Loss for the Year	9,713	18	65	9,796

17 Transition to IFRS

The Company has adopted IFRS effective May 1, 2010 ("Transition Date") in accordance with IFRS 1 "First Time Adoption of Financial Reporting Standards", which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The accounting policies set out in Note 3 have been applied in the preparation of its opening IFRS statement of position at the date of transition, and in preparing the consolidated financial statements for the year ended April 30, 2012 and 2011.

IFRS Exemptions and Choices

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at May 1, 2010, the Company's Transition Date:

a) Share-based payments

The Company has applied IFRS 2 "Share based Payments" only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

b) Business combinations

The Company has applied the business combination exemption in IFRS 1 to not apply IFRS 3 "Business Combinations" retrospectively to past business combinations. Accordingly, the Company has not restated any business combinations that took place prior to the Transition Date.

17 Transition to IFRS (continued)

c) Leases

The Company has elected under IFRS 1 not to reassess whether an arrangement contains a lease under IFRIC 4 for contracts that were assessed under previous Canadian GAAP. Arrangements entered into before the effective date of EIC 150 that have not subsequently been assessed under EIC 150, were assessed under IFRIC 4, and no additional leases were identified.

Mandatory exceptions to retrospective application

In preparing these consolidated financial statements in accordance with IFRS 1 the Company has applied certain mandatory exceptions from full retrospective application of IFRS. The mandatory exceptions applied from full retrospective application of IFRS are described below.

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of May 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Other IFRS-1 exemptions and mandatory exceptions have not been discussed above as they are not applicable to the Company.

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the additional notes that accompany the tables.

(Expressed in Canadian dollars except where indicated)

17 Transition to IFRS (continued)

The Canadian GAAP consolidated statement of financial position has been reconciled to IFRS as follows:

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
		April 30, 2011			May 1, 2010		
Assets							
Current assets							
Cash and cash equivalents	*b*	11,416	(1,774)	9,642	8,722	(836)	7,886
Trade and other receivables		422	-	422	1,148	-	1,148
Available-for-sale securities		559	-	559	261	-	261
Total current assets		12,397	(1,774)	10,623	10,131	(836)	9,295
Non-current assets							
Reclamation bonds		343	-	343	391	-	391
Property and equipment		616	-	616	743	-	743
Mineral property interests	*b,d*	54,142	(52,345)	1,797	46,245	(44,542)	1,703
Total assets		67,498	(54,119)	13,379	57,510	(45,378)	12,132
Liabilities							
Current liabilities							
Trade and other payables		2,461	-	2,461	1,626	-	1,626
Non- current liabilities							
Deferred income tax liability	*d*	3,596	(3,596)	-	3,399	(3,399)	-
		6,057	(3,596)	2,461	5,025	(3,399)	1,626
Equity							
Common shares	*a*	65,182	6,926	72,108	60,878	6,777	67,655
Equity reserve	*c*	9,798	372	10,170	9,665	469	10,134
Investment revaluation reserve		267	-	267	10	-	10
Deficit	*a, b, c*	(32,806)	(38,821)	(71,627)	(30,668)	(36,625)	(67,293)
		42,441	(31,523)	10,918	39,885	(29,379)	10,506
Non-controlling interest	*b*	19,000	(19,000)	-	12,600	(12,600)	-
		61,441	(50,523)	10,918	52,485	(41,979)	10,506
		67,498	(54,119)	13,379	57,510	(45,378)	12,132

17 Transition to IFRS (continued)

Reconciliation of consolidated statement of comprehensive loss.

	Notes	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)
			For the year ended April 30, 2011	
EXPLORATION COSTS				
Mineral property expenditures	*d*	223	7,803	8,026
Equipment rental income		(303)	-	(303)
Net option payments		(6)	-	(6)
		(86)	7,803	7,717
OTHER EXPENSES (INCOME)				
Consulting, labour and professional fees		1,299	-	1,299
Depreciation and amortization		178	-	178
Gain on disposal of properties and equipment		(11)	-	(11)
Foreign exchange (gain) loss		4	-	4
Insurance, licenses and filing fees		130	-	130
Interest income		(90)	-	(90)
Other corporate costs		159	-	159
Investor relations and presentations		163	-	163
Rent		118	-	118
Share-based payments	*c*	719	(96)	623
Travel and accommodation		94	-	94
Impairment loss on disposal of Available-for-sale securities		(28)	-	(28)
Management fees		(560)	-	(560)
		2,175	(96)	2,079
Loss before income taxes		(2,089)	(7,707)	(9,796)
Deferred income tax recovery (expense)		(49)	49	-
Loss for the year		(2,138)	(7,658)	(9,796)
Other comprehensive loss				
Unrealized loss (gain) on available-for-sale securities		(257)	-	(257)
Total comprehensive Loss for the year		(1,881)	(7,658)	(9,539)

17 Transition to IFRS (continued)

Notes to the reconciliation of equity and net income (loss) and comprehensive income (loss):

a) Flow through shares and deferred taxes

Under Canadian GAAP, the Company followed the recommendations of the Emerging Issues Committee (“EIC”) of the Canadian Institute of Chartered Accountants (“CICA”) with respect to flow-through shares, as outlined in EIC-146. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is reasonable assurance that the expenditures will be made. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

As part of the transition to IFRS, the Company has adopted a policy to (i) allocate the proceeds between the offering of the shares and the sale of tax benefits when the shares are offered and (ii) recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred. In particular, the corresponding reduction of share capital in respect of flow-through share financing as a result of the allocation of the proceeds as previously recorded under Canadian GAAP is now recorded as other income in the statements of loss and comprehensive loss.

Pursuant to the above policy the allocation of the proceeds from flow through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income when the Company has the intention to renounce the expenditures with the Canadian taxation authorities for qualifying expenditures previously incurred. The deferred tax impact, if any, is recognized at the same time.

The effects of this transitional change are as follows:

(i) Premium on flow-through shares:

a) decreased share capital and deficit at May 1, 2010 by $792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features.

(ii) Renouncement of flow-through tax credits:

a) increased share capital and deficit by $7,569,000 at May 1, 2010;

b) decreased share capital and deferred tax provision expense by $149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

17 Transition to IFRS (continued)

b) Variable interest entity

Under Canadian GAAP, the Company accounted for its interest in CKULP ("Partnership") as a variable interest entity ("VIE") with the Company as the primary beneficiary. The Partnership was determined to be a VIE because the total equity investment at risk is not sufficient to permit the Partnership to finance its mine exploration and development activities without additional financial support from its partners. Consequently, the Company concluded that the entity was a VIE and identified the primary beneficiary of the Partnership as the Company. Accordingly, the Company consolidated 100% of the Partnership, and previously reported a non-controlling interest. IFRS does not include the concept of a variable interest entity.

IFRS requires the Company to consolidate entities including Special Purpose Entities only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. On application of IFRS, the Company determined that it has joint control of the Partnership under the contractual provisions of the joint venture agreement (the "JV Agreement"). The Company does not control the Partnership based on voting interest and does not own more than half of the voting power. Furthermore, both the Consortium and the Company have equal rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership's Board of Directors. Decision making is governed by the Partnership's Board of Directors, with equal representation from the Consortium and the Company. Under IFRS, the Company has applied the proportionate consolidation method to account for its interest in the Partnership.

Under the JV Agreement, the contributions by the Consortium to obtain its 50% ownership have occurred over time commencing with the formation of the Partnership in 2007. Upon changing from full consolidation to proportionate consolidation under IFRS, the cash contributions by the Consortium are reflected in equity during the year ended April 30, 2011 as they result from transactions at the shareholder level and do not result in a change of joint control. The effects of the deconsolidation are as follows:

(i) At May 1, 2010:
- a) cash decreased by $836,000
- b) non-controlling interest decreased by $12,600,000
- c) credit resulting from above credited to deficit in the amount of $11,764,000

(ii) At April 30, 2011:
- a) cash decreased by $1,774,000
- b) non-controlling interest decreased by $19,000,000
- c) credit resulting from above credited to deficit in the amount of $5,462,000

17 Transition to IFRS (continued)

c) Share based payments

Under IFRS graded vesting awards are accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition is as follows: (i) increased deficit and equity reserve by $469,000 at May 1, 2010, (ii) decreased share-based payments expense and equity reserve by $96,000 for the year ended April 30, 2011.

d) Deferred mineral exploration costs

Under Canadian GAAP, the Company records it interests in mineral exploration properties at cost. Exploration expenditures, other than those of a general nature, relating to mineral properties in which an interest is retained were deferred and carried as an asset until the results of the projects are known. If a project is unsuccessful or if exploration has ceased because continuation is not economically feasible, the cost of the property and the related exploration expenditures were written off.

Under IFRS, the Company has adopted an accounting policy to retrospectively expense all pre-feasibility exploration and evaluation costs.

The effects of this transitional change are as follows:

(i) At May 1, 2010:
   a) decrease deferred exploration assets of $44,542,000
   b) increase deficit of $44,542,000

(ii) At April 30, 2011:
   a) decrease deferred exploration assets of $52,345,000
   b) increase opening deficit by $44,542,000
   c) increase net loss by $7,803,000

17 Transition to IFRS (continued)

Impact of above on deferred taxes

The Company has reversed deferred income tax liability with respect to the taxable temporary differences between the carrying value of the mineral property interests as follows:

(i) At May 1, 2010:
   a) decrease liability and deficit by $3,399,000

(ii) At April 30, 2011:
   a) decrease liability by $3,596,000
   b) decrease opening deficit by $3,399,000
   c) decrease net loss by $197,000

e) Impact on deficit

The effect of the above adjustments on deficit is as follows:

	Notes	May 1, 2010 $000's	April 30, 2011 $000's
Canadian GAAP:		(30,668)	(32,806)
Share-based payments	c)	(469)	(372)
Cumulative premium on flow-through shares	a)(i)a)	792	792
Deferred income tax – flow-through shares	a)(ii)	(7,569)	(7,718)
Mineral property written off to expense	d)	(44,542)	(52,345)
Deferred income tax – mineral assets	d)	3,399	3,596
CKU Partnership contribution	b)	11,764	17,226
IFRS:		(67,293)	(71,627)

f) Impact on cash flow

As described in note 17(b) the deconsolidation of CKULP resulted in a decrease in cash and cash equivalents as follows:

(i) At May 1, 2010: cash decreased by $836,000
(ii) At April 30, 2011: cash decreased by $1,774,000

A separate reconciliation has not been presented as the impact is limited to the above and there are no other impacts on net cash flows.

18 Subsequent event

- In May 2012, the option agreements with Tyrone Docherty for the BC Copper project were amended, whereby certain acquired claims were excluded in the option agreements and a third party, Discovery Ventures Ltd. was added as a partner to the agreement. In addition, the option agreement dated March 2012 was terminated.