



MANAGEMENT'S DISCUSSION AND ANALYSIS

CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Fiscal 2010 Third Quarter

Three and Nine Months Ended January 31, 2010



CanAlaska Uranium Ltd.

Management's Discussion & Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is to help the reader understand and assess the material changes and trends in the Company's results and financial position. It presents management's perspective on the Company's current and past activities and financial results, as well as an outlook of planned activities.

This MD&A of the results of operations and financial position for the three and nine months ended January 31, 2010 has been prepared as of March 24, 2010 and includes financial and other information up to the date of this report. This MD&A should be read in conjunction with the MD&A of the Company for the year ended April 30, 2009, along with the unaudited consolidated financial statements of the Company for the three and nine month periods ended January 31, 2010, and the audited consolidated financial statements for the year ended April 30, 2009. Throughout this MD&A certain comparative figures have been reclassified to conform to the current period's presentation.

The Company's financial statements have been prepared in accordance with generally accepted accounting principles in Canada, are expressed in Canadian dollars, and reflect management estimates and assumptions that affect the determination of the reported amounts of assets, liabilities, revenues, and expenses. The Company's significant accounting policies are described in note 3 to its audited consolidated financial statements for the years ended April 30, 2009 and 2008.

This MD&A contains statements that constitute "forward-looking statements" (see "Cautionary Notice")

The Company

CanAlaska is an exploration stage company and is in the business of evaluating, acquiring, and exploring mineral properties, principally uranium properties in the Athabasca Basin area in northern Saskatchewan (the "Athabasca"). The Company is a reporting issuer in the Provinces of Ontario, British Columbia, and Alberta, as well as in the United States. The Company trades on the TSX venture exchange under the symbol CVV, and on the OTCBB (CVVUF) and the Frankfurt exchange (DH7).

CanAlaska has executed a multi-faceted business strategy and has:

- Secured a significant land position in the Athabasca highly prospective for uranium discoveries.
- Built strong ties with the Northern First Nations communities.
- Developed a strong in-house exploration team staffed by employees experienced in uranium exploration in the Athabasca.
- Secured strategic exploration funding partners that have strong uranium end-user interests.
- Advanced its exploration projects, both directly by Company funds and through its joint venture partners where they provide the funds for exploration projects.

In the Athabasca, the Company controls an exploration portfolio of 23 projects totalling over 4,400 square miles (1.156 million 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 Japan's Mitsubishi Development Pty 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 Energy Co. Ltd. (on the Cree East property), and entered into a memorandum of understanding with Chinese-based East Resource Inc. ("ERI") (for its Poplar project). CanAlaska also has optioned several of its properties. CanAlaska has option arrangements with Westcan Uranium Corp. in

respect of its Cree West and Key Lake properties, and Great Western Minerals Group Ltd. is earning into the Company's Misty property.

In addition, CanAlaska has entered into option agreements on the Black Lake, Fond Du Lac, and Collins Bay Extension projects with other third-parties where the Company has committed to undertake and fund the exploration work.

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 Black Lake and 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 are managed through CanAlaska offices maintained in Vancouver, BC (Head Office), Saskatoon, SK (Field Support Office), and La Ronge, SK (Equipment Warehouse).

To January 31, 2010, CanAlaska's cumulative exploration spending in the Athabasca totalled \$60.5 million.

Table 1: Athabasca Land Position Summary – January 31, 2010

Property / Project Name	Fiscal 2010 Notes	Hectares
Alberta		97,000
Arnold		24,000
Black Lake	Optioned from Black Lake Denesuline	36,000
Camsell		2,000
Collins Bay Extension	Optioned from Bayswater Uranium	37,000
Carswell		29,000
Cree East	Ventured to Korean Consortium	56,000
Cree West	Ventured to Westcan Uranium	13,000
Fond Du Lac	Optioned from Fond Du Lac Denesuline	36,000
Ford		10,000
Grease River		70,000
Helmer		57,000
Hodgson		30,000
Kasmere		266,000
Key	Ventured to Westcan Uranium	6,000
Lake Athabasca		41,000
McTavish	Ventured to Kodiak Exploration	16,000
Misty	Ventured to Great Western Minerals	53,000
Moon		4,000
NE Wollaston		154,000
Poplar	MOU with East Resource Inc.	77,000
Waterbury		6,000
West McArthur	Ventured to Mitsubishi Dev. Pty	36,000
TOTAL	23 Projects	1,156,000

CanAlaska plans to actively market certain of its projects to potential partners.

For the future, the Company believes that the increasingly attractive 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.

Outlook and Strategy

The Company will maintain its focus on advancing its uranium projects in the Athabasca region.. The Company has planned exploration activities on five projects for the winter 2010 season and on at least three projects in the summer 2010 season.

CanAlaska has an aggressive drilling program which started in January 2010. During the first four months of 2010, we expect to have at least 50 drill holes completed on our priority targets, and we expect to spend in the order of \$10 million on this planned exploration work. These extensive drilling programs will be following up on strong geological and geophysical targets on five separate CanAlaska properties. Many of these drill holes will be 'infill' drilling on existing targets where we have strong indications of uranium mineralization.

Our experienced field team will be progressively increased in size in early calendar 2010 to handle these project commitments, while our corporate support staffing has already been strengthened in recent months to meet the needs of properly reporting on a timely and transparent basis on the Company's exploration, financing and other corporate activities.

CanAlaska will also continue to work at communication and building on its strong relationships with local First Nations communities.

JV Project Status

Cree East – In the quarter ended January 31, 2010, ("Q3-2010" or "Q3'10"), our Korean partners contributed funding of \$3.0 million for planned winter 2010 geophysics and drilling programs, and a further \$1.12 million for planned summer 2010 work. During Q3'10, in late January, mobilization of the camp equipment was completed. To January 31, 2010, our Korean partners had funded a total of \$12.6 million of their \$19.0 million commitment.

West McArthur – Cumulative exploration funding provided by Mitsubishi to the end of Q3'10 was \$10 million, which is their option earn-in threshold. Subsequent to the quarter-end, on February 11, 2010, Mitsubishi exercised their option with a payment to the Company of \$1 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. CanAlaska and Mitsubishi have outlined a future multi-year \$20 million exploration program for the West McArthur property. This work includes the winter 2010 (Q4-2010) drill program. During Q3'10, time-domain electromagnetic (TDEM) surveys were undertaken and, in late January, mobilization of the camp equipment was completed.

Poplar – In August '09, East Resource Inc. funded \$270,000 under their MOU for exploration work on the project. Accordingly, in Q2'10, six ERI geologists from China, along with CanAlaska personnel, commenced geological mapping and prospecting of 5 target zones in preparation for future drilling programs. The Company continues in discussions with ERI in respect of a definitive agreement.

Fond Du Lac – \$500,000 in exploration work was completed in summer 2009 (Q1'10), including 2,000 metres of drilling, and geophysics testing of multiple gravity and chargeability targets near the historic Fond Du Lac uranium deposit. In 2008, the Company conducted reconnaissance work and the first drill sampling of the deposit since the late 1970's. CanAlaska's first drill holes through the eastern end of the mineralized zone intercepted significant intervals of mineralized sandstone above the unconformity. Below the unconformity, the drill holes intercepted hematitic alteration zones with similarities to typical feeder zones for classical unconformity style deposits. In August 2009, the Company announced that its exploration program at Fond Du Lac had been extended based on mineralization discovered in basement structures.

Other Recent Developments

All of the following developments were previously disclosed by way of CanAlaska press releases. For a more complete understanding, reference should be made to the relevant Company press releases, all of which can be found at www.canalaska.com.

McTavish property drilling commences – In late January 2010, Kodiak Exploration Limited, which has an earn-in option agreement on CanAlaska's McTavish property, commenced initial drilling. Kodiak has been granted an option by the Company to acquire an initial 50% interest in the Project for \$4.0 million in exploration, \$600,000 of which is to be completed before June, 2010. Additional interests can be earned by Kodiak, with further work programs or the definition of uranium resources on the Project

Drill contract signed (Collins Bay Extension and Fond Du Lac) – In January 2010, the Company executed a drilling contract with Refined Energy Ltd. of Edmonton, Alberta for a minimum 2,000 metres and a maximum of 3,500 metres of diamond drilling for two of its properties being the Collins Bay Extension project, where the company is following up on historical uranium intercepts in drill holes, and the second at the Fond Du Lac project, where the Company will be following up on the summer 2009 season drill intercept in hole FDL017 of 40.4 metres averaging 0.32% U₃O₈.

Dec '09 private placements – In December 2009, the Company closed a non-brokered flow-through private placement of 3,876,300 units at \$0.21 per unit for gross proceeds of \$0.8 million and an ordinary unit private placement of 10,897,571 units at \$0.175 per unit for gross proceeds of \$1.9 million (see "Recent Financing Activities").

Cluff Lake claims purchase – In November 2009, the Company announced its purchase of mineral claims in the Cluff Lake area from Hawk Uranium Ltd., which CanAlaska plans to incorporate into its existing Carswell project. Consideration paid by CanAlaska to Hawk Uranium included 1,125,000 CanAlaska shares and cash of \$62,500. Under the terms of the agreement, Hawk Uranium also retains a 2.5% net smelter royalty, of which 2% is purchasable by CanAlaska.

Nov '09 private placement – In November 2009, the Company closed a tranche of a non-brokered flow-through private placement of 10,714,428 units at \$0.21 per unit for gross proceeds of \$2.25 million (see "Recent Financing Activities").

Oct '09 private placement – In October 2009, the Company closed a tranche of a non-brokered flow-through private placement of 1,190,000 units at \$0.21 per unit for gross proceeds of \$0.25 million (see "Recent Financing Activities").

NE Wollaston rare earth element mineralization – In October 2009, CanAlaska reported extensive zones of heavy and light rare earth mineralization in surface rocks and boulder trains on the North East Wollaston project. Reported total rare earth element ("REE") mineralization ranged from 0.2% to 10% and, in many cases, was the most valuable mineralization component of the samples. In other samples, REE occurs as a significant potential by-product from uranium or base-metal mineralized zones. Because of the varying ratio of heavy to light REE, the in-situ value estimate is quite variable. REE minerals have been recently identified as important industrial mineral commodities. For more information, reference should be made to the Company's news release of October 20, 2009.

Fond Du Lac assay results – In September 2009, CanAlaska reported assay results from its August 2009 drill program at Fond Du Lac. Hole FDL017 returned 40.4 metres averaging 0.32% U₃O₈, including 6 metres averaging 1.13% U₃O₈ and with individual values of half-metre samples grading up to 3.77% U₃O₈.

Aug '09 private placement – In August 2009, the Company closed two tranches of a non-brokered flow-through private placement of 5,826,764 units at \$0.17 per unit for gross proceeds of \$1.0 million (see "Recent Financing Activities").

McTavish option granted – In August 2009, CanAlaska secured Kodiak Exploration as a funding exploration partner for the Company's McTavish project. Kodiak has been granted an option to acquire up to a 70% interest. In order to earn an initial 50% interest, Kodiak must complete \$4 million in exploration and issue 1,000,000 Kodiak shares to CanAlaska (100,000 issued) as follows: 100,000 on or before the date of acceptance of the transaction by the TSX Venture Exchange and then, on or before each anniversary date thereafter, make annual work expenditures and issue shares respectively of: first year – \$0.6 million and 50,000 shares; second year – \$0.8 million and 50,000 shares; third year – \$1.2 million and 50,000 shares; fourth year – \$1.4 million and 50,000 shares, and; fifth year – \$ nil and the remaining balance of 700,000 shares.

Collins Bay Extension option secured – In July 2009, the Company executed an option agreement with Bayswater Uranium Corporation ("Bayswater"). Under the agreement, CanAlaska will undertake and fund

an exploration program on the Collins Bay Extension project, which is directly adjacent to, and follows the North-East strike of past-producing uranium mines at Rabbit Lake and Collins Bay, and the current producing uranium mine at Eagle Point in the Province of Saskatchewan. The project hosts multiple zones of known uranium mineralization, and on Fife Island, at least one zone of ore-grade values. This project will investigate previous interesting drill intercepts.

Rise and Shine, NZ – In June 2009, the Company announced Glass Earth Gold Ltd. as a new exploration partner for its Rise and Shine gold project in Otago, New Zealand (see “Other Projects”).

West McArthur drill results – In June 2009, the Company received drill assays and detailed geophysical information from the West McArthur Project winter season 2009 drilling program, which confirmed not only structural breaks and fault reactivation along the target area, but also hydrothermal alteration and trace uranium mineralization in two holes at, and below, the unconformity (see “Project Updates”)

Poplar MOU with ERI as partner – In June 2009, as a result of continued delays in receiving exploration permits for NE Wollaston from the Province of Manitoba due to prolonged aboriginal consultations, East Resource Inc. and CanAlaska agreed to work together on the Poplar project under similar earn-in terms as the prior MOU with ERI for NE Wollaston.

Cree East drill results – In May 2009, the Company announced the results from the winter 2009 season drilling program at Cree East. Anomalous uranium and nickel metal indicators were found in samples in 11 of the 15 drill holes, and anomalous associated geochemistry in 13 of the 15 drill holes. The most significant radioactivity response was from drill hole CRE017 in zone D in the centre of the 5 kilometres long target area (see “JV Project Status” and “Project Updates”).

The following table summarizes the Company’s expenditures in the Athabasca Basin over the last eight quarters. The reimbursement figures in the table do not include contributions from our Korean Partners on Cree East.

	Table 2: Total Deferred Exploration							
	(\$000's)							
	Quarterly							
	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10
	Apr 30/08	Jul 31/08	Oct 31/08	Jan 31/09	Apr 30/09	Jul 31/09	Oct 31/09	Jan 31/10
Camp Cost & Operations	1,805	415	488	338	663	154	360	206
Drilling	1,457	157	1,239	58	1,759	418	52	94
General & Admin	1,586	185	745	113	442	117	89	126
Geochemistry	124	89	166	77	75	24	57	5
Geology	304	682	521	235	328	241	197	179
Geophysics	1,662	322	658	205	457	466	427	370
Other	355	145	146	568	342	316	227	742
Gross Expenditures	7,293	1,995	3,963	1,594	4,066	1,737	1,408	1,723
Reimbursement	(1,461)	(1,474)	(1,233)	(468)	(710)	(91)	(328)	(398)
Net Expenditures	5,832	521	2,730	1,126	3,356	1,647	1,080	1,325

Project Updates

Introduction

The Company currently has 23 projects and, in the first nine months of fiscal 2010 it spent \$4.1 million on its exploration activities. Of these expenditures, \$1.5 million (approx. 37%) was spent on the Cree East project, which is funded through the Company’s strategic relationship with the Korean Consortium. During the nine month period ended Jan 31, 2010, the Company spent \$0.9 million and \$0.4 million of its own funds in advancing both the Fond Du Lac and Black Lake projects respectively.

Exploration spending in Q3'10 is comparable to Q3'09 as, historically, the Company spends the third quarter preparing for its winter exploration programs. In the nine month period ended January 31, 2010, the Company undertook a summer exploration program focussed on geophysics at Cree East, and drill testing at both the Fond Du Lac and Black Lake projects.

Cree East Project, Saskatchewan – Joint Ventured with the 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 Energy Co. Ltd.), in December 2007 agreed to spend \$19 million on the properties to earn into a 50% interest in the Cree East project.

As of January 31, 2010, the Korean Consortium has contributed \$40.6 million towards exploration of the project and holds a 12.6% 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, nine month periods ended, and life to date ("LTD") on the project. The table does not include a \$0.6 million payment made directly to CanAlaska for intellectual property associated with the project.

Due to the nature of the partnership agreements, the Company accounts for the joint venture as a variable-interest entity ("VIE"), and fully consolidates the joint venture and shows the Korean Consortium's contributions as a non-controlling interest on CanAlaska's consolidated balance sheet.

Table 3: (\$000's)	Quarterly								Nine Months		LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
CREE EAST											
Camp Cost & Operations	236	28	126	88	268	8	145	123	242	276	1,707
Drilling	734	9	983	20	908	-	-	58	1,012	58	2,720
General & Admin	5	5	13	33	69	37	39	33	51	109	296
Geochemistry	8	17	5	16	29	5	6	2	38	13	380
Geology	32	6	70	85	147	27	17	19	161	63	584
Geophysics	14	7	199	-	14	361	285	55	206	701	2,222
Management fees	103	7	141	25	151	45	50	35	173	130	725
Other	-	1	17	97	122	40	30	87	115	157	798
Net Expenditures	1,132	80	1,554	364	1,708	523	572	413	1,998	1,507	9,432

In May 2009, the Company announced the results from the Q4'09 drilling program, where anomalous uranium and nickel metal indicators were received from samples in 11 of the 15 holes, and anomalous associated geochemistry in 13 of the 15 holes drilled. The most significant radioactivity response was from hole CRE017 in zone D in the centre of the 5 kilometres long target area. Extensive zones of hematite and boron alteration were also intercepted in holes drilled in areas A and B. The series of strong geophysical targets in the centre of the Cree East project show moderate to intense hydrothermal alteration within the overlying sandstone units, and strong alteration with zones of intense hematite alteration in the basement rocks.

In Q4'09, fifteen drill holes were completed (6,512 metres) on five target areas in the winter season. Thirteen of these drill holes exhibited anomalous geochemistry in the last 10 to 60 metres of the sandstone unit overlying the basement. Eleven of the holes exhibited uranium and nickel geochemistry exhibiting over five times background values (up to 24.5 ppm and 87.3 ppm) respectively.

In Q1'10, the Company embarked on a further \$0.9 million program of geophysics investigation, comprising hi-resolution airborne magnetic, close-spaced airborne VTEM (4,368 kilometres) and ground TDEM surveys. The targeting data received from these surveys will be used to guide winter 2010 drilling efforts. In Q1'10 and Q2'10 respectively, the Company also conducted 40 and 85 kilometres of induced polarization ("IP") resistivity surveys.

During Q3'10, in late January, mobilization of the camp equipment was completed.

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.

West McArthur Project, Saskatchewan – Optioned to Mitsubishi Development Pty Ltd.

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 funding expenditures of \$10 million (as of January 31, 2010, expenditure are in excess of \$10 million) and making a \$1 million payment upon completion of the \$10 million funding requirement. On February 11, 2010, Mitsubishi exercised their option with a payment to the Company of \$1 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee between 5% and 10%, based on expenditures incurred. The West McArthur project is located immediately west of the McArthur River uranium mine operated by Cameco Corp.

WEST MCARTHUR	Quarterly								Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10		
Camp Cost & Operations	536	2	1	113	217	4	3	51	116	58	2,162	
Drilling	9	-	-	22	675	-	-	36	22	36	4,725	
General & Admin	135	11	355	49	140	25	11	18	415	54	1,748	
Geochemistry	60	3	1	-	23	2	5	-	4	8	238	
Geology	11	17	39	18	101	31	17	55	74	103	414	
Geophysics	502	14	10	10	175	4	7	281	34	292	2,693	
Other	140	8	12	78	129	30	24	230	98	285	1,068	
Gross Expenditures	1,393	55	418	290	1,460	96	67	671	763	836	13,048	
Reimbursement	(1,057)	(62)	(310)	(244)	(1,399)	(91)	(57)	(398)	(616)	(546)	(10,289)	
Net Expenditures	336	(7)	108	46	61	5	10	273	147	290	2,759	

In Q1'08, five holes were drilled to test new targets outlined by ongoing geophysical exploration and previous drill hole successes. One of these holes (WMA 010) intersected a significant zone of alteration including silicification, brecciation and clay alteration and mineralization in the basement (0.29% U₃O₈ over 0.5 metres). In Q4'08, extensive detailed ground geophysical surveys were carried out over the current drill areas and in further areas of interest.

During Q4'09, an exploration program comprising a total of 4,751 metres of drilling, together with corresponding TDEM geophysical surveys, tested the previously un-drilled Grid 4 zone located in the southern region of the West McArthur Project. In this new area, VTEM magnetic and electromagnetic airborne surveys, ground-based AMT and EM surveys identified a new, well-defined, but variably-conductive zone, approximately 6 kilometres in length associated with apparent alteration in the sandstone column. The Q4'09 drilling program involved seven drill holes (WMA013 - WMA019) along 4 kilometres of the Grid 4 trend, of which two drill holes were terminated near surface due to drilling problems. The five successful drill holes tested four discrete targets. The mineralized and altered rocks encountered in the drill holes show the potential for a uranium mineralizing system associated with

graphitic pelite horizons. The 4 kilometres-long zone tested appears to have multiple targets for future detailed evaluation. The Grid 4 area is only one of the multiple mineralized target zones identified on the property.

Drill hole WMA019, located 400 metres to the south of drill hole WMA016, exhibited the best uranium intersection. This hole contained a generally normal clay pattern in the upper levels, again with silicification from 780 to 830 metres, with elevated uranium (to 1 ppm) and boron (to 90 ppm) in the last 14 metres of the sandstone column above the unconformity. The basement of drill hole WMA019 is predominantly semi-pelites with abundant leucosome. A sheared leucosome section of 2 metres from 880.2 to 882.2 assayed 0.034% U₃O₈. A major graphite zone was intersected from 946 to 968 metres. For a complete understanding of the drilling results reference should be made to the Company's press release of June 4, 2009.

Included within General and Administrative expenses are management fees charged to and reimbursed by Mitsubishi for CanAlaska acting as project operator. During Q1'10 and Q2'10 only limited activity occurred as the Company was interpreting the drilling data and preparing for the 2010 winter program.

During Q3'10, time-domain electromagnetic (TDEM) surveys were undertaken and, in late January, mobilisation of the camp equipment was completed.

Poplar Project, Saskatchewan – MOU with East Resources Inc.

The Poplar project, comprising approximately 77,000 hectares, was staked by the Company in 2006 and covers all of the northern edge of the Athabasca Basin located between CanAlaska's Helmer and Lake Athabasca projects.

In June 2009, the Company announced that it had executed an MOU with East Resource Inc. ("ERI") on the Poplar project. ERI had a prior, similar MOU with the Company to undertake uranium exploration at the Company's NE Wollaston project in the Province of Manitoba. However, due to prolonged delays in receiving exploration permits for NE Wollaston from the Province of Manitoba which required aboriginal consultations, East Resource Inc. and CanAlaska agreed to work together on the Poplar project under similar earn-in terms as the prior MOU for NE Wollaston.

Table 5: (\$000's)	Quarterly								Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10		
POPLAR												
Camp Cost & Operations	1	213	179	28	5	2	152	11	420	165	805	
Drilling	-	-	-	-	-	-	-	-	-	-	-	
General & Admin	59	63	67	(12)	(3)	16	9	5	118	30	323	
Geochemistry	-	31	80	15	1	-	12	-	126	12	140	
Geology	15	63	145	41	29	25	45	12	249	82	375	
Geophysics	414	304	280	61	25	12	1	5	645	18	1,677	
Other	51	2	3	112	12	20	97	3	117	120	306	
Gross Expenditures	540	676	754	245	69	75	316	35	1,675	427	3,626	
Reimbursement	134	(623)	(719)	(95)	(60)	-	(270)	-	(1,437)	(270)	(3,211)	
Net Expenditures	674	53	35	150	9	75	46	35	238	157	415	

During fiscal 2009, the Company conducted 1,130 kilometres of prospecting and seismic geophysics over approximately 1,600 kilometres. This work program outlined uranium mineralization in basement rocks located north of the edge of Lake Athabasca, and indicated continuity of mineralized units and structural breaks associated with mineralizing systems further to the south into areas covered by the lake. The airborne surveys and extensive geophysical seismic surveying in the lake-covered area also show a large number of anomalous conductive zones and structural breaks, which elsewhere are generally thought to be associated with mineralizing events. Detailed analysis of the data continues.

Under the terms of the MOU, ERI may earn a 40% interest in the Poplar project by undertaking a minimum of 100,000 metres of diamond drilling within 5 years. ERI may earn a 70% interest by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 15 million pounds U₃O₈ and fully-financing the costs of mine construction. ERI may earn an 80% interest by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 35 million pounds U₃O₈ and fully-financing the costs of mine construction. ERI may also earn an additional 15% interest to hold a cumulative 95% ownership by granting to CanAlaska a 5% gross revenue royalty from the production and sale of minerals.

In Q3'10, discussions on a definitive agreement between the Company and ERI in respect of the Poplar project continued.

Fond Du Lac Project, Saskatchewan – Optioned from the Fond Du Lac Denesuline First Nation

On October 18, 2006, CanAlaska optioned the Fond Du Lac project from the Fond Du Lac Denesuline First Nation. The project spans approximately 36,000 hectares and contains a uranium deposit with a historical (non 43-101 compliant) resource. CanAlaska can earn a 49% interest in the project by funding \$2 million in exploration over 5 years. In addition, the Company is committed to pay to the Fond Du Lac Denesuline First Nation a further \$130,000 in cash consideration (\$50,000 paid; June 2010: \$40,000; June 2011:\$40,000) and 300,000 shares (200,000 shares issued; June 2010: 50,000; June 2011: 50,000).

FOND DU LAC	Quarterly								Nine Months		LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
Camp Cost & Operations	-	76	150	93	28	100	53	9	319	162	511
Drilling	-	122	242	16	5	224	52	-	380	276	660
General & Admin	-	6	18	7	6	6	23	39	31	68	171
Geochemistry	-	1	36	31	13	8	24	1	68	33	114
Geology	-	30	105	11	10	94	40	43	146	177	358
Geophysics	6	1	98	146	92	18	9	4	245	31	482
Option payments	-	-	29	-	-	-	-	-	29	-	117
Other	1	18	46	99	18	47	65	22	163	134	324
Net Expenditures	7	254	724	403	172	497	266	119	1,381	882	2,738

The Company received its exploration permit from Indian and Northern Affairs Canada on June 24, 2008. In July and August 2008, the Company carried out a 1,300 metre drill program in the vicinity of the zone of known uranium mineralization. In mid-September 2008 (Q2'09), the Company released the first drill results from the program, confirming good uranium mineralization and significant response from ongoing geophysical surveys over the target area.

In Q2'09 and Q3'09, the Company undertook over 2,500 kilometres of airborne geophysics and 63 kilometres of prospecting. The results from the geophysics and drill program indicate the potential for further zones of uranium mineralization within the vicinity of the known mineral deposit. Additionally, the drill program intercepted fault structures and hematite alteration zones in the basement rocks underlying the target area, indicating the potential for basement hosted uranium mineralization.

In fiscal 2009, drilling comprised 25% and geophysics comprised 22% of the exploration expenditures at Fond Du Lac. The increase in camp costs and operations for Q2'09 is consistent with the drill program that was being conducted at that time as is the increase in geology costs associated with core logging. The second half of the year was focused on interpretation of the geophysical survey.

During the nine months ended January 31, 2010, the Company completed 2,814 metres of drilling. In September 2009, CanAlaska reported assay results from its August 2009 drill program at Fond Du Lac which included the results from hole FDL017. Hole FDL017 returned 40.4 metres averaging 0.32% U3O8, including 6 metres averaging 1.13% U3O8 with individual values of half-metre samples grading up to 3.77% U3O8. For a complete understanding of the assays results from this drill program, reference should be made to the Company's press release of September 22, 2009. It also undertook surface trench sampling and mapping on the western portion of the Fond Du Lac project where significant surface, and near surface uranium mineralization, was discovered. For a full understanding of the results, reference should be made to the Company's press release of September 16, 2009.

Black Lake Project, Saskatchewan – Optioned from Black Lake Denesuline First Nation

In December 2006, the Company acquired from the Black Lake Denesuline First Nation an option to earn a 49% interest in the project. To earn its interest the Company must make payments totalling \$130,000 (\$50,000 paid; July 2010: \$40,000; July 2011: \$40,000), issue 300,000 shares (200,000 issued; July 2010: 50,000 shares; July 2011: 50,000 shares), and incur exploration expenditures of \$2 million (\$1.0 million incurred; July 2010: \$0.7 million; July 2011: \$1.2 million; July 2012: \$2.0 million).

Table 7: (\$000's)	Quarterly								Nine Months		LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
BLACK LAKE											
Camp Cost & Operations	-	2	16	16	121	39	1	-	34	40	199
Drilling	-	-	-	-	172	194	-	-	-	194	367
General & Admin	-	1	4	3	19	6	3	1	8	10	99
Geochemistry	-	-	23	7	8	9	-	-	30	9	50
Geology	3	27	78	17	26	30	1	8	122	39	234
Geophysics	-	-	-	-	141	43	1	-	-	44	324
Option payments	-	-	29	-	-	52	-	-	29	52	175
Other	2	3	-	64	56	32	2	8	67	43	172
Net Expenditures	5	33	150	107	543	405	8	17	290	432	1,622

In Q1'10, the Company completed its 1,923 metre drill program, which comprised 649 metres in Q4'09 and 1,272 metres in Q1'10. In August 2009, the results of Q4'09 drill campaign at Black Lake were announced with elevated uranium values of 12 ppm being intersected in the north and the eastern-most drill hole in the south intersecting 140 ppm of uranium. For full results of the winter-spring drill program, reference should be made to the Company's press release of August 5, 2009.

During Q1 and Q2, 2009, the Company undertook approximately 640 kilometres of prospecting. In the Q4'09, 32 kilometres of IP-Resistivity was completed. The option payment costs of \$29,000 in Q2'09 comprised the fair value of shares of \$19,000 and cash payments of \$10,000 which are consistent with the option agreement on the property.

In Q1'10, the Company paid \$52,000 to Indian and Northern Affairs Canada on behalf of the Black Lake Denesuline First Nations. These payments will be offset against future options payments. During Q2'10 and Q3'10 only limited activity was undertaken on the project as the Company was interpreting the drilling data and preparing for the 2010 winter program.

Grease River Project, Saskatchewan

The Grease River project covers approximately 70,000 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.

On April 10, 2007, the Company granted an option to Yellowcake plc, and subsequently consented to the introduction of Uranium Prospects plc to earn a 60% interest in the project. Uranium Prospects plc could have exercised its option to earn a 60% interest in the project by making payments, issuing shares, and making exploration expenditures of \$5 million. This option was terminated in June 2009.

Table 8: (\$000's)	Quarterly						Nine Months			LTD	
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09		Q3'10 Jan 31/10
GREASE RIVER											
Camp Cost & Operations	91	54	11	-	23	-	-	-	65	-	565
Drilling	-	33	13	-	-	-	-	-	46	-	46
General & Admin	173	88	17	9	11	8	-	2	114	10	349
Geochemistry	(1)	6	12	4	-	-	-	-	22	-	111
Geology	20	444	63	49	11	15	6	2	556	23	1,128
Geophysics	48	-	-	-	-	-	-	-	-	-	244
Other	1	60	1	67	2	5	2	-	128	7	309
Gross Expenditures	332	685	117	129	47	28	8	4	931	40	2,752
Reimbursement	(185)	(781)	(114)	(131)	755	-	-	-	(1,026)	-	(1,909)
Net Expenditures	147	(96)	3	(2)	802	28	8	4	(95)	40	843

In Q1'09, the Company undertook detailed prospecting and mapping on the Grease River property. The Company had recorded accruals for the reimbursement of costs from Uranium Prospects. This receivable was reversed and written-off in Q4'09, as no cash had been received. The option was subsequently terminated in June 2009. Only minimal activity occurred on the property during the nine months ended January 31, 2010.

Cree West Project, Saskatchewan – Optioned to Westcan Uranium

The Cree West project comprises a 100% interest in 4 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. On April 24, 2006, the Company granted to Westcan Uranium Ltd. ("Westcan") (formerly International Arimex Resources Inc.) 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. Westcan may elect to acquire an additional 10% interest by expending an additional \$4 million on exploration within 2 years of vesting its 50% interest. Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 400,000 additional common shares, and expending a minimum of \$1 million on the project.

The Company will act as the operator of the project until Westcan has a vested 60% interest. Upon attaining commercial production, the Company will receive a 3% net smelter royalty. As of January 31, 2010, Westcan had contributed \$0.8 million towards exploration expenditures. The Company has granted an extension to Westcan in respect of its exploration commitments under the agreement.

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. Due to the uncertain nature of the continuing involvement of Westcan in the project, only minimal expenditures were incurred through to Q3'10.

Table 9: (\$000's)	Quarterly								Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10		
CREE WEST												
Camp Cost & Operations	19	-	-	-	-	-	-	-	-	-	158	
Drilling	-	-	-	-	-	-	-	-	-	-	-	
General & Admin	127	-	50	(3)	-	-	-	-	47	-	287	
Geochemistry	(11)	-	-	-	-	-	-	-	-	-	102	
Geology	61	3	1	-	-	-	-	-	4	-	117	
Geophysics	1	-	-	-	-	-	-	-	-	-	290	
Other	(3)	-	-	1	-	-	-	-	1	-	156	
Gross Expenditures	194	3	51	(2)	-	-	-	-	52	-	1,110	
Reimbursement	(35)	(3)	(51)	4	(2)	-	-	-	(54)	-	(1,110)	
Net Expenditures	159	-	-	2	(2)	-	-	-	(2)	-	-	

Key Lake Project, Saskatchewan – Optioned to Westcan Uranium

The Key Lake project comprises four mineral claims in three separate blocks totalling approximately 6,000 hectares located within 15 kilometres of the formerly producing Key Lake uranium mine. On March 2, 2006, the Company optioned to Westcan up to a 75% interest in the Key Lake project. Westcan may, at its option, 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. Westcan may elect to acquire an additional 10% interest by expending an additional \$2 million on exploration, and may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 200,000 additional common shares, and expending a minimum of \$500,000 per year on the Project. The Company will act as the operator of the project until Westcan has a vested 60% interest. Upon commercial production, the Company will receive a 3% net smelter royalty. As of January 31, 2010, Westcan had contributed \$ 0.9 million towards exploration expenditures. The Company granted an extension to Westcan in respect of its exploration commitments under the agreement.

Table 10: (\$000's)	Quarterly								Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10		
KEY LAKE												
Camp Cost & Operations	125	1	-	-	-	-	-	-	1	-	252	
Drilling	173	(8)	1	-	-	-	-	-	(7)	-	427	
General & Admin	56	-	39	-	1	-	-	-	39	-	114	
Geochemistry	3	3	-	-	-	-	-	-	3	-	8	
Geology	9	9	-	2	-	-	-	4	11	4	51	
Geophysics	1	-	-	-	-	-	-	1	-	1	140	
Other	-	-	-	3	-	-	-	-	3	-	48	
Gross Expenditures	367	5	40	5	1	-	-	5	50	5	1,041	
Reimbursement	(318)	(5)	(40)	(2)	(3)	-	-	-	(47)	-	(1,035)	
Net Expenditures	49	-	-	3	(2)	-	-	5	3	5	5	

In winter 2007, three holes costing \$150,868 were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U₃O₈ 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. Due to the uncertain nature of the continuing involvement of Westcan in the project, only minimal expenditures were incurred through to Q3'10.

Collins Bay Extension Project – Optioned from Bayswater Uranium

In July 2009, the Company executed an option agreement with Bayswater Uranium Corporation to commence exploration on the Collins Bay Extension uranium project (“CBX”), which is directly adjacent to, and following the North-East strike of the past-producing uranium mines at Rabbit Lake and Collins Bay, and the current producing uranium mine at Eagle Point in Saskatchewan. CBX contains a significant number of exploration targets within the Snowbird and Fife Island areas. Under the terms of the option agreement, CanAlaska shall act as the exploration operator and may earn a 51% participating interest in the project by undertaking a minimum of \$4 million in exploration expenditures within 5 years, and issuing a total of 500,000 (50,000 issued) shares to Bayswater over the same period. The Company may increase its participating interest to a 70% level by successfully undertaking a further \$2 million in exploration expenditures over a further period of 3 years. Summer mapping and prospecting was carried out in August-September 2009.

Table 11: (\$000's)	Quarterly						Nine Months			LTD	
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09		Q3'10 Jan 31/10
COLLINS BAY EXTENSION											
Camp Cost & Operations	-	-	-	-	-	1	5	9	-	15	15
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	-	-	-	-	-	1	-	6	-	7	7
Geochemistry	-	-	-	-	-	-	-	-	-	-	-
Geology	-	-	-	-	-	6	13	6	-	25	25
Geophysics	-	-	-	-	-	1	-	2	-	3	3
Option Payments	-	-	-	-	-	8	-	-	-	8	8
Other	-	-	-	-	-	6	3	15	-	24	24
Net Expenditures	-	-	-	-	-	23	21	38	-	82	82

In Q1'10, the \$8,000 option payment cost represents the fair value of the 50,000 CanAlaska shares issued to Bayswater.

Helmer Project, Saskatchewan

The Helmer Project comprises a contiguous block of 19 mineral claims totalling approximately 57,000 hectares in the central part of the north rim of the Athabasca Basin west and south of Fond Du Lac, and 50 kilometres southeast of Uranium City.

In summer 2007, CanAlaska drill-tested two targets on the project with eight drill holes. The shallowest holes intercepted the unconformity at 200-250 metres depth and exhibited limited alteration, but elevated uranium background levels. Further geophysical modeling was carried out at the end of the field season, and more drilling is expected on these targets. The Company is actively marketing this project to third parties to support a more extensive drill program. The expenditure in Q4'09 relates to the refund of a reclamation bond that had previously been credited against general and administration costs instead of against reclamation bonds on the balance sheet.

Table 12: (\$000's)	Quarterly							Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
HELMER											
Camp Cost & Operations	7	8	2	-	-	-	-	-	10	-	980
Drilling	31	-	-	-	-	-	-	-	-	-	1,175
General & Admin	392	2	7	1	45	-	-	6	10	6	741
Geochemistry	6	1	-	-	-	-	-	-	1	-	101
Geology	1	23	(5)	7	-	-	-	3	25	3	336
Geophysics	(2)	4	24	6	-	1	2	7	34	9	887
Other	1	1	-	10	-	3	-	46	11	50	568
Net Expenditures	436	39	28	24	45	4	2	62	91	68	4,788

Lake Athabasca Project, Saskatchewan

The Lake Athabasca project comprises 13 contiguous mineral claims totalling approximately 41,000 hectares, chiefly on Lake Athabasca, southwest of Uranium City and the former producing Gunnar Uranium Mine. About 8% of the property area is comprised of islands located south of the Crackingstone Peninsula.

Table 13: (\$000's)	Quarterly							Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
LAKE ATHABASCA											
Camp Cost & Operations	437	21	6	(9)	-	-	3	-	18	3	1,823
Drilling	510	1	-	-	-	-	-	-	1	-	1,056
General & Admin	167	1	17	-	-	5	2	3	18	10	644
Geochemistry	9	19	1	3	-	-	7	2	23	9	103
Geology	102	30	4	-	-	1	33	23	34	58	385
Geophysics	136	6	19	(18)	-	12	7	7	7	26	1,689
Other	39	1	8	10	-	-	8	4	19	11	303
Net Expenditures	1,400	79	55	(14)	-	18	60	39	120	117	6,002

Drilling began in winter 2007. These holes confirmed the existence of uranium mineralizing events over a considerable area of the unconformity in this area and at Grouse Island, 3.5 kilometres to the south-east. In early winter 2008, the Company completed five more drill holes at three new targets near Johnston Island. The negative numbers in Q3'09 represent the reversal of costs from Q2'09 that were associated with another project.

NE Wollaston Project, Manitoba

NE Wollaston comprises mineral claims of approximately 154,000 hectares which straddle the Saskatchewan-Manitoba border and lie 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.

Detailed work was carried out in the summer of 2007 on each of the current targets as well as on additional preliminary targets for a total cost of \$1.6 million. In early 2008, the Company released details of 1,620 higher-grade uranium samples, taken from 47 separate zones with extensive boulder dispersion trains and surface uranium mineralization.

Table 14: (\$000's)	Quarterly							Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
NE WOLLASTON											
Camp Cost & Operations	(6)	(6)	(4)	9	-	-	-	1	(1)	1	1,363
Drilling	-	-	-	-	-	-	-	-	-	-	373
General & Admin	180	1	9	-	1	8	-	2	10	10	706
Geochemistry	5	-	-	-	-	-	-	-	-	-	797
Geology	19	19	21	4	1	-	8	1	44	9	2,312
Geophysics	-	3	1	-	-	-	-	-	4	-	904
Other		2	1	13	-	2	7	5	16	14	165
Net Expenditures	198	19	28	26	2	10	15	9	73	33	6,621

Further exploration on the project awaits the conclusion of land use consultations between the Province of Manitoba and local First Nations communities. The Company is assisting the Province in its efforts and is also in discussions with local communities in an endeavour to re-commence exploration activities in the near future. The permit area in Saskatchewan has been replaced by staked claims which the Company has retained for further exploration.

On December 10, 2008, the Company entered into a MOU with ERI for the exploration and development of the Manitoba portion of this project. Due to continuing permitting delays, this MOU expired, however a similar MOU with ERI was entered into for the Poplar project in June 2009.

As at January 31, 2010, further work on this project was still awaiting Government work permits and, on March 13, 2010, the Manitoba Government issued an initial permit to the Company.

McTavish Project, Saskatchewan

The McTavish project covers 16,000 hectares. The claims are centered approximately 50 kilometres southeast of the McArthur River mine and 40 kilometres northwest of the Key Lake mine, with the southeastern claim located approximately 10 kilometres due west of Cameco Corp.'s Millennium uranium deposit. Work-to-date includes summer 2006 ground-based sampling/lake sediment analysis, and a Geotech VTEM airborne survey. The claims covering the main VTEM conductive targets were re-staked in 2007.

Table 15: (\$000's)	Quarterly							Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
MCTAVISH											
Camp Cost & Operations	-	-	-	-	-	-	-	-	-	-	14
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	5	-	-	1	-	-	-	3	1	3	525
Geochemistry	11	-	-	-	-	-	-	-	-	-	12
Geology	-	-	-	-	-	-	-	-	-	-	1
Geophysics	3	-	-	-	-	1	-	1	-	1	185
Other	18	-	-	-	-	-	-	-	-	-	60
Option payments	-	-	-	-	-	-	(67)	-	-	(67)	(67)
Net expenditures	37	-	-	1	-	1	(67)	4	1	(63)	728

In August 2009, the Company announced that it has entered into an option agreement with Kodiak Exploration Limited ("Kodiak") on the McTavish project. Kodiak has been granted an option to acquire up

to a 70% interest in the project. In order to earn an initial 50% interest, Kodiak must complete \$4 million in exploration and issue 1,000,000 Kodiak shares to CanAlaska (100,000 issued) as follows: 100,000 on or before the date of acceptance of the transaction by the TSX Venture Exchange and then, on or before each anniversary date thereafter, make annual work expenditures and issue shares respectively of: first year – \$0.6 million and 50,000 shares; second year – \$0.8 million and 50,000 shares; third year – \$1.2 million and 50,000 shares; fourth year – \$1.4 million and 50,000 shares, and; fifth year – \$nil and the remaining balance of 700,000 shares.

Kodiak may earn a further 10% interest in the project (60% total), by: (1) expending a further \$3 million, over an additional three year period; (2) issuing an additional 550,000 Kodiak shares, and; (3) producing a 43-101 compliant resource estimate containing at least 35 million pounds of U₃O₈ in the measured and indicated categories. By defining a resource of 50 million pounds or more of U₃O₈ during the same period, Kodiak's interest may increase to 70%. Kodiak carried out ZTEM airborne geophysical surveys across the property in September 2009.

Carswell Project, Saskatchewan

Table 16: (\$000's)	Quarterly							Nine Months			LTD
	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10	Q3'09 Jan 31/09	Q3'10 Jan 31/10	
CARSWELL											
Camp Cost & Operations	-	-	-	-	-	-	-	-	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	-	-	-	1	-	-	-	2	-	2	3
Geochemistry	-	-	-	-	-	-	-	-	-	-	-
Geology	-	-	-	-	-	1	-	3	1	3	4
Geophysics	-	-	-	-	-	-	114	2	-	116	116
Other	-	25	-	7	2	-	1	82	32	84	220
Option payments	-	-	-	-	-	-	-	200	-	200	200
Net expenditures	-	25	-	7	2	1	115	289	33	405	542

Carswell is comprised of approximately 13,000 hectares of mineral claims in the vicinity of Cluff Lake, Saskatchewan. In December 2009, the Company issued 1,250,000 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.

Other Projects

For a full description of all CanAlaska projects, including exploration history and status, please refer to the Company's website at www.canalaska.com.

Table 16: Other Projects Update

Project	Status	Recent work undertaken
Waterbury	High priority - Seeking Venture Partner	3 drill targets identified on these claims
Hodgson	High priority - Seeking Venture Partner	Further detailed work planned
Moon	Seeking Venture Partner	Follow-up ground geophysics planned
Alberta	Seeking Venture Partner	Viable drill targets identified
Arnold	Seeking Venture Partner	Initial airborne and ground surveys completed
Camsell	Seeking Venture Partner	Initial assessment completed
Carswell	Seeking Venture Partner	Airborne and initial assessment completed
Ford	Seeking Venture Partner	Initial assessment completed
Kasmere		Exploration permits pending
Misty	Optioned to Great Western Minerals Group	Land use consultations ongoing with local First Nations Communities
Rainbow Hill, AK	Option to District Gold terminated in December 2009	No significant work undertaken
Voisey's Bay East "VB1"	Disposed	
Voisey's Bay South "VB2"	JV With Columbia Yukon	Airborne and ground surveys undertaken
Zeballos	Seeking Venture Partner	43-101 report completed
Glitter Lake	Disposed, NSR retained	Field work carried out
Rise and Shine, NZ	Under Joint Venture with Oceana Gold	Recent mapping and geophysics
Reefton Property, NZ	Seeking Venture Partner	Ground survey and mapping completed

On November 27, 2009 the Company announced that it had purchased certain mineral claims in the Cluff Lake area from Hawk Uranium Ltd., which it plans to incorporate into its existing Carswell project. Consideration paid by the Company to Hawk Uranium Ltd. included 1,125,000 company shares and cash of \$62,500. Under the terms of the agreement, Hawk Uranium Ltd. retains a 2.5% net smelter royalty, 2.0% of which is purchasable by the Company.

On February 9, 2009, the Company announced that Kent Exploration Inc. entered into a 5-year option agreement to acquire a 70% interest in the Reefton Project, (EP 40 677) of South Island, New Zealand. Under the option agreement, \$5,000 is payable on execution and \$3,500,000 in exploration expenditures on the project over the five year option period, In August 2009, the option agreement with Kent Exploration Inc. was terminated.

Golden Fern Resources Ltd., CanAlaska's New Zealand subsidiary, is the pending holder under joint venture of the mineral license covering the Rise and Shine shear zone, located north of Cromwell, New Zealand. Golden Fern has entered into an option agreement for the sale of a 70% ownership interest to Glass Earth Gold Ltd. The funding for Golden Fern will allow detailed project evaluation and exploration on the Rise and Shine project, including 4,000 metres of drill testing on favourable gold targets. Additional terms of the agreement include progressive cash payments of \$13,000 (\$1,000 received) and the issuance of 200,000 shares (100,000 issued) in Glass Earth Gold Ltd. to the Company over the course of the program.

During the fiscal year ended April 30, 2009, the Company disposed of its Granite Dome and Greymouth permits and therefore recorded mineral property write-downs of \$0.2 million. The VBE1 Project was dropped by CanAlaska and its partner Columbia Yukon. The Company also wrote-off its Mt. Mitchell claims (\$0.3 million) and did not renew its prospecting permit on this property.

Consolidated Financial Results of Operations

The Loss for the current quarter was \$0.8 million compared to \$1.1 million in the prior fiscal year (Q3'09). For the nine months ended Q3'10, the loss was \$2.3 million compared with \$2.5 million for the same period in the prior fiscal year. The difference in general and administrative expenses for the quarter, is

primarily due to a Q3'09 adjustment affecting management fees and deferred exploration expenditures which was subsequently reversed in Q4'09. Stock based compensation was also lower in Q3'10 than in the prior year.

For the nine months ended Q3'10, as compared to the same period in the prior fiscal year, the difference in the AFS write-downs to the year earlier was offset by the difference in reported management fees in Q3'10 as noted above and lower stock based compensation in 2010 as compared to 2009.

Liquidity and Capital Resources

CanAlaska is an exploration stage company. It has no proven economically recoverable mineral reserves.

At January 31, 2010, the Company had cash and cash equivalents of \$11.3 million and net working capital of \$12.0 million.

The Company has long-term commitments in respect of office premises and equipment leases totalling \$0.4 million, which are primarily due over the next three fiscal years. It also has obligations under its option agreements for spending on future option payments and exploration activities on three projects: Fond Du Lac (\$80,000 in option payments over the next two years; CanAlaska has met the exploration spending requirement of \$2.0 million); Black Lake (a \$28,000 option payment next year; and a further \$600,000 in exploration spending by July 2012), and; Collins Bay Extension (\$4 million in exploration spending within 5 years). The Company also has assessment obligations with various Provincial governments to maintain its properties in good standing. These assessment obligations can be satisfied by incurring stipulated exploration spending or making a payment in-lieu. Given CanAlaska's present cash reserves and funding commitments from its strategic partners, and the flexibility of the Company's future exploration plans, these long-term commitments are not expected to adversely affect the Company's future operations.

Management believes that its cash reserves, together with the additional funding committed by the Company's strategic exploration-funding partners, will enable CanAlaska to continue its planned exploration work in the Athabasca and to cover its corporate and administrative expenditures for at least the next twelve months, well through fiscal 2010 and beyond.

The Company is dependent in part upon equity markets to raise funds for its planned operations. Future cash requirements will depend primarily on the extent of future exploration and development activities. The Company's ability to continue operations and exploration activities as a going concern is dependent upon its ability to obtain additional funding on acceptable terms. Factors that may affect the availability of financing include the progress and results of the Company's various projects, investor perceptions and expectations, and the overall condition of financial, energy, and uranium markets.

With the impact of the global credit crisis still being felt in the junior mining sector, CanAlaska views itself as fortunate to have strong strategic relationships with several exploration-funding partners. The long-term support from Mitsubishi and the Korean Consortium has allowed the Company to advance two significant projects despite recent challenging economic times, and without being wholly dependent upon public capital markets. CanAlaska also seeks to maintain a reasonable and prudent treasury, and is continually evaluating all of its exploration projects.

CanAlaska is an exploration enterprise and will, at some point, need to seek additional financings either through equity offerings or the formation of additional strategic partnerships to advance its projects. 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 in order to continue to advance the its projects. While the Company has been successful in doing this in past, there can be no assurance that it will continue to do so in future.

Financial and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments,, interest receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these

financial instruments. The fair values of these financial instruments approximate their carrying values due to the short-term or demand nature of the instruments.

Recent Financing Activities

Table 17: Proceeds from recent Flow-Through Financings

Date	Gross Proceeds / Units	Intended Use	Actual Use
December 2009	\$1.90 million – 10,897,571 units	Uranium exploration in Saskatchewan	Pending
December 2009	\$0.81 million – 3,876,300 units	Uranium exploration in Saskatchewan	Pending
November 2009	\$2.25 million - 10,714,428 units	Uranium exploration in Saskatchewan	Pending
October 2009	\$0.25 million - 1,190,000 units	Uranium exploration in Saskatchewan	As Intended
August 2009	\$1.00 million - 5,826,764 units	Uranium exploration in Saskatchewan	As Intended
May 2008	\$3.70 million - 10,922,660 units	Uranium exploration in Saskatchewan, Manitoba, and Alberta	As Intended

In January 2010, the Company issued 202,500 common shares from the exercise of stock options for gross proceeds of \$24,300.

In December 2009, the Company issued 50,000 shares under the option agreement of Collins Bay Extension uranium project (note 9(o)).

In December 2009, the Company issued 10,897,571 ordinary units for gross proceeds of \$1,907,075. Each unit consists of one common share and one share purchase warrant. Each 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 \$0.28 per warrant share. A Finder's fee of \$12,500 in cash and 71,429 warrants were issued in connection with the financing.

In December 2009, the Company issued 1,250,000 common shares under the purchase agreement with Hawk Uranium Inc. for mineral claims in the Cluff Lake area of Saskatchewan.

In December 2009, the Company issued 3,876,300 flow-through units for gross proceeds of \$814,023. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.28 per warrant share. A finder's fee of \$31,185 in cash and 148,500 warrants were issued in connection with the financing.

In November 2009, the Company issued 10,714,428 flow-through units for gross proceeds of \$2,250,030. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.28 per warrant share. A finder's fee of \$112,502 in cash and 535,722 warrants were issued in connection with the financing.

In October 2009, the Company issued 1,190,000 flow-through units for gross proceeds of \$249,900. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.28 per warrant share. A finder's fee of \$12,495 in cash and 59,500 warrants were issued in connection with the financing.

In August 2009, the Company issued 5,826,764 flow-through units for gross proceeds of \$990,550. Each unit consists of one flow-through common share and one-half of one non-transferable share purchase warrant. 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 \$0.24 per warrant share. A finder's fee of \$49,528 in cash and 291,337 compensation options were issued in connection with the financing. Each compensation option entitled the holder thereof to acquire one unit at a price of \$0.17 per unit for a period of 24 months. Each unit will consist of one common share or one flow-through common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitles the holder thereof to purchase one additional common share of the Company for a period of twenty-four months from the closing date at a price of \$0.24 per warrant share.

Additional Disclosures

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not expect to have any such arrangements in the foreseeable future, and has no known contingent liabilities.

Related Party Transactions

In the nine months ended January 31, 2010, the Vice President Exploration, the current Chief Financial Officer, and the former Chief Financial Officer provided services through separate companies that they individually controlled. Total expenses incurred for the nine months were \$189,860, \$43,470 and \$4,375 respectively, as compared to \$132,074, \$nil and \$54,167 for the same nine month period in the prior fiscal year.

Effective February 2005, each outside director is entitled to receive \$500 per month, \$500 per directors meeting, and \$500 per committee meeting. For the nine months ended Q3'10, \$46,488 has been paid/accrued to directors (April 30, 2009: \$71,572) and as at Q3'10, \$ nil is owing to directors (April 30, 2009: \$10,326). These amounts are due on demand and are non-interest bearing.

Critical Accounting Estimates and Accounting Policies

For further information on critical accounting estimates and policies, please see the Company's most recent audited consolidated financial statements for the fiscal year ended April 30, 2009 and the Company's Form 20-F filing. For the quarter ended January 31, 2010 there have been no changes in accounting policies.

Summary of Quarterly Results

Details of the Company's financial position and results of operations for the last eight quarters are provided in Tables 18 and 19 – "Quarterly Loss and Expense Summary" and "Quarterly Financial Position Summary" respectively, and in the following discussion.

Disclosure for Venture Issuers Without Significant Revenue

As a venture issuer without significant revenue, CanAlaska is required to provide a breakdown of its material components of capitalized or expensed exploration costs, and of general and administration expense as discussed below.

Expenses

Net indirect exploration expenses are the costs associated with running CanAlaska's field operation office in Saskatoon, SK and our warehouse in La Ronge, SK and payroll and related costs of our exploration teams where they are not directly chargeable to an exploration project. Prior to the Q4'09, these costs had been deferred on the balance sheet, and management fees and rental income were applied against them, thus reducing these deferred costs. For better clarity on the Company's actual expenditures and to reflect the indirect nature of these costs, the Company changed its accounting disclosure regarding these accounts in Q4'09. Therefore, the charges in the Q4'09 represent these expenses for the full fiscal year rather than simply for the quarter then ended.

In Q4'09, the Company recorded property write-downs on three of its New Zealand projects (Granite Done, Greymouth, and Mt. Mitchell) where it chose not to renew its permits. No mineral property write downs occurred in either Q1'01, Q2'10 or Q3'10.

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. As with net indirect exploration expenses, equipment rental income as reported in Q4'09 is for the full fiscal year rather than for the quarter then ended.

Net option payments for Q1'10, is an expense as a result of the Company writing-off the option payments from District Gold on the Rainbow Hill property in Alaska, USA. The Company had previously accrued for these receivables.

Consulting, labour (indirect), and professional fees were higher in Q3'10, primarily due to bonus payments of approximately \$260,000 in the period. Included within Q3'09 were bonus payments of \$130,000.

Insurance, licenses and filing fees were negative in Q3'09 as a result of an insurance allocation to various properties. The increase in Q1'10 can be attributed to filing fees associated with the audited financial statements and tax returns.

Other corporate costs are up in Q2'10 primarily as a result of a \$54,000 provision for doubtful accounts. The remaining difference is consistent with prior period results.

Investor relations expenses were significantly lower in the current year. The Company has consciously reduced these activities over the past 21 months due to the current economic environment.

Rent costs are up in Q3'09 due to costs for early termination of an office sub-lease which was settled by way of the transfer of the Glitter Lake property.

In Q4'08, the Company recognized a gain on sale on disposition of some of the Company's available-for-sale securities. During Q2'09, given the impact of the economic environment on share prices, the Company recorded several permanent impairments in value in its statement of loss and deficit. As a result, all of the previously recorded fair value adjustments for these securities that had flowed through other comprehensive income were reversed. The Company took a further impairment write-down on certain investments in Q3'09. No impairments were recorded in the nine months ended January 31, 2010.

The debit shown in management fees in the Q3'09 represented a reversal of management fees booked in the first half of the year that would otherwise have been offset against indirect costs.

The future income tax ("FIT") recovery shown arises from renunciations by the Company of future tax losses associated with the Company's flow-through offerings in fiscal 2009 and 2010. In Q3'10, a flow-thru renunciation was made by CanAlaska (for calendar 2009) and, under Canadian GAAP, this action required that the Company record an FIT liability. However, the Company can utilize previously unrecognized future income tax assets (i.e., current and prior tax loss carry-forwards) to offset the FIT liability to the extent such assets are available. The recognition of these FIT assets in the period gives rise to the FIT recovery. Also included in the FIT recovery would be amounts arising from reductions in the 'substantially enacted tax rates' affecting the Company. Such reductions have the effect of reducing previously booked FIT liabilities. In Q3'10 and for the nine month period ended January 31, 2010, the Company recognized income tax recoveries of \$198,000 and \$443,000 respectively, as current period tax losses became available to offset the previously booked 'flow-through' offering FIT liability.

Quarterly								
Table 18: (000's)								
Loss and Comprehensive Loss Summary⁽¹⁾	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10
Revenue	-	-	-	-	-	-	-	-
Expensed Exploration Cost								
Net indirect exploration exp.	1,277	28	14	21	954	126	69	201
Mineral property write-offs	550	-	-	10	484	-	-	-
Equipment rental income	(429)	-	-	-	(316)	(16)	(74)	(22)
Net option payments	(137)	(112)	(29)	(15)	(31)	75	-	-
	1,261	(84)	(15)	16	1,091	185	(5)	179
Other Expenses								
Consulting, professional fees, and indirect labour	432	150	294	327	278	297	263	477
Depreciation	188	53	54	57	68	48	49	59
Foreign exchange loss (gain)	(28)	(27)	(120)	49	(95)	2	7	2
Insurance, licenses & filing Fees	52	20	65	(45)	21	65	15	21
Interest income	(94)	(50)	(44)	(28)	(45)	(30)	(30)	(13)
Other corporate cost	53	39	40	23	116	33	87	44
Investor relations	36	16	17	21	6	10	35	28
Rent	29	22	39	92	47	50	47	34
Stock-based compensation	372	373	382	346	408	350	371	222
Travel & accommodation	66	9	41	19	11	6	24	33
Write-down of AVS securities	(134)	-	327	41	26	-	-	-
Management fees	(287)	(145)	(65)	210	(628)	(54)	(63)	(70)
	685	460	1,030	1,112	213	777	805	837
Net loss before taxes	1,946	376	1,015	1,128	1,304	962	800	1,016
Future income taxes	(772)	-	-	-	(1,107)	(138)	(170)	(198)
Net loss after taxes	1,174	376	1,015	1,128	197	824	693	818
Unrealized loss on AFS securities	146	147	125	(58)	(57)	48	6	(22)
Comprehensive loss	1,320	523	1,140	1,070	140	872	699	796
Loss per share (\$ per share)	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.01

Note: (1) Certain comparative figures have been reclassified to conform to current period's presentation.

Investment Activities and Deferred Exploration Costs

Deferred exploration costs associated with mineral property interests increased during the quarter, principally as a result of exploration expenditures on Cree East, West McArthur, Fond Du Lac, and Black Lake projects.

The interim financial statements reflect a net change in deferred mineral property exploration costs of \$4.1 million for the nine months ended Q3'10 (prior year – \$4.8 million) as the Company continued to invest in its Athabasca properties. The principal projects accounting for the spending difference include Cree East, with approximately \$300,000 in reduced spending in the current fiscal year over the prior nine month period, and lower spending on Fond Du Lac in the current year of about \$500,000 that was offset somewhat by higher spending on other projects, in the current year as compared to the same period of the prior year.

For the current quarter, deferred mineral property exploration spending is \$1.3 million as compared to the prior fiscal year's third quarter spending of \$1.1 million. There were no write-offs of deferred mineral property costs in either Q1'10, Q2'10, or Q3'10 or in the prior fiscal year's comparable periods.

In Q4'09, the primary mineral property deferred cost write-offs were \$0.5 million in total and were related to its Granite Dome, Greymouth and Mt. Mitchell in New Zealand properties.

Quarterly

Table 19: (000's)

Financial Position Summary	Q4'08 Apr 30/08	Q1'09 Jul 31/08	Q2'09 Oct 31/08	Q3'09 Jan 31/09	Q4'09 Apr 30/09	Q1'10 Jul 31/09	Q2'10 Oct 31/09	Q3'10 Jan 31/10
Financial Position								
Assets								
Cash and cash equivalents	7,376	10,546	7,702	7,990	6,339	5,061	4,119	11,326
Accounts receivable and prepaids	2,121	2,040	1,307	2,010	996	951	908	1,223
Available-for-sale securities	882	676	251	245	276	228	289	316
Total Current Assets	10,379	13,262	9,260	10,245	7,611	6,240	5,316	12,865
Reclamation bond	711	711	280	281	317	308	308	354
Property, plant and equipment	887	860	837	823	827	792	755	774
Mineral property interests	31,661	32,822	35,854	36,500	39,133	40,780	41,874	43,198
Total Assets	43,368	47,655	46,231	47,939	47,888	48,120	48,253	57,191
Liabilities								
Accounts payable and accruals	2,619	1,499	630	590	1,194	1,057	345	856
Future income tax liability	1,445	1,445	1,445	1,445	1,341	1,203	1,095	898
Total Liabilities	4,064	2,944	2,075	2,035	2,535	2,260	1,440	1,754
Non-Controlling Interest⁽¹⁾	3,600	5,280	5,280	7,600	7,600	8,480	8,480	12,600
Shareholders' Equity								
Common shares	54,079	57,000	57,114	57,114	56,183	56,190	57,327	62,070
Contributed surplus	5,392	6,451	6,922	7,420	7,940	8,432	8,946	9,504
AOCI	166	19	(106)	(48)	9	(39)	(45)	(23)
Deficit	(23,663)	(24,039)	(25,054)	(26,182)	(26,379)	(27,203)	(27,895)	(28,714)
Total Shareholders' Equity	35,974	39,431	38,876	38,304	37,753	37,380	38,333	42,837
Total Liabilities and Equity	43,368	47,655	46,231	47,939	47,888	48,120	48,253	57,191
Total shares outstanding (000's)	125,870	137,534	137,734	137,734	137,784	137,834	144,850	171,841
Weighted average # of shares (000's)	125,870	135,636	137,642	137,734	137,160	137,793	140,289	163,235
Working Capital	7,760	11,763	8,630	9,655	6,417	5,183	4,971	11,693
Cash flows from:								
Operating activities	(1,729)	(539)	(627)	(1,658)	(673)	(507)	(559)	(537)
Financing activities	2,431	5,121	-	2,320	(5)	879	1,146	8,861
Investing activities	(2,444)	(1,411)	(2,217)	(374)	(973)	(1,650)	(1,529)	(1,116)
Net increase (decrease) in cash	(1,742)	3,170	(2,844)	288	(1,651)	(1,278)	(942)	7,208

Note: (1) The non-controlling interest stems from the consolidation of the variable interest entity formed with the Company's Korean partners, in the form of the CKU Partnership (see notes 3 and 9(a) in the Q2'10 interim financial statements). This amount represents the total funding from our Korean partners as their contributions towards the partnership. It also includes \$0.6 million that was contributed for intellectual property purchased from CanAlaska during the formation of the partnership.

Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA confirmed that International Financial Reporting Standards ("IFRS") will be mandatory in Canada for all publicly accountable entities for fiscal periods beginning on or after January 1, 2011. The Company is analyzing the impact of IFRS on its consolidated financial statements and anticipates that there will be changes in accounting policies that may materially affect the Company's financial statements. To date, management has adopted a process to develop a project plan which identifies the key steps and assignment of responsibilities for each of those steps to ensure a successful transition. These key steps include outlining potential conversion issues unique to our industry, addressing staff training requirements to ensure sufficient IFRS knowledge, and identifying potential external advisors needed to assist management.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the

adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests", which together replace Section 1600, "Consolidated Financial Statements". These two Sections are the equivalent to the corresponding provisions of International Accounting Standard 27, "Consolidated and Separate Financial Statements" (January 2008). Section 1602 applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. The new Sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The new Sections also require non-controlling interest to be presented as a separate component of shareholders' equity. Under Section 1602, non-controlling interest in income is not deducted in arriving at consolidated net income or other comprehensive income. Rather, net income and each component of other comprehensive income, are allocated to the controlling and non-controlling interests based on relative ownership interests. These Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011, and should be adopted concurrently with Section 1582. The Company is currently assessing the future impact of these new Sections on its consolidated financial statements.

Outstanding Share Data

As of March 24, 2010:

- Authorized share capital – unlimited number of common shares, no par value.
- Total common shares issued and outstanding – 171,841,213 common shares.
- Stock options and warrants – at January 31, 2010, there were 20,998,000 stock options and 28,969,000 share purchased warrants outstanding having a weighted average exercise prices of \$0.33 and \$0.32 respectively.

Risks and Uncertainties

Mineral exploration involves a high degree of risk. 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. Further, very few mineral properties warrant the considerable expenditures required to initially substantiate their reserves, and to then develop them into production. Consequently, very few properties ever become producing mines. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for the mineral properties and related deferred exploration costs, and the Company's continued viability, is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or upon the proceeds from disposition of its mineral properties. The Company believes that the recent global economic crisis has reduced the availability and number of potential sources of capital, which may have an impact on the Company's ability to raise additional capital in future. The duration of current economic conditions cannot be predicted. The availability of financing on acceptable terms may make it difficult for companies to raise the funds required within planned timelines. The Company will manage its liquidity risk by reviewing the risk characteristics of its mineral properties and other assets, by curtailing any non-essential expenses to conserve cash resources, and by considering the sale or joint venture of assets. Failure to obtain necessary financing may result in delays or indefinite suspension of exploration and development programs and possible loss of the Company's mineral property interests.

The Company competes with other mining enterprises, some of which have greater financial resources, for the acquisition of mineral concessions. The Company is at risk to variations in mineral prices, the

interest of investors, and the availability of contractors. These factors impact upon the Company's ability to finance its programs and to carry on operations.

The Company's primary mineral property interests involve uranium, which is a strategic mineral whose mining and export are subject to considerable government oversight and regulation. Its mineral exploration activities expose the Company to potential environmental liabilities relating to the reclamation of property in accordance with local laws and regulations. There is no guarantee that title to the properties in which the Company has a recorded interest will not be challenged. The Company's mineral property interest may be subject to prior unregistered agreements or transfers and the title may be affected by undetected defects. As of the effective date of this MD&A, management is not aware of any impediment to its ownership of its mineral properties.

For further information, please see the risk factors section of both the Company's annual MD&A and its Form 20-F filings for the fiscal year ended April 30, 2009.

Corporate Disclosure Practices and Policies

The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that financial information is accurate and reliable. The Board of Directors has the responsibility to understand the principal risks of the business of the Company and to confirm that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Company. Committees of the Board presently consist of an Audit Committee, a Compensation Committee, and a Governance Committee. The Audit Committee consists of three unrelated outside directors. The role of the Audit Committee is to review the Company's financial statements and the financial disclosure that is publicly disseminated, to review the systems of internal controls, and to monitor the performance and the independence of the Company's external auditors. The Compensation Committee consists of three unrelated outside directors. The role of the Compensation Committee is to develop and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, to recommend levels of executive compensation, and to administer the Company's stock option plan. The Governance Committee consists of three unrelated outside directors and its duties are to identify suitable corporate governance policies, regulate board organization and other committee structures, specify Board composition and qualifications, assess potential candidates for the Board, review the performance of the Board, oversee selection and appointment of the CEO, and to develop suitable policies for management succession.

Management of the Company has designed and established disclosure controls and procedures to ensure that information disclosed in this MD&A and the interim financial statements for the three and nine months ended January 31, 2010 was properly recorded, processed, summarized, and reported.

The Company's Chief Executive Officer and Chief Financial Officer have evaluated and are satisfied with the effectiveness of these disclosure controls and procedures to the end of the period covered by this report.

The Chief Executive Officer and Chief Financial Officer acknowledge responsibility for the design of internal control over financial reporting, and confirm that there were no changes in these controls that occurred during the most recent interim period which materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Cautionary Notice

This MD&A contains statements that constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance or achievements, or developments in our industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning

mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

Forward-looking statements in this document include statements regarding the Company's expectations regarding drilling and exploration activities on properties in which the Company has an interest; the Company's expectations regarding the amount and adequacy of its cash reserves in future periods, and the Company's expectations regarding the amount of expenses in future periods. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements which are made only as of their respective dates. Important factors that could cause actual results to differ materially from the Company's expectations include among others, risks related to fluctuations in mineral prices; uncertainties related to raising sufficient financing to fund planned work in a timely manner and on acceptable terms; changes in planned work resulting from weather, logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Company's properties; uncertainties involved in the estimation of resources; the possibility that required permits may not be obtained in a timely manner or at all; the possibility that capital and operating costs may be higher than currently estimated and may preclude commercial development or render operations uneconomic; the possibility that the estimated recovery rates may not be achieved; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; the risk of environmental contamination or damage resulting from the Company's operations; and other risks and uncertainties discussed under the heading "Risk Factors" and elsewhere in the Company's documents filed from time to time with the TSX Venture Exchange and U.S. securities regulators.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, except as required by applicable securities law.

Approval and Continuous Disclosure

The Audit Committee, on behalf of the Board of Directors, has approved the disclosure contained in this interim MD&A.

A copy of this MD&A, as well as previously published financial statements, MD&A's, and other information regularly disclosed by the Company are available on the SEDAR website at www.sedar.com, the EDGAR website at <http://www.sec.gov/edgarhp.htm>, and on the Company's website at www.canalaska.com.



INTERIM FINANCIAL STATEMENTS

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Consolidated Financial Statements
Fiscal 2010 Third Quarter
Three and Nine Months Ended January 31, 2010
(Unaudited)

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

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

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

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

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Consolidated Balance Sheets

As at January 31, 2010 and April 30, 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

	January 31 2010	April 30 2009
Assets		
Current assets		
Cash and cash equivalents (note 5)	11,326	6,339
Accounts receivable and prepaid expenses	1,223	996
Available-for-sale securities (note 6)	316	276
	<u>12,865</u>	<u>7,611</u>
Reclamation bonds	354	317
Property and equipment (note 7)	774	827
Mineral property interests (note 8)	43,198	39,133
	<u>57,191</u>	<u>47,888</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	856	1,194
Future income tax liability	898	1,341
	<u>1,754</u>	<u>2,535</u>
Non-controlling interest (note 3)	<u>12,600</u>	<u>7,600</u>
Shareholders' equity		
Common shares (note 11)	62,070	56,183
Contributed surplus (note 11)	9,504	7,940
Accumulated other comprehensive income (note 13)	(23)	9
Deficit	(28,714)	(26,379)
	<u>42,837</u>	<u>37,753</u>
	<u>57,191</u>	<u>47,888</u>

Nature of operations (note 1)

Commitments (notes 8 and 14)

Subsequent events (note 16)

Approved by the Board of Directors

"/s/ Peter Dasler", Director

"/s/ Emil Fung", Director

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

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

(Consolidated Statements of Loss, Comprehensive Loss, and Deficit)

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

	Three months ended January 31 2010	Three months ended January 31 2009 (restated)	Nine months ended January 31 2010	Nine months ended January 31 2009 (restated)
Expensed exploration costs				
Net indirect exploration expenditures	201	75	396	280
Mineral property write-offs	-	10	-	10
Equipment rental income	(22)	(54)	(112)	(217)
Net option payments (note 10(c))	-	(15)	75	(156)
	179	16	359	(83)
Other expenses				
Consulting, labour and professional fees	477	327	1,037	771
Depreciation and amortization (note 7)	59	57	156	164
Foreign exchange gain	2	49	11	(98)
Insurance, licenses and filing fees	21	(45)	101	40
Interest income	(13)	(28)	(73)	(122)
Investor relations and presentations	28	21	73	54
Management fees	(70)	210	(187)	-
Other corporate costs	44	23	164	102
Rent	34	92	131	153
Stock-based compensation (note 12)	222	346	943	1,101
Travel and accommodation	33	19	63	69
Write-down of available-for-sale securities (note 6)	-	41	-	368
	837	1,112	2,419	2,602
Loss before income taxes	1,016	1,128	2,778	2,519
Future income tax recovery	(198)	-	(443)	-
Loss for the period	818	1,128	2,335	2,519
Other comprehensive loss				
Unrealized (gain)/loss on available-for-sale securities (note 13)	(22)	(58)	32	214
Comprehensive loss for the period	796	1,070	2,367	2,733
Deficit- beginning of the period	(27,896)	(25,054)	(26,379)	(23,663)
Deficit- end of the period	(28,714)	(26,182)	(28,714)	(26,182)
Basic and diluted loss per share (\$ per share)	0.01	0.01	0.02	0.02
Weighted average common shares outstanding (000's)	163,235	137,734	148,005	137,004

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

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

	Three months ended January 31 2010	Three months ended January 31 2009	Nine months ended January 31 2010	Nine months ended January 31 2009
Cash flows from operating activities				
Net loss for the period	(818)	(1,128)	(2,335)	(2,519)
Items not affecting cash				
Available-for-sale securities write down	-	64	-	391
Depreciation and amortization (note 7)	59	57	156	164
Future income tax recovery	(198)	-	(443)	-
Bad debt expense	-	-	54	-
Other	(46)	(38)	29	(27)
Stock-based compensation	222	15	943	1,101
	(781)	(1,030)	(1,596)	(889)
Change in non-cash operating working capital				
Decrease (increase) in accounts receivable and prepaids	(24)	(524)	(67)	187
Increase (decrease) in accounts payable and accruals	268	(104)	59	(247)
	(537)	(1,658)	(1,604)	(949)
Cash flows from financing activities				
Issuance of common shares (net of issue costs)	4,741	-	5,886	3,441
Non-controlling interest	4,120	2,320	5,000	5,279
	8,861	2,320	10,886	8,720
Cash flows from investing activities				
Deferred exploration costs	(1,040)	(331)	(4,342)	(7,116)
Property and equipment	(77)	(43)	(102)	(100)
Option payments received	-	-	1	-
Gain on disposal	-	-	-	59
Reimbursed exploration costs	-	-	148	-
	(1,117)	(374)	(4,295)	(7,157)
Increase in cash and cash equivalents	7,207	288	4,987	614
Cash and cash equivalents - beginning of period	4,119	7,702	6,339	7,376
Cash and cash equivalents - end of period	11,326	7,990	11,326	7,990

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

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

1 Nature of Operations

CanAlaska Uranium Ltd. (the "Company" or "CanAlaska") and its subsidiaries are principally engaged in the exploration of uranium properties. The Company 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.

At January 31, 2010, the Company had cash and cash equivalents of \$11.3 million (April 30, 2009: \$6.3 million) (note 5) and working capital of \$12 million (April 30, 2009: \$6.4 million). Management believes that the cash on hand at January 31, 2010 is sufficient to meet corporate, administrative and 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 its exploration projects.

2 Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with Canadian GAAP on a basis consistent with the annual financial statements of the Company. All figures are in Canadian dollars unless otherwise noted. Disclosure requirements for interim financial statements do not contain all the information that is required of annual financial statements. Accordingly, they should be read in conjunction with the audited financial statements, for the year ended April 30, 2009. Certain comparative figures have been reclassified to conform to the current period's presentation.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, CanAlaska Resources Ltd. USA (a Nevada company), CanAlaska West McArthur Uranium Ltd. (a B.C. company), Golden Fern Resources Limited (a New Zealand company) and Poplar Uranium Limited (a B.C. company). The Company also follows Accounting Guideline 15 and fully consolidates the assets, liabilities, revenues and expenses of the ("CKU Partnership") and Canada-Korea Uranium Limited ("CKUL" or the "General Partner"). It recognizes the other partners' ownership in the CKU Partnership under the heading non-controlling interest. The Company also proportionately consolidates its interest in the Rise and Shine joint venture (a New Zealand joint venture).

Estimates, Risks and Uncertainties

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future uranium and precious and base metal prices, estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, and the availability of financing and various operational factors.

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

3 Interests in Variable Interest Entities

CanAlaska Korean Uranium Joint Venture

In December 2007, the Company formed a partnership ("CKU Partnership") with Hanwha Corporation, Korea Electric Power Corporation, Korea Resources Corp., and SK Energy Co. Ltd. (together the "Korean Consortium") to develop the Cree East uranium exploration project ("Cree East"), which consists of approximately 56,000 hectares of dedicated contiguous mineral claims in the Athabasca Basin in the province of Saskatchewan in Canada.

Under the terms of agreements, the Korean Consortium will invest \$19 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period. As of January 31, 2010, the Korean Consortium has contributed \$12.6 million (April 30, 2009: \$7.6 million) and holds a 40.6% interest (April 30, 2009: 29.6%) in the CKU Partnership.

The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred. The following are the significant balances of the CKU Partnership that are included in CanAlaska's consolidated balance sheets:

CKU Partnership (\$000's)	Fiscal 2010 January 31, 2010	Fiscal 2009 April 30, 2009
Cash (note 5)	2,880	410
Mineral property (note 9 (a))	9,432	7,936
Non-controlling interest	12,600	7,600

4 Rise and Shine Joint Venture

Rise & Shine, New Zealand

The Rise & Shine property is located 20 km northeast of Cromwell, New Zealand in an area that includes a number of historical high-grade underground gold mines in the Bendigo Gold field. Effective July 1, 2007, the Company completed its earn-in requirements in a joint venture with Oceana Gold (New Zealand) Limited ("Oceana") (30%) and CanAlaska (70%). If either party elects not to fund or only partially-fund their respective portion of a proposed budget then the defaulting party dilutes their equity in the joint venture down to a minimum of 15% at which point the relevant party's interest in the joint venture will revert to a 2% royalty on gold produced. As of January 31, 2010, CanAlaska's current interest is 72% and Oceana's interest is 28%.

In June 2009, the Company announced an agreement with Glass Earth Gold Ltd. ("Glass Earth"). The option agreement with Glass Earth is for the sale of a 70% ownership interest. In return, Glass Earth shall perform detailed project evaluation and exploration on the Rise and Shine project, including 4,000 metres of drilling.

Additional terms of the agreement include progressive cash payments of \$13,000 (\$1,000 paid) and the issuance of 200,000 shares (100,000 received) in Glass Earth to the Company over the course of the program.

CanAlaska currently proportionately consolidates its 72% interest in Rise and Shine as at January 31, 2010 (note 10 (a)):

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

4 Rise and Shine Joint Venture (continued)

\$000's	Fiscal 2010 January 31, 2010	Fiscal 2009 April 30, 2009
Mineral property	323	324

5 Cash and Cash Equivalents

\$000's	Fiscal 2010 January 31, 2010	Fiscal 2009 April 30, 2009
CKU Partnership funds	2,880	410
Option-in advances	-	194
Cash in bank and other short term deposits	8,446	5,735
Total	11,326	6,339

The Company fully consolidates the cash held by CKU Partnership whose funds are held to fund the Cree East property (note 3). Option-in advances are advance cash funding by joint venture partners on various exploration properties.

6 Available-for-Sale Securities

	Number of Shares	Fiscal 2010 January 31, 2010		Fiscal 2009 April 30, 2009	
		Adjusted Cost \$000's	Market Value \$000's	Adjusted Cost \$000's	Market Value \$000's
Pacific North West Capital Corp.	846,800	34	140	34	89
Westcan Uranium Corp.	500,000	49	10	49	18
Mega Uranium Ltd.	50,000	104	32	104	99
Other available-for-sale securities	5,778,993	153	134	80	70
Total	7,175,793	340	316	267	276

The Company periodically reviews the carrying values of its available-for-sale securities and considers, in light of the prevailing economic circumstances, whether current market values are indicative of other-than-temporary losses in value, in which case the Company would record a permanent write-down in value. The Company has recorded total write-downs on available-for-sale securities of \$nil for the nine months ended January 31, 2010 (2009: \$368,000). An unrealized loss on available-for-sale securities of \$32,000 (2009: \$214,000) was recorded in other comprehensive income (loss) for the period. During the nine months ended January 31, 2010, the Company received 100,000 Glass Earth common shares and 100,000 Kodiak Exploration Ltd. common shares.

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

7 Property and Equipment

\$000's	Fiscal 2010 January 31, 2010			Fiscal 2009 April 30, 2009		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Automotive	111	(68)	43	111	(55)	56
Leasehold improvements	270	(56)	214	266	(39)	227
Mining equipment	967	(628)	339	923	(535)	388
Office equipment	472	(294)	178	417	(261)	156
Total	1,820	(1,046)	774	1,717	(890)	827

Property and equipment additions during the nine months ended January 31, 2010, were \$102,401 (2009: \$100,000).

8 Mineral Property Interests

Project (\$000's)	Fiscal 2010 Expenditures Nine months ended January 31, 2010				Life to Date - January 31, 2010			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Athabasca (note 9)	111	4,760	(816)	4,055	1,305	60,491	(19,121)	42,675
Other interests (note 10)	-	17	(1)	16	398	1,349	(1,224)	523
Total	111	4,777	(817)	4,071	1,703	61,840	(20,345)	43,198

Project (\$000's)	Fiscal 2009 Expenditures Twelve months ended April 30, 2009				Life to Date - April 30, 2009			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Athabasca (note 9)	132	11,486	(3,885)	7,733	1,194	55,737	(18,307)	38,624
Other interests (note 10)	20	240	(521)	(261)	398	1,334	(1,223)	509
Total	152	11,726	(4,406)	7,472	1,592	57,071	(19,530)	39,133

The Company holds approximately 1,156,000 hectares of mining claims in the Athabasca Basin located across the provinces of Alberta, Saskatchewan and Manitoba in Canada (the "Athabasca"). These holdings are comprised of 23 projects which are in various stages of exploration and discovery.

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

8 Mineral Property Interests (continued)

Summary of Option Payments Due	Total		
	Cash ¹ \$000's	Spend ² \$000's	Shares ¹
Fiscal Year Ended			
April 2010 (paid)	52	600	100,000
April 2010	-	-	-
April 2011	40	2,000	100,000
April 2012	57	3,400	100,000
Thereafter	-	10,000	1,200,000
Total due	149	10,000	1,500,000

¹ Only considers payments paid during the fiscal year and not previous year's payments and issuances.

² Represents cumulative spend required not spend per fiscal year.

Summary of Option Payments Receivable	Total		
	Cash ² \$000's	Spend ³ \$000's	Shares ²
Fiscal Year Ended¹			
April 2010 (received)	1	-	200,000
April 2010	135	2,950	200,000
April 2011	10	4,200	150,000
April 2012	20	5,676	50,000
April 2013	10	7,676	50,000
Thereafter	550	15,626	1,300,000
Total due	726	15,626	1,950,000

¹ Excludes expenditures and payments on West McArthur (note 9 (b)) and Cree East (notes 3 and 9 (a)).

² Only considers payments received during the fiscal year and not previous year's payments and issuances.

³ Represents cumulative spend required not spend per fiscal year. On December 17, 2008, the Company granted Westcan an extension to complete its work commitments on Cree West and Key Lake which have not been included in the above table.

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

9 Athabasca Mineral Property Interests

Project (\$000's)	Fiscal 2010 Expenditures Nine months ended January 31, 2010				Life to Date - January 31, 2010			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Cree East (a)	-	1,507	-	1,507	-	9,432	-	9,432
West McArthur (b)	-	842	(546)	296	65	12,983	(10,289)	2,759
Poplar (c)	-	427	(270)	156	166	3,460	(3,210)	415
Fond Du Lac (d)	-	881	-	881	120	2,618	-	2,738
Black Lake (e)	4	426	-	431	147	1,474	-	1,622
Grease River (f)	-	41	-	41	118	2,634	(1,909)	843
Cree West (g)	-	-	-	-	40	1,070	(1,110)	-
Carswell	63	342	-	405	172	370	-	542
Key Lake (h)	-	5	-	5	24	1,016	(1,035)	5
NE Wollaston (i)	-	33	-	33	16	6,605	-	6,621
Helmer (j)	43	25	-	68	107	4,681	-	4,788
Lake Athabasca (k)	-	117	-	117	112	5,890	-	6,002
Alberta (l)	-	27	-	27	11	2,329	-	2,340
Hodgson (m)	-	20	-	20	44	1,220	-	1,264
Arnold (n)	-	2	-	2	35	1,239	-	1,274
Collins Bay (o)	-	82	-	82	-	82	-	82
McTavish (p)	-	(63)	-	(63)	74	654	-	728
Other (q)	-	47	-	47	53	2,735	(1,568)	1,220
Total	111	4,760	(816)	4,055	1,305	60,491	(19,121)	42,675

CanAlaska Uranium Ltd.
(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

9 Athabasca Mineral Property Interests (continued)

Project (\$000's)	Fiscal 2009 Expenditures Twelve months ended April 30, 2009				Life to Date - April 30, 2009			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Cree East (a)	-	3,706	-	3,706	-	7,936	-	7,936
West McArthur (b)	13	2,210	(2,015)	208	65	12,138	(9,743)	2,460
Poplar (c)	-	1,744	(1,497)	247	166	3,033	(2,940)	259
Fond Du Lac (d)	29	1,524	-	1,553	120	1,737	-	1,857
Black Lake (e)	29	804	-	833	143	1,049	-	1,192
Grease River (f)	-	978	(271)	707	118	2,594	(1,909)	803
Cree West (g)	-	52	(52)	-	40	1,070	(1,110)	-
Key Lake (h)	-	51	(50)	1	24	1,012	(1,035)	1
NE Wollaston (i)	-	75	-	75	16	6,571	-	6,587
Helmer (j)	-	136	-	136	64	4,656	-	4,720
Lake Athabasca (k)	8	112	-	120	112	5,772	-	5,884
Alberta (l)	-	39	-	39	11	2,301	-	2,312
Hodgson (m)	-	6	-	6	44	1,200	-	1,244
Arnold (n)	-	11	-	11	35	1,237	-	1,272
Other (q)	53	38	-	91	236	3,431	(1,570)	2,097
Total	132	11,486	(3,885)	7,733	1,194	55,737	(18,307)	38,624

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 to develop Cree East. Under the terms of agreements, the Korean Consortium will invest \$19 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period. As of January 31, 2010, the Korean Consortium has contributed \$12.6 million (April 30, 2009: \$7.6 million) and holds a 40.6% interest (April 30, 2009: 29.6%) in the CKU Partnership. The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred.

During the three and nine month periods ended January 31, 2010, the Company spent \$123,000 and \$276,000 respectively on camp cost & operations (Life to Date ("LTD"): \$1,707,000); drilling \$58,000 and \$58,000 (LTD: \$2,720,000); general and administration ("G&A") \$33,000 and \$109,000 (LTD: \$296,000); geochemistry \$2,000 and \$13,000 (LTD: \$380,000); geology \$19,000 and 63,000 (LTD: \$584,000); geophysics \$55,000 and \$701,000 (LTD: \$2,222,000); management fees \$35,000 and \$131,000 (LTD: \$725,000); and other expenses \$88,000 and \$156,000 (LTD: \$798,000).

CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

9 Athabasca Mineral Property Interests (continued)

b) West McArthur, Saskatchewan - Mitsubishi

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca, Saskatchewan. 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 million (as of January 31, 2010, expenditure are in excess of \$10 million) and making a \$1 million payment upon completion of the \$10 million funding requirement. On February 11, 2010, Mitsubishi exercised their option with a payment to the Company of \$1 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee (between 5% and 10%) based on the expenditures incurred.

During the three and nine month periods ended January 31, 2010, the Company spent \$51,000 and \$58,000 respectively on camp cost & operations (LTD: \$2,162,000); drilling \$36,000 and \$36,000 (LTD: \$4,725,000); G&A \$18,000 and \$54,000 (LTD: \$1,748,000); geochemistry \$nil and \$8,000 (LTD: \$238,000); geology \$55,000 and \$103,000 (LTD: \$414,000); geophysics \$281,000 and \$292,000 (LTD: \$2,693,000); and other expenses \$230,000 and \$285,000 (LTD: \$1,068,000). During the three and nine month periods ended January 31, 2010, the Company received reimbursements of \$398,000 and \$546,000 respectively (LTD: \$10,289,000).

c) Poplar, Saskatchewan – East Resources Inc.

Poplar consists of approximately 77,000 hectares of mineral claims in the Athabasca. In October 2007, the Company optioned the claims to Mega Uranium Ltd. ("Mega"). The Mega option agreement was subsequently terminated in December 2008, after Mega had issued 50,000 shares to the Company and funded \$2.8 million in expenditures on the Poplar project. In June, 2009, the Company announced that East Resources Inc. ("ERI") had executed a Memorandum of Understanding ("MOU") in respect of the Poplar property which had a 60 day term. In the nine months ended January 31, 2010, the Company received expenditure reimbursements of \$270,000 related to the Poplar project. The Company and ERI continue negotiations on a definitive agreement regarding the Poplar property.

During the three and nine month periods ended January 31, 2010, the Company spent \$11,000 and \$165,000 on camp cost & operations respectively (LTD: \$805,000); G&A \$5,000 and \$30,000 (LTD: \$323,000); geochemistry \$nil and \$13,000 (LTD: \$140,000); geology \$11,000 and \$82,000 (LTD: \$375,000); geophysics \$5,000 and \$17,000 (LTD: \$1,677,000); and other expenses \$3,000 and \$120,000 (LTD: \$306,000) During the three and nine month periods ended January 31, 2010, the Company received reimbursements of \$nil and \$270,000 (LTD: \$3,210,000).

d) Fond Du Lac, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008, the Company acquired from the Fond Du Lac Denesuline First Nation an option to earn a 49% interest in the Fond Du Lac property (comprising approximately 36,000 hectares in the Athabasca) for total payments of \$130,000 (\$50,000 paid; June 2010 – \$40,000; June 2011 – \$40,000), the issuance of 300,000 shares (200,000 issued (note 11); June 2010 – 50,000 shares and; June 2011 – 50,000 shares) and work commitments of \$2 million (\$1.2 million by June 2011 and an additional \$800,000 by June 2012). As of January 31, 2010 CanAlaska had incurred \$2.7 million in exploration expenditures on the property. Upon exercising its 49% option, a joint venture may be formed.

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9 Athabasca Mineral Property Interests (continued)

During the three and nine month periods ended January 31, 2010, the Company spent \$9,000 and \$162,000 on camp cost & operations respectively (LTD: \$511,000); drilling \$nil and \$275,000 (LTD: \$660,000); G&A \$39,000 and \$68,000 (LTD: \$171,000); geochemistry \$1,000 and \$33,000 (LTD: \$114,000); geology \$43,000 and \$177,000 (LTD: \$358,000); geophysics \$4,000 and \$31,000 (LTD: \$482,000); option payments \$nil and \$nil (LTD: \$117,000); and other expenses \$23,000 and \$136,000 (LTD: \$325,000).

e) Black Lake, Saskatchewan

In December 2006, the Company optioned the Black Lake property in the Athabasca (comprising approximately 36,000 hectares) located from the Black Lake Denesuline First Nation. To earn a 49% interest in the property, the Company must make payments of \$130,000 (\$102,000 paid; July 2011 – \$28,000), issue 300,000 shares (200,000 issued (see note 11); July 2010 – 50,000; July 2011 50,000), and incur exploration expenditures of \$2 million (\$700,000 by July 2010 and an additional \$500,000 by July 2011 and by July 2012 a further \$800,000). As of January 31, 2010 CanAlaska had incurred \$1.6 million in exploration expenditures on the property. Upon exercising its 49% option, a joint venture may be formed.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$4,000 on camp cost & operations respectively (LTD: \$199,000); drilling \$nil and \$195,000 (LTD: \$367,000); G&A \$1,000 and \$10,000 (LTD: \$99,000); geochemistry \$nil and \$9,000 (LTD: \$50,000); geology \$8,000 and \$40,000 (LTD: \$234,000); geophysics \$nil and \$43,000 (LTD: \$324,000); option payments \$nil and \$52,000 (LTD: \$175,000); and other expenses \$8,000 and \$43,000 (LTD: \$174,000).

f) Grease River, Saskatchewan

Grease River is comprised of approximately 70,000 hectares of mineral claims located in the Athabasca. The property was previously optioned to Uranium Prospects Plc (terminated June 2009) whereby they had made cash payments of \$225,000, issued 1.5 million shares to the Company, and reimbursed \$1.6 million in exploration expenditures incurred by the Company.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$565,000); drilling \$nil and \$nil (LTD: \$46,000); G&A \$2,000 and \$10,000 (LTD: \$349,000); geochemistry \$nil and \$nil (LTD: \$111,000); geology \$2,000 and \$23,000 (LTD: \$1,128,000); geophysics \$nil and \$nil (LTD: \$244,000); and other expenses \$nil and \$7,000 (LTD: \$309,000). During the three and nine month periods ended January 31, 2010, the Company had reimbursements of \$nil and \$nil (LTD: \$1,909,000).

g) Cree West, Saskatchewan – Westcan Uranium

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 Uranium Corp. ("Westcan") (formerly International Arimex Resources Inc.). Westcan may 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 (\$0.8 million completed). The Company has granted Westcan an extension to meet its exploration expenditures obligations.

Westcan may acquire an additional 10% interest by spending an additional \$4 million and a further 15% interest by completing a feasibility study within 2 years, issuing 400,000 additional common shares, and spending a minimum of \$1 million per year. The Company acts as the project operator until Westcan has a vested 60% interest. Upon attaining commercial production, the Company will receive a 3% net smelter royalty.

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(Expressed in Canadian dollars, \$000's except where indicated)

9 Athabasca Mineral Property Interests (continued)

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$158,000); G&A \$nil and \$nil (LTD: \$287,000); geochemistry \$nil and \$nil (LTD: \$102,000); geology \$nil and \$nil (LTD: \$117,000); geophysics \$nil and \$nil (LTD: \$290,000); and other expenses \$nil and \$nil (LTD: \$156,000). During the three and nine month periods ended January 31, 2010, the Company received reimbursements of \$nil and \$nil (LTD: \$1,110,000).

h) Key Lake, Saskatchewan – Westcan Uranium

Key Lake is comprised of approximately 6,000 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 (\$0.9 million completed). The Company has granted Westcan an extension to meet its exploration expenditures obligations.

Westcan may elect to acquire an additional 10% interest by spending an additional \$2 million and a further 15% interest by completing a feasibility study, issuing to the Company 200,000 additional common shares, and spending a minimum of \$500,000 per year. The Company acts as project operator until Westcan has a vested 60% interest. Upon attaining commercial production, the Company will receive a 3% net smelter royalty.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$252,000); drilling \$nil and \$nil (LTD: \$427,000); G&A \$nil and \$nil (LTD: \$114,000); geochemistry \$nil and \$nil (LTD: \$8,000); geology \$4,000 and \$4,000 (LTD: \$51,000); geophysics \$1,000 and \$1,000 (LTD: \$140,000); and other expenses \$nil and \$nil (LTD: \$48,000). During the three and nine month periods ended January 31, 2010, the Company received reimbursements of \$nil and \$nil (LTD: \$1,035,000).

i) NE Wollaston, Saskatchewan-Manitoba

This property straddles the Saskatchewan-Manitoba border and consists of approximately 154,000 hectares. In December 2008, the Company announced the execution of an MOU with ERI for a significant amount of exploration across the property. In June 2009, this MOU lapsed following continued delays arising from Manitoba Government aboriginal consultations. The Company and ERI are discussing further work on a similar size project in Saskatchewan under a similar MOU (note 9(c)). As at January 31, 2010, further work on this project awaited Government work permits and on March 13, 2010, the Manitoba Government issued an initial permit to the Company.

During the three and nine month periods ended January 31, 2010, the Company spent \$1,000 and \$1,000 on camp cost & operations respectively (LTD: \$1,363,000); drilling \$nil and \$nil (LTD: \$373,000); G&A \$2,000 and \$10,000 (LTD: \$706,000); geochemistry \$nil and \$nil (LTD: \$797,000); geology \$1,000 and \$9,000 (LTD: \$2,312,000); geophysics \$nil and \$nil (LTD: \$904,000); and other \$5,000 and \$14,000 (LTD: \$165,000).

j) Helmer, Saskatchewan

Helmer is comprised of approximately 56,000 hectares of mineral claims located in the north-central part of the Athabasca Basin, southeast of Uranium City and to the west of Fond Du Lac.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$980,000); drilling \$nil and \$nil (LTD: \$1,175,000); G&A \$6,000

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9 Athabasca Mineral Property Interests (continued)

and \$6,000 (LTD: \$741,000); geochemistry \$nil and \$nil (LTD: \$101,000); geology \$3,000 and \$3,000 (LTD: \$336,000); geophysics \$7,000 and \$9,000 (LTD: \$887,000); and other expenses \$46,000 and \$50,000 (LTD: \$568,000).

k) Lake Athabasca, Saskatchewan

Lake Athabasca comprises approximately 41,000 hectares of mineral claims located primarily on Lake Athabasca, southwest of Uranium City, Saskatchewan.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$3,000 on camp cost & operations respectively (LTD: \$1,823,000); drilling \$nil and \$nil (LTD: \$1,056,000); G&A \$3,000 and \$10,000 (LTD: \$644,000); geochemistry \$2,000 and \$9,000 (LTD: \$103,000); geology \$23,000 and \$58,000 (LTD: \$385,000); geophysics \$7,000 and \$26,000 (LTD: \$1,689,000); and other expenses \$4,000 and \$11,000 (LTD: \$302,000).

l) Alberta, Alberta

Alberta comprises approximately 97,000 hectares of mineral claims covering most of the section of Lake Athabasca that lies within the Province of Alberta. During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$275,000); drilling \$nil and \$nil (LTD: \$1,000); G&A \$1,000 and \$5,000 (LTD: \$194,000); geochemistry \$nil and \$nil (LTD: \$7,000); geology \$nil and \$5,000 (LTD: \$17,000); geophysics \$1,000 and \$14,000 (LTD: \$1,775,000); and other expenses \$nil and \$4,000 (LTD: \$71,000).

m) Hodgson, Saskatchewan

Hodgson comprises approximately 30,000 hectares of mineral claims west of the Cigar Lake mine, Saskatchewan. During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$111,000); G&A \$2,000 and \$3,000 (LTD: \$370,000); geochemistry \$nil and \$nil (LTD: \$159,000); geology \$nil and \$6,000 (LTD: \$28,000); geophysics \$2,000 and \$3,000 (LTD: \$461,000); and other expenses \$nil and \$8,000 (LTD: \$135,000).

n) Arnold, Saskatchewan

Arnold comprises approximately 24,000 hectares of contiguous minerals claims located west of the producing McArthur River mine in the Athabasca. During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$123,000); G&A \$nil and \$nil (LTD: \$411,000); geochemistry \$nil and \$nil (LTD: \$92,000); geology \$nil and \$nil (LTD: \$25,000); geophysics \$1,000 and \$1,000 (LTD: \$512,000); and other expenses \$nil and \$nil (LTD: \$111,000).

o) Collins Bay Extension, Saskatchewan

In July 2009, the Company executed an Option Agreement with Bayswater Uranium Corporation ("Bayswater") to commence exploration of the Collins Bay Extension project. The Collins Bay Extension comprises approximately 37,000 hectares situated directly adjacent to, and following the North-East strike of past-producing uranium mines at Rabbit Lake and Collins Bay, and adjacent to the current producing uranium mine at Eagle Point. This project contains a number of exploration targets within the Snowbird and Fife Island areas.

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9 Athabasca Mineral Property Interests (continued)

Under the terms of the option agreement, CanAlaska will act as the operator and may earn a 51% participating interest in the project by undertaking a minimum of \$4 million (\$82,000 spent) in exploration expenditures within 5 years and issuing a total of 500,000 (100,000 issued (note 11)) shares of the Company to Bayswater over this period. The Company may increase its participating interest in the project to 70% by successfully undertaking a further \$2 million in exploration expenditures over a period of 3 years.

During the three and nine month periods ended January 31, 2010, the Company spent \$9,000 and \$15,000 on camp cost & operations respectively; G&A \$6,000 and \$7,000; geology \$6,000 and \$25,000; geophysics \$2,000 and \$3,000; option share issuance \$nil and \$8,000; and other expenses \$15,000 and \$24,000.

p) McTavish, Saskatchewan

McTavish is comprised of approximately 16,000 hectares of mineral claims lying southeast of the McArthur River mine in Saskatchewan and northwest of the Key Lake Mine. On August 10, 2009, the Company entered into an option agreement with Kodiak Exploration Limited on the McTavish project which granted Kodiak an option to acquire up to 70% interest in the project. In order to earn an initial 50% interest in the project, Kodiak must complete \$4 million in exploration expenditures and issue 1,000,000 (100,000 issued) Kodiak shares to the Company over a period of five years.

Kodiak may earn a further 10% interest in the project by expending \$3 million in exploration/pre-feasibility work over an additional three year period, issuing an additional 550,000 Kodiak shares and producing a 43-101 compliant resource estimate containing at least 35 million pounds U₃O₈ in the measured and indicated categories. By defining a resource of 50 million pounds U₃O₈ during the same period, Kodiak's interest may increase to 70%.

During the three and nine month periods ended January 31, 2010, the Company spent \$nil and \$nil on camp cost & operations respectively (LTD: \$14,000); G&A \$3,000 and \$3,000 (LTD: \$525,000); geochemistry \$nil and \$nil (LTD: \$12,000); geology \$nil and \$nil (LTD: \$1,000); geophysics \$1,000 and \$1,000 (LTD: \$185,000); and other expenses \$nil and \$nil (LTD: \$58,000). During the three and nine month periods ended January 31, 2010, the Company received options payments of \$nil and \$(67,000) (LTD: \$(67,000)).

q) Other Properties, Saskatchewan

Include the Waterbury, Moon, Camsell, and Ford claim blocks in the Province of Saskatchewan.

Waterbury comprises approximately 6,000 hectares of mineral claims located north of the Cigar Lake mine in Saskatchewan. In December 2007, an option agreement on the property was terminated after the Company had received payments comprised of \$75,000, and 200,000 shares, and \$2.1 million had been spent on the property.

Moon comprises approximately 4,000 hectares of mineral claims lying in two separate blocks between the McArthur River and Key Lake mines and is subject to a 3% third-party Net Smelter Return ("NSR").

Camsell is comprised of approximately 2,300 hectares of mineral claims located northeast of the Maurice Bay uranium deposit, and west of Uranium City, on the northern edge of Lake Athabasca.

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9 Athabasca Mineral Property Interests (continued)

Carswell is comprised of approximately 13,000 hectares of mineral claims in the vicinity of Cluff Lake, Saskatchewan. In December 2009, the Company issued 1,250,000 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 (note 11). 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.

Ford is comprised of approximately 10,000 hectares of mineral claims located in the South East of the Athabasca Basin adjacent to the Cree East Project.

10 Other Mineral Property Interests

Project (\$000's)	Fiscal 2010 Expenditures Nine months ended January 31, 2010				Life to Date - January 31, 2010			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Rise & Shine, NZ (a)	-	(6)	(1)	(7)	301	416	(400)	317
Reefton & Other NZ Projects (b)	-	4	-	4	24	590	(481)	134
Other Projects, Various (c)	-	19	-	19	73	343	(343)	94
Total	-	17	(1)	16	398	1,349	(1,224)	523

Project (\$000's)	2009 Fiscal Expenditures Twelve months ended April 30, 2009				Life to Date - April 30, 2009			
	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total	Acquisition Costs	Deferred Exploration	Writeoffs/ Reimburse	Total
Rise & Shine, NZ (a)	-	23	-	23	301	422	(399)	324
Reefton & Other NZ Projects (b)	1	190	(481)	(290)	24	588	(481)	131
Other Projects, Various (c)	19	27	(40)	6	73	324	(343)	54
Total	20	240	(521)	(261)	398	1,334	(1,223)	509

a) Rise and Shine, New Zealand

In June 2009, the Company announced an agreement with Glass Earth. The option agreement with Glass Earth is for the sale of a 70% ownership interest. In return Glass Earth shall perform detailed project evaluation and exploration on the Rise and Shine project, including 4,000 metres of drilling. Additional terms of the agreement include progressive cash payments of \$13,000 (\$1,000 paid) and the issuance of 200,000 shares (100,000 shares received) in Glass Earth to the Company over the course of the program. CanAlaska currently proportionately consolidates its interest in Rise and Shine (note 4).

b) Reefton & Other New Zealand Projects

In February 2009, Kent Exploration Inc. ("Kent") entered into a 5-year option agreement to acquire a 70% interest in the Reefton Project, in South Island, New Zealand by paying \$5,000 to the Company upon execution and spending \$3,500,000 on the project over the five year option period. In August 2009, the option agreement with Kent was terminated.

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10 Other Mineral Property Interests (continued)

This road-accessible property, encompassing approximately 14,060 hectares (34,743 acres), is located in the historic Reefton gold fields, off New Zealand State Highway 7, with the property extending from approximately 3 km to 20 km south-west of the town of Reefton, South Island, New Zealand.

In the fiscal year 2009, the Company chose not to renew its Granite Dome and Greymouth permits and therefore recorded mineral property write-downs of \$0.2 million. The Company also wrote down its Mt. Mitchell claims (\$0.3 million) and, subsequent to April 30, 2009, did not renew its prospecting permit on this property. During fiscal 2009, the Company issued 10,000 shares for property access rights in New Zealand.

c) Other Projects, Various

Includes the Kasmere, Misty, Rainbow Hill, Glitter Lake, Elliot Lake, and Voisey's Bay projects

Kasmere comprises approximately 266,000 hectares under license application adjacent to NE Wollaston in the Province of Manitoba. The Company acquired an adjacent claim block (Mineral Lease 209B) from Santoy Resources Ltd. on December 11, 2008 for 40,000 in common shares (note 11), 500,000 warrants exercisable over one year at an exercise price of \$0.50, and a 2% NSR. Mineral Lease 209B is situated in the middle of the Company's Kasmere claim block.

The Misty project covers approximately 53,000 hectares and is located in Manitoba adjacent to the southern boundary of the NE Wollaston project.

On May 23, 2008, the Company optioned the Misty property to Great Western Minerals Group Ltd. ("Great Western"). Great Western may exercise its option to earn a 51% interest in the property by:

- a) Making payments of \$100,000 (\$10,000 on grant of licence plus \$10,000 in each of the subsequent 4 years, and then a further \$50,000 in year 6),
- b) Issuing 200,000 shares (100,000 on grant of licence, and 100,000 on the 1st anniversary) and,
- c) Making exploration expenditures of \$6 million – \$150,000 on the 1st anniversary, \$100,000 on each of the following 3 anniversaries, a further \$2.6 million on the 5th anniversary, and, a final \$3 million on 6th anniversary).

The Company will act as the operator of the project until Great Western has a vested 51% interest, at which time Great Western may become the operator. The Company is currently awaiting the grant of exploration permits by the Government of Manitoba, which have been delayed due to aboriginal consultations.

Rainbow Hill comprises 12 unpatented federal lode mining claims in the Valdez Creek Mining District, Talkeetna Recording District, Alaska, U.S.A. This property was optioned to District Gold Inc. ("District Gold") under which District Gold may have earned a 60% interest by making option payments by July 31, 2009 of \$150,000 (\$37,500 received) and 200,000 shares (100,000 issued), and completing exploration expenditures of \$1.5 million over the term of the option. District Gold may have earned a total 75% interest by completing a feasibility study. As of January 31, 2010, a \$112,500 provision had been recorded against the option payment receivable and on February 5, 2010, the Company terminated the option agreement with District Gold.

Glitter Lake comprised certain mineral claims prospective for nickel and platinum located near Glitter Lake, Quebec. In January, 2009, the company transferred ownership of Glitter Lake to fulfill an office lease obligation. CanAlaska retained a ½% NSR.

Voisey's Bay, located in Labrador, Newfoundland, is a property jointly-held with Columbia Yukon Explorations Inc.

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11 Share Capital

The Company has an unlimited amount of authorized common shares without par value. As of January 31, 2010, the Company had 171,841,213 shares issued and outstanding.

000's	Number of shares	Shares	Contributed surplus
Opening balance – April 30, 2008 (restated)	125,870	\$ 54,079	\$ 5,392
Share issuances			
Cash	11,223	3,712	-
Non-cash	691	194	-
Warrant issuances			
Cash	-	-	-
Non-cash	-	(371)	385
Share issuance expenses			
Cash	-	(205)	-
Non-cash	-	(248)	28
Transfer on stock option exercise	-	25	(25)
Flow-through FIT impact	-	(1,003)	-
Compensation expense	-	-	2,160
Closing balance – April 30, 2009	137,784	56,183	7,940
Share issuances			
Cash	32,707	6,235	-
Non-cash	1,350	217	-
Warrant issuances			
Cash	-	-	-
Non-cash	-	(268)	268
Share issuance expenses			
Cash	-	(294)	-
Non-cash	-	(3)	-
Compensation expense	-	-	1,296
Closing Balance – January 31, 2010	171,841	62,070	9,504

For the three and nine month period ended January 31, 2010, the weighted average number of common shares outstanding was 163,235,324 (2009: 137,734,000) and 148,004,792 (2009: 137,004,000) respectively.

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11 Share Capital (continued)

Share issuances

In January 2010, the Company issued 202,500 common shares from the exercise of stock options for gross proceeds of \$24,300.

In December 2009, the Company issued 50,000 shares under the option agreement for the Collins Bay Extension uranium project (note 9(o)).

In December 2009, the Company issued 10,897,571 ordinary units for gross proceeds of \$1,907,075. Each unit consists of one common share and one share purchase warrant. Each 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 \$0.28 per warrant share. A finder's fee of \$12,500 in cash and 71,429 warrants were issued in connection with the financing.

In December 2009, the Company issued 1,250,000 common shares under the purchase agreement with Hawk Uranium Inc. for mineral claims in the Cluff Lake area of Saskatchewan.

In December 2009, the Company issued 3,876,300 flow-through units for gross proceeds of \$814,023. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date at a price of \$0.28 per warrant share. A finder's fee of \$31,185 in cash and 148,500 warrants were issued in connection with the financing.

In November 2009, the Company issued 10,714,428 flow-through units for gross proceeds of \$2,250,030. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.28 per warrant share. A finder's fee of \$112,502 in cash and 535,722 warrants were issued in connection with the financing.

In October 2009, the Company issued 1,190,000 flow-through units for gross proceeds of \$249,900. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.28 per warrant share. A finder's fee of \$12,495 in cash and 59,500 warrants were issued in connection with the financing.

In August 2009, the Company issued 5,826,764 flow-through units for gross proceeds of \$990,550. Each unit consists of one flow-through common share and one-half of one non-transferable share purchase warrant. 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 \$0.24 per warrant share. A finder's fee of \$49,528 in cash and 291,337 compensation options were issued in connection with the financing. Each compensation option entitled the holder thereof to acquire one unit at a price of \$0.17 per unit for a period of 24 months. Each unit will consist of one common share or one flow-through common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitles the holder thereof to purchase one additional common share of the Company for a period of twenty-four months from the closing date at a price of \$0.24 per warrant share.

In July 2009, the Company issued 50,000 shares under the option agreement with Baywater Uranium for the Collins Bay Extension uranium project (note 9(o)). In February 2009, the Company issued 10,000 shares for property access rights in New Zealand (note 10(b)).

In December 2008, the Company issued 40,000 common shares under the Kasmere option agreement (note 10(c)). In September 2008, the Company issued 100,000 common shares respectively for the Fond Du Lac and Black Lake properties (notes 9 (d) and (e)).

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11 Share Capital (continued)

On May 29, 2008, the Company issued 10,922,660 flow-through units for gross proceeds of \$3.7 million. Each unit consists of one flow-through common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional flow-through common share or, at the election of the investor, one non flow-through common share for a period of two years from the closing date at a price of \$0.50 per warrant share. A finder's fee of \$179,000 in cash, 441,176 common shares and 345,589 warrants were issued in connection with the financing. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.50 per share for a period of two years from the closing date.

Capital Disclosure

The Company considers its common shares, options and warrants as capital. As the Company is in the exploration stage its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders.

12 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 27,500,000 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 – April 30, 2009	21,372	0.36
Granted	4,955	0.18
Cancelled	-	-
Exercised	(202)	0.12
Expired	(785)	0.35
Forfeited	(4,342)	0.34
Outstanding – January 31, 2010	20,998	0.33

As at January 31, 2010, the following stock options were outstanding:

Number of options outstanding 000's	Exercise price	Expiry date (Fiscal Year)
170	\$0.50 - \$0.58	2010
1,923	\$0.35 - \$0.45	2011
2,597	\$0.50 - \$0.75	2012
6,728	\$0.40 - \$0.70	2013
6,955	\$0.12 - \$0.40	2014
2,625	\$0.17 - \$0.18	2015
Total		
20,998		

Stock options vest over various time periods. As at January 31, 2010, 15,428,750 stock options were vested and exercisable.

Notes to the Consolidated Financial Statements

For the three and nine months ended January 31, 2010 and 2009

Unaudited

(Expressed in Canadian dollars, \$000's except where indicated)

12 Share Stock Options and Warrants (continued)

For the three months ended January 31, 2010, total stock-based compensation expense was \$0.3 million (January 31, 2009: \$0.5 million) of which \$0.1 million was capitalized (January 31, 2009: \$0.2 million) and for the nine months ended January 31, 2010, total stock-based compensation expense was \$1.3 million (January 31, 2009: \$1.6 million) of which \$0.4 million was capitalized (January 31, 2009: \$0.5 million).

Warrants

	Number of warrants 000's	Weighted average exercise price \$
Outstanding – April 30, 2009	6,307	0.50
Granted	22,662	0.27
Exercised	-	-
Expired	-	-
Outstanding – January 31, 2010	28,969	0.32

In December 2009, 10,897,571 warrants were issued in connection with an ordinary unit offering (note 11). In addition, 71,429 warrants were issued as finders fees (note 11).

In December 2009, 1,938,150 warrants were issued in connection with a flow through unit offering (note 11). In addition, 148,500 warrants were issued as finders fees (note 11).

In November 2009, 5,357,214 warrants were issued in connection with a flow through unit offering (note 11). In addition, 535,722 warrants were issued as finders fees (note 11).

In October 2009, 595,000 warrants were issued in connection with a flow through unit offering (note 11). In addition, 59,500 warrants were issued as finders fees (note 11).

In August 2009, 2,913,381 warrants were issued in connection with a flow-through unit offering (note 11). In addition, 291,337 compensation options were issued as finders fees (note 11). In October 2009, 595,000 warrants were issued in connection with a flow-through unit offering (note 11). In addition, 59,500 warrants were issued as finders fees (note 11).

In May 2008, 5,461,329 warrants were issued in connection with a flow-through unit offering (note 11). In addition, 345,589 warrants were issued as finders fees (note 11). In December 2008, the Company issued 500,000 warrants at \$0.50 for the Kasmere property (note 10(c)).

On January 31, 2010, the following warrants were outstanding:

	Number of warrants (000's)	Weighted average Exercise price \$	Expiry date Fiscal year end
	500	\$0.50	2010
	5,866	\$0.50	2011
	22,603	\$0.27	2012
Total	28,969		

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

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12 Share Stock Options and Warrants (continued)

existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense:

	Warrants	Options
Risk-free interest rate	1.15% to 1.36%	1.10% to 1.65%
Expected life	1.5 to 2.0 years	2.8 to 3.1 years
Expected volatility	40%	90% to 102%
Expected dividend	0%	0%

13 Accumulated Other Comprehensive Income

\$000's	January 31, 2010	April 30, 2009
Opening balance	9	166
Unrealized loss on available-for-sale securities (note 6)	(32)	(157)
Closing balance	(23)	9

14 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
2010	66
2011	201
2012	84
2013	7
2014	1
Thereafter	4
	363

The Company has outstanding and future commitments under mineral properties option agreements to pay cash and/or issue common shares of the Company (note 9).

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15 Geographic Segmented Information

January 31, 2010 (\$000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	44,188	1	137	44,326
Assets	56,651	7	533	57,191
Loss for the Period	2,336	-	(4)	2,332

April 30, 2009 (\$000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	39,816	3	458	40,277
Assets	47,358	4	525	47,887
Loss for the Year	2,450	2	264	2,716

16 Subsequent Events

In February 2010, the Company announced that MC Resources Canada Ltd., a wholly-owned subsidiary of Mitsubishi, completed the \$11 million investment specified under its option agreement and formally earned a 50% ownership interest in the West McArthur uranium project (see note 9(b)). On February 11, 2010, a 50/50 unincorporated joint venture was formed between CanAlaska West McArthur Uranium Ltd., a wholly-owned subsidiary of the Company, and MC Resources Canada Ltd., which is a subsidiary of Mitsubishi. CanAlaska West McArthur Uranium Ltd. is the operator of the joint venture. To facilitate the long-term planning of the project, Mitsubishi and CanAlaska have outlined a \$20 million five-year program of exploration that will progressively test the current target areas and across the remainder of the property to evaluate other target areas.

In February 2010, the Company terminated its option agreement with District Gold Inc. involving our Rainbow Hill project.

In March 2010, the Manitoba Government issued an initial work permit for the NE Wollaston property.

17 Comparative Figures

Certain comparative figures have been adjusted to conform to the current year's presentation.