

March 2, 2011

Focus on the Juniors - 2011

A Treasure Map: Dundee's Mineral Exploration Stock Watch List Annual



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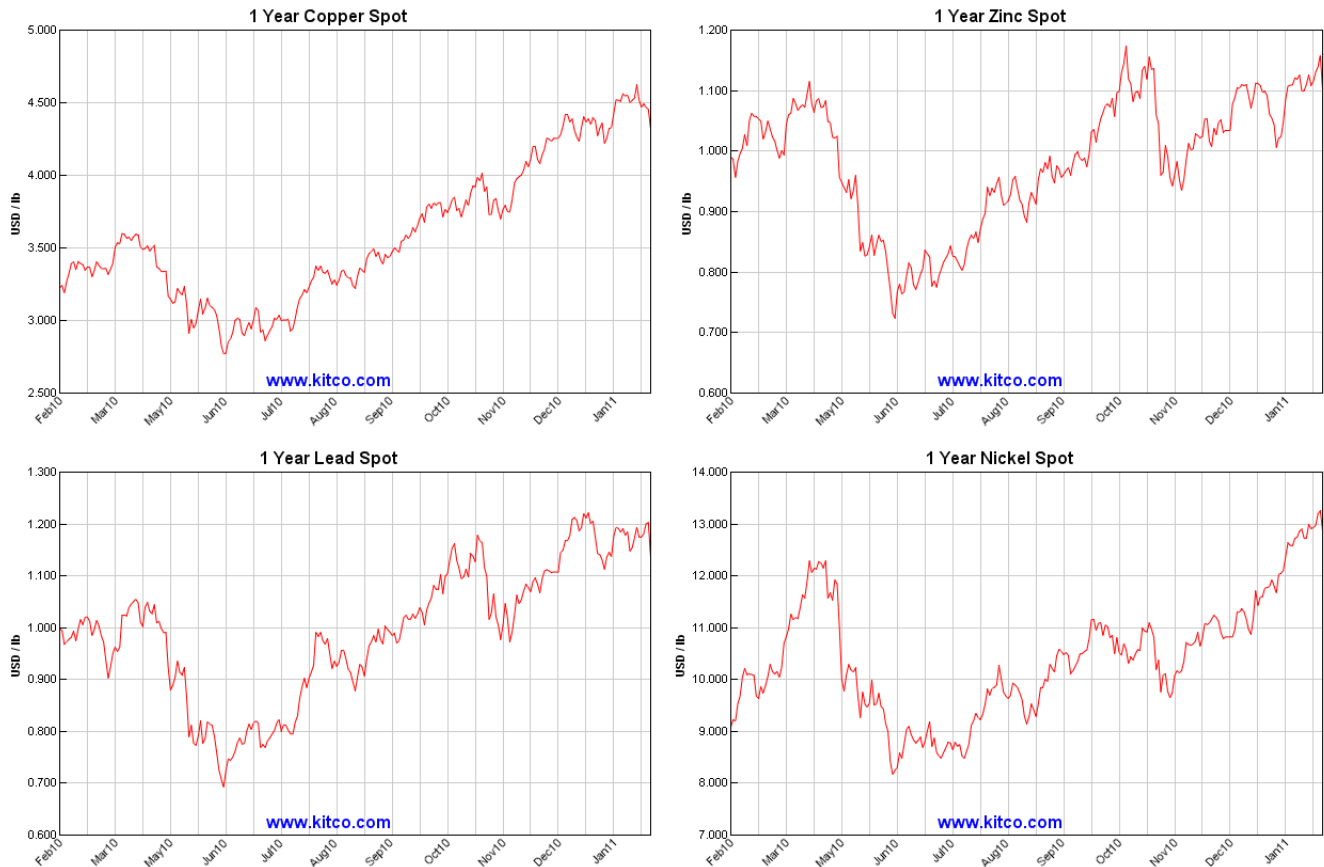
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There is oftentimes more to a junior mining stock than what first meets the eye.

Source: Dundee Capital Markets

Dundee Securities Limited has not initiated formal continuing coverage of Mineral Exploration Watch List companies. The companies will have recommendations and risk ratings as per our regular rating system, see Explanation of Recommendations and Risk Ratings for details. Risk ratings will be either Speculative or Venture. No price targets will be set for Mineral Exploration Watch List companies as there are limited financial metrics upon which to base a reasonable valuation. Dundee clients should consult their investment advisor as to the appropriateness of an investment in the securities mentioned.

Figure 9: One-year spot prices for copper, zinc, lead, and nickel



Source: Kitco.com

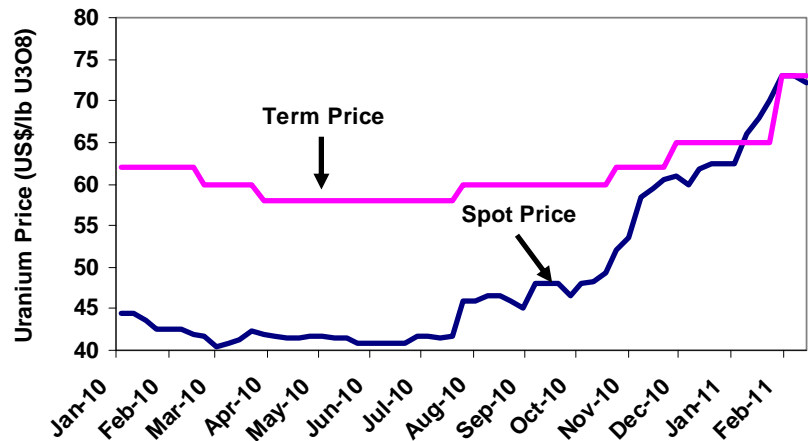
3) URANIUM PRICES ROSE 40% AND 5% IN THE SPOT AND TERM MARKETS IN 2010

Uranium prices have continued on their torrid pace and since the beginning of 2010 are currently up 57% and 18% respectively (Figure 10). Uranium prices continued their climb thus far in 2011 with a 16% jump in spot prices and 11% increase in term prices YTD to close at US\$69.75/lb and US\$73.00/lb, respectively. Since their rebound off the bottom, spot and term prices are now up 72% and 26%, respectively. Spot priced dipped to US\$40.50 /lb in Q1/10 while term prices reached US\$58/lb in Q2/10.

Competition for security of supply is getting tighter very quickly. The Chinese are buying aggressively from the producers, Russian's are attempting to take over various companies, Korean, Japanese and French nuclear concerns are becoming fully vertically integrated and are actively seeking fuel by any means (JV, off-take, exploration) for end users that buy their reactors. India has barely gotten started. And the United States who has almost one quarter of the world reactors, uses 50 million lbs of U3O8 annually, and is essentially nowhere to be seen during what we believe are the early days of this buying frenzy. While production should continue to rise, we believe that access to uranium may be harder to find, particularly after the 24 million pounds of U3O8 from the HEU agreement secondary supply goes off line. Recently announced supply disruptions are constricting an already tight supply-demand balance. Unlike previous price rallies that dissipated within weeks, this bull-run has now lasted for eight months. This consistent upward price trend is providing incentive for buyers to secure their supply now in fear of having to pay potentially higher prices later. But the

supply disruptions announced early this year had resulted in some sellers pulling their product off the market altogether which resulted in greater demand than supply in the uranium spot market.

Figure10: Uranium Prices in 2010

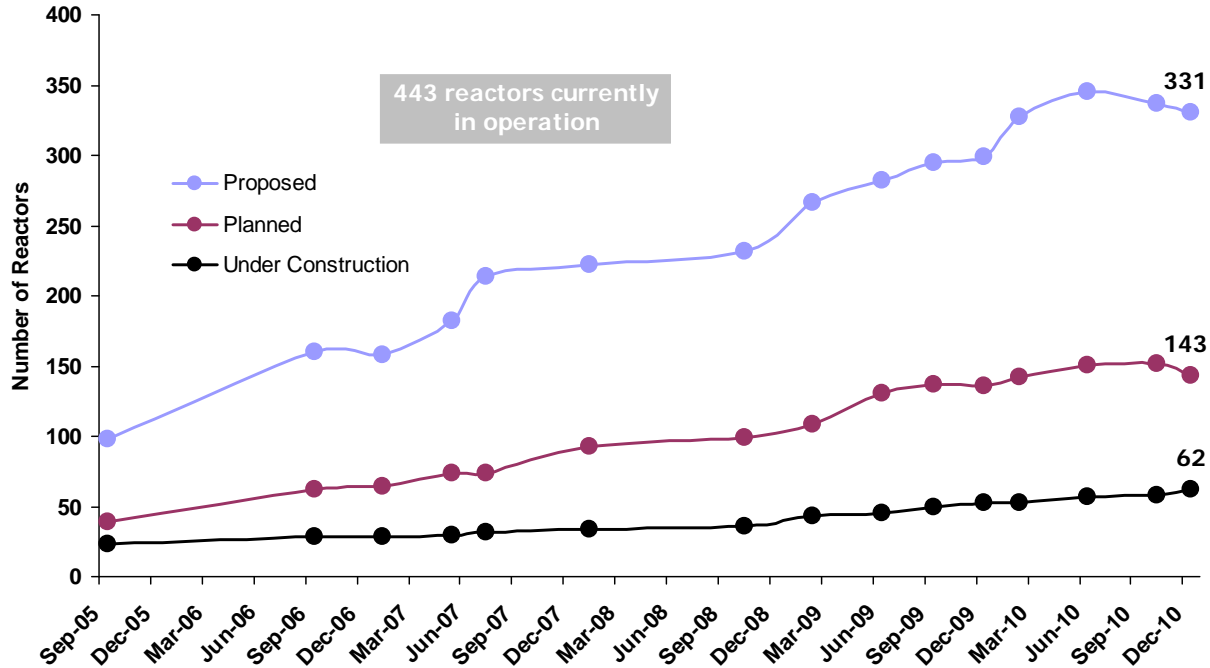


Source: Ux Consulting LLC

Timing is also important. We remind investors that it's not just the production supply -reactor requirement demand graph they should be considering. It takes some time to convert U3O8 to UF6, enrich the UF6, fabricate fuel pellets and manufacture zirconium alloy fuel bundles before shipping the fuel to nuclear reactors around the world. Purchases must be done well in advance of delivery of U3O8 which in turn must be well ahead of requirements.

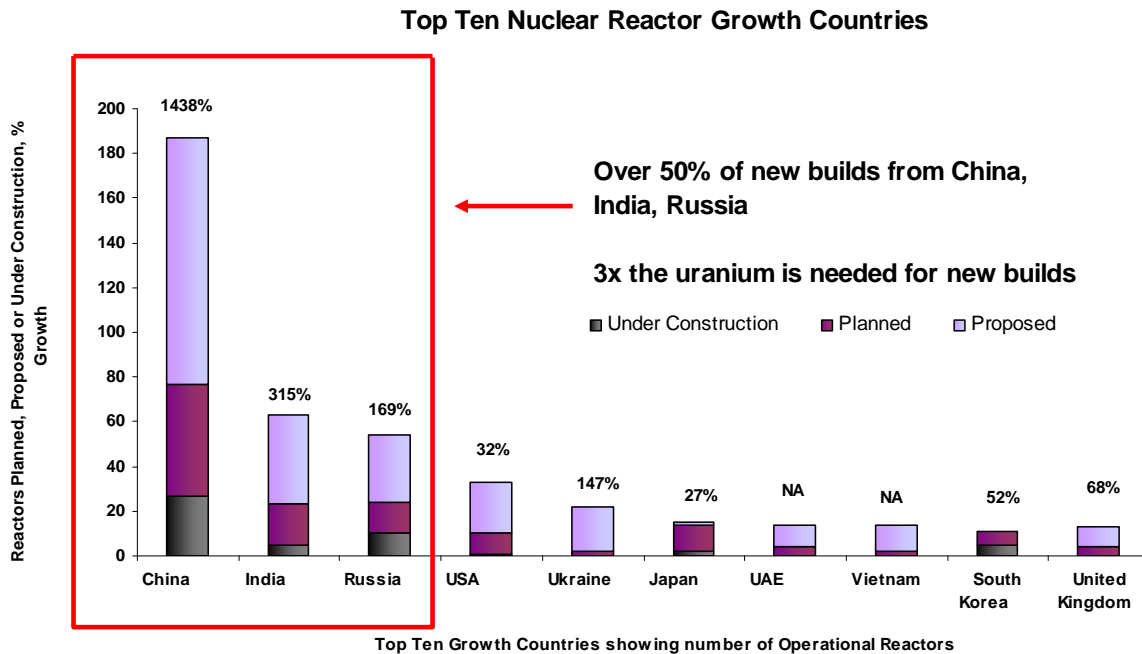
Nuclear build remains on its torrid pace. There are now 443 reactors in operation - seven more than one year ago. Nuclear reactors under construction and planned have increased 17% and 10% respectively YOY (Figure 11), according to the World Nuclear Association (WNA). This prompted the WNA to improve its outlook for uranium demand. YOY requirements are anticipated to rise marginally to 179.3 million pounds of U3O8. If you take a look at the trend lines of the number of reactors that are in operation and that are being planned, built and proposed, this continued to rise month after month. If you look at China, India and Russia alone, these three countries account for about 50% of the reactor build (Figure 12). Russia's goal appears to be nuclear power domination, and the country is essentially signing high-level trade agreements with foreign governments. Russia also went after Uranium One (UUU-T). Also, countries like Japan and Korea are building out their nuclear power efforts. We believe this access to supply is going to become a real concern for many and that uranium prices are likely to continue to rise.

Figure 11: Nuclear Reactor Construction on the upswing



Source: World Nuclear Association

Figure 12: China, India and Russia account for majority of reactor growth



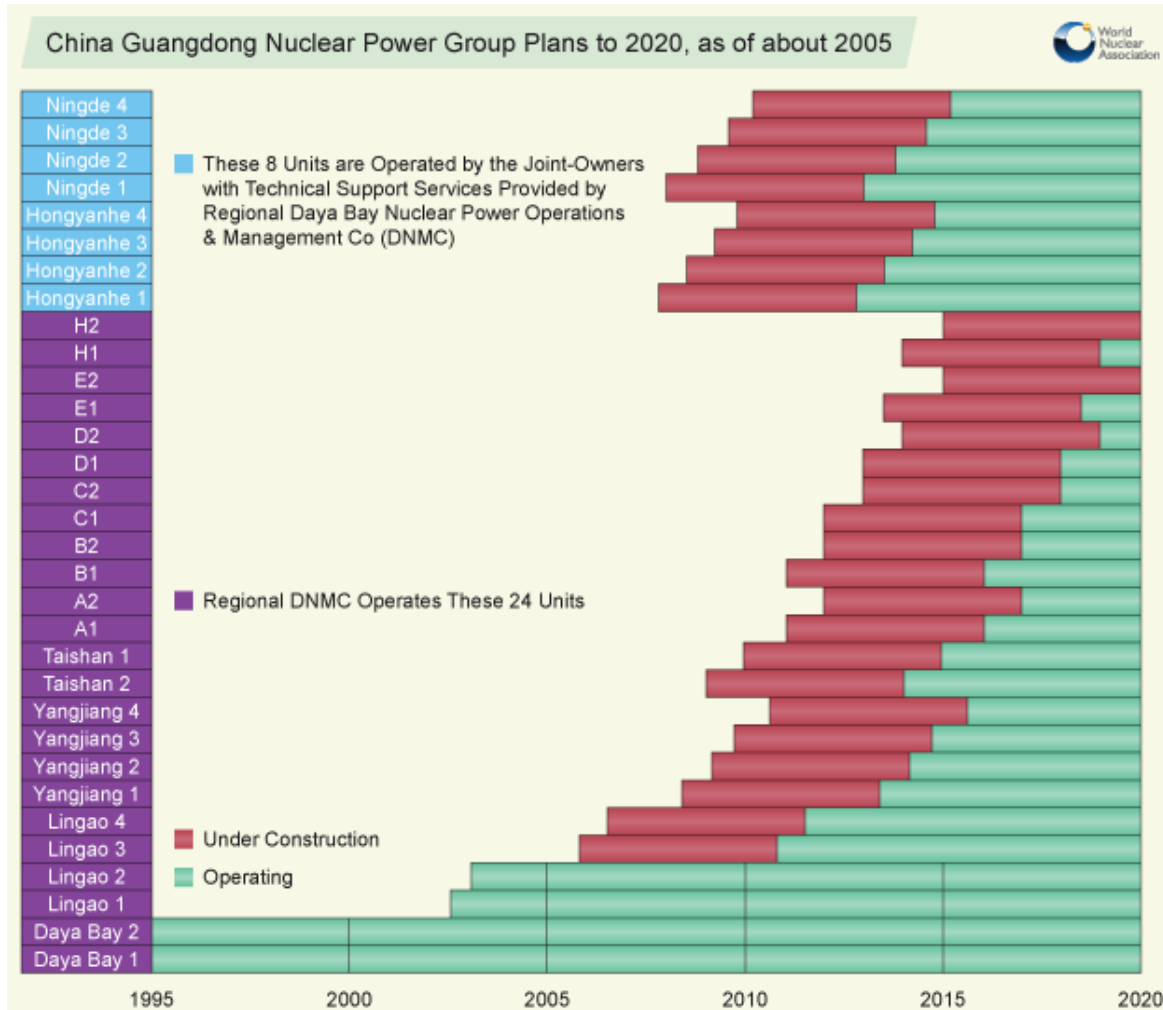
Source: WNA web site, - February 2011 with future reactors planned & proposed and expected by 2030, Dundee Capital Markets

Source: World Nuclear Association

Investors are coming to grips that China's reactor build is for real. China expects 70 GWe of nuclear power by 2020 and perhaps as high as 80 GWe. China signed long term contracts in 2010 with Cameco, AREVA, and Kazakhstan worth ~133 million lbs, and has an MOU with Paladin Energy. The China-Cameco kick started this uranium sector bull market and the China-AREVA deal accelerated investor interest as mainstream media outlets broadcast China's appetite for the fuel. China currently has

13 reactors in operation, which is about 2% of their electrical production capacity and are added new reactors every few months. Figure 13 shows the reactor build program of just one of the three large Chinese nuclear utilities. China has 27 reactors that are under construction, 50 in the planning stages, and it has plans to grow that number to about 188 reactors by 2020, which would represent about 7% of its electrical production capacity. As China's annual requirements approach 40-50 MM lbs annually by 2020 - this amount of fuel might not last three years.

Figure13: Tracking reactor build by just one of the three Chinese nuclear utilities



Source: World Nuclear Association

We consider rumours over Chinese spot sales to be overblown. Ux Consulting suggested on 14-Feb-11 that China was planning to sell uranium in the spot market. Little other information was initially provided but this signal was enough to spook some investors and traders (including two traders in Japan). Although we believe this situation to be somewhat overblown, the uranium spot price started to retreat with possibility that uranium spot prices fall further in the short term until long term fundamentals again take hold. Time will tell. We have come to find that China appears to be moving material around - about 0.8 million lbs was suggested. Transportation of uranium across political borders is not easy. They might have had material at a western converter that they would prefer to have in China. This isn't expected to be a long term trend. We do not expect China to be exporters of uranium as this rumoured transaction appears to be little more than a location swap. We also believe that such a small trade would have negligible impact to spot market. We expect that the suggested sale of 0.8 million lbs of U3O8 is

somewhat of a non-issue in a spot market that trades roughly 54 million lbs of U3O8 annually. But these rumours have reportedly spooked a couple of Japanese traders and they have been taking profit. This shouldn't be too much of a surprise as the U3O8 price is up almost 80% since last June.

Investor demand and supply disruptions were the main drivers behind the spectacular spot price run of 2007. This time we expect uranium prices to behave a little more rational as financial institutions and hedge funds buy physical uranium. The spot market is larger now, both in terms of volume and market share. Last year 49.6 million lbs traded in the spot market versus just 20 million lbs in 2007. This accounted for 17% and 8% of total market share for 2010 and 2007, respectively. This broader and more liquid spot market should help ensure that uranium prices don't get too volatile or that the price pendulum swings too far in one direction or another. Fundamentally uranium is being purchased because the uranium is required for nuclear power – not just because prices are rising.

4) SHARE PRICES CONTINUE TO REFLECT COMMODITY PRICES, WITH THE EXPLORERS AND DEVELOPERS POSTING THE HIGHEST GAINS

Last year marked the tenth consecutive year that gold exited the year at a higher price than it had entered (Table 9). The underlying equities have, more often than not, followed gold's lead, although the overall performance of gold companies over the ten year period has lagged bullion's gains.

Table 9: Examining the performance of TSX-listed gold stocks vs. the gold price over the calendar year. (Note that market capitalization classifications have been modified to reflect performance. Prior to 2006, Large Cap referred to market capitalizations exceeding US\$3BB; Mid Cap referred to market capitalizations from US\$1BB to US\$3BB; Small Cap referred to market capitalizations from US\$100MM to US\$1BB; and Micro Cap referred to market capitalizations below US\$100MM)

Performance	Gold Price	TSX-S&P Global Gold Index	Producing Gold Stocks				Development and Exploration Stocks	
			Large Cap > US\$5B	Mid Cap US\$1B to US\$5B	Small Cap US\$200MM to US\$1B	Micro Cap < US\$200 MM	Small Cap C\$200MM to C\$2B	Micro Cap <C\$200 MM
2011 YTD	0%	-4%	-4%	-9%	-5%	-9%	-4%	3%
2010	29%	26%	20%	87%	48%	44%	142%	68%
2009	27%	7%	4%	86%	126%	91%	133%	160%
2008	3%	1%	3%	30%	-44%	-57%	-40%	-58%
2007	51%	-5%	14%	-15%	-18%	-19%	12%	1%
2006	24%	29%	55%	12%	65%	130%	334%	-2%
2005	17%	21%	48%	37%	-2%	-22%	61%	-6%
2004	6%	-9%	0%	-12%	-16%	-28%	13%	-13%
2003	19%	14%	-4%	56%	89%	20%	168%	116%
2002	25%	43%	90%	377%	109%	358%	332%	37%
2001	2%	33%	35%	9%	47%	70%	140%	94%

Source: Thompson ONE, Dundee Capital Markets

The index's underperformance can usually be attributed to some poor corporate performance amongst the heavily weighted large and mid cap producers; however, the index last year almost matched gold's gains thanks in large part to better performance from some intermediate producers, including at least one high profile take out.

Exploration and development stocks, on the other hand, have outperformed both bullion and the index in eight of the past ten years - the credit crisis of late 2007 and 2008 dried up liquidity and raised concerns over the ability of small companies to finance their projects - and overall gains have far exceeded their larger brethren over the longer term. We do not see the strong performance from the junior sector changing any time soon, particularly with our bullish stance on the price

Table 11: Canadian Intermediate and Junior Base Metal Equities

Company	Ticker	1 Year % Change	52 Week High	52 Week Low
Intermediate			\$C	\$C
Copper Mountain Mining	CUM-T	210%	7.48	2.02
Consolidated Thompson	CLM-T	103%	17.95	6.76
Mercator Minerals	ML-T	94%	4.90	1.27
Imperial Metals	III-T	69%	27.09	13.29
Lundin Mining	LUN-T	66%	8.22	2.91
Capstone Mining	CS-T	64%	4.98	2.05
Breakwater Resources	BWR-T	55%	7.01	2.09
Farallon Mining	FAN-T	41%	0.80	0.32
Taseko Mines	TKO-T	25%	7.27	3.27
Mirabela Nickel	MNB-T	21%	2.78	1.54
Thompson Creek	TCM-T	3%	15.43	8.48
Northgate Minerals	NGX-T	2%	3.62	2.42
Average		63%		
Junior			\$C	\$C
Coro Mining	COP-T	217%	1.62	0.27
Western Copper	WRN-T	179%	4.40	0.81
Baffinland Iron Mines	BIM-T	163%	1.58	0.35
Hana Mining	HMG-V	162%	5.68	1.16
Alderon Resource	ADV-V	127%	4.20	0.85
Quest Rare Minerals	QRM-V	107%	6.65	1.74
Labrador Iron Mines	LIM-T	105%	14.00	3.80
Canada Fluorspar	CFI-V	100%	0.75	0.24
Augusta Resources	AZC-T	74%	5.60	1.30
Creston Moly	CMS-V	73%	0.53	0.16
Peregrine Diamonds	PGD-T	52%	3.32	1.50
Far West Mining	FWM-T	48%	7.08	3.87
Southern Hemisphere	SH-V	38%	0.60	0.30
Geovic Mining	GMC-T	-18%	0.99	0.58
Rockcliff Resources	RCR-V	-24%	0.31	0.11
Magma Metals	MMW-T	-42%	0.75	0.36
Noront Resources	NOT-V	-46%	1.92	0.76
Peregrine Metals	PGM-T	N/A	1.16	0.47
Average		77%		

Source: Thompson ONE, Dundee Capital Markets

Table 12: Select International Junior Base Metal Equities 52 Week Performance

Company	Ticker	1 Year % Change	52 Week High	52 Week Low
Junior			\$A	\$A
Sphere Minerals	SPH-AU	135%	3.23	1.075
Junior			£	£
African Minerals	AMI-LN	53%	6.26	3.04

Source: Thompson ONE, Dundee Capital Markets

Uranium stocks started moving on 5-Jul-10 following a Cameco-Chinese contract announcement, spurred on further by the November AREVA-Chinese contract announcement (we have been pounding the table on the sector since 29-Jun-10 when China signed the first of its huge contracts). It was those contracts that made utilities, producers, traders and investors sit up and take notice. Now most uranium stocks are up over 100% from one year ago. Over the past two months we have seen plenty of new money flow into the sector. Many of these generalists started first with the producers and then moved downstream.

market capitalization. A Sierra Leonean government official recently reported that ArcelorMittal (MT-US, not rated) is also negotiating a potential 25% interest in the project.

On the Canadian iron ore front, Consolidated Thompson (CLM-T, Tender, C\$17.25) has a significant shareholder in Wuhan Steel (not rated). We note that Wuhan has elected to invest some of the proceeds from the Cliffs deal in another Canadian junior, Adriana Resources (ADI-V, not rated), signalling an ongoing interest in the Labrador Trough region.

In copper space we currently have a merger of equals between Inmet (IMN, restricted) and Lundin (LUN, not rated) to create a new Canadian base metal senior. First Quantum (FM, not rated) has taken out Antares, followed by the Hudbay (HBM, not rated) acquisition of Norsemont. Companies such as Western Copper (WRN, BUY, C\$4.50), Candente Copper (DNT, BUY, C\$3.50) and Peregrine Metals (PGM, BUY, C\$2.20), who control very large resources and are comparatively undervalued in the marketplace, will be likely targets in 2011. Large, long life copper assets around the Pacific Rim will be of particular interest to Asian investors due to proximity to the seaborne market.

Political risk continues to be a factor in the marketplace, with mixed signals from the Democratic Republic of Congo. A re-negotiation of terms with Freeport McMoran Copper & Gold (FCX-US, not rated) with respect to Tenke preserved production continuity, but First Quantum (FM-T, not rated) saw the expropriation of its assets in the country. We anticipate that deals in copper will preferentially favour lower political risk jurisdictions.

8) THE DUNDEE WATCHLIST

We have observed that the best share price performance is likely to be awarded to mineral exploration and development companies boasting a credible management team with a track record of success, new large and potentially profitable discoveries, and/or exploration success.

Investing in junior mining companies is not for the risk adverse, nor is it easy. A small cap company that makes a new discovery, develops that discovery into a viable deposit, and ultimately is taken over by a larger producer can yield spectacular returns for the investor. Unfortunately, most exploration programs fail to live up to the hype, few discoveries ever go to production, and many exploration companies toil in relative obscurity, always the bridesmaid but never the bride. Add geopolitical uncertainty and NGO-related interference, and it is easy to see why these are some of the most volatile stocks on the markets.

Our mining team at Dundee Capital Markets believes that investment risk and volatility can be reduced by owning a portfolio (or breadbasket) of exploration stocks, while still offering the possibility of realizing spectacular returns. This eighth annual publication of the Focus on the Juniors annual report is designed to help investors sort through the myriad of exploration and development stories while providing a reasonable mix of commodity exposure (Figure 18).

None of the companies included in this year's Watch List are under formal coverage at this time; however, we are watching, listening, and evaluating, with the expectation of eventually providing formal coverage for a select few. Three of the companies in last year's Watch List are under coverage today (Table 18).

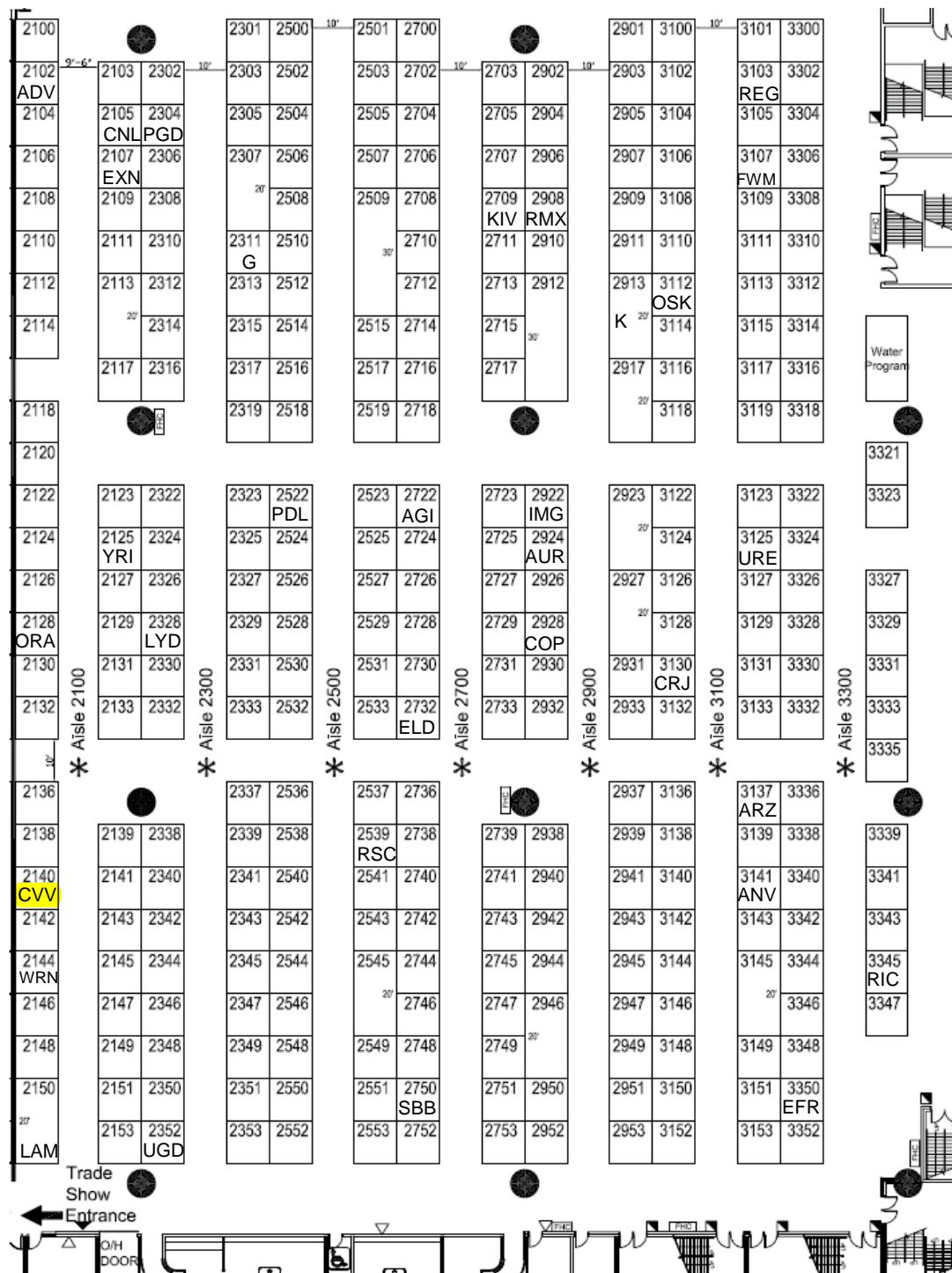
In 2004, the first year of publication, the Watch List contained just 29 companies. In 2005, the list grew to 41, and the following year, with the addition of two new analysts (specializing in base metals and uranium), to 57. By 2007, we were including 74 companies, a testament to the growth in the exploration sector, but also the limit of manageability.

Table 21: Dundee's Mineral Exploration Stock Watch List: Where to Find Them at PDAC 2011 (see Figure 23)

Symbol	Company	Date & Time	Location	Event
AUR	African Aura Mining Inc.	Sunday-Wednesday	Level 800	Booth 2924
ADV	Alderon Resource Corp.	Sunday-Wednesday Tuesday, March 8: 2:20pm	Level 800 Room 801B	Booth 2102 Exchange Forum
AGM	Aldridge Minerals Inc.	TBA	TBA	TBA
AST	Astur Gold Corp.	Tuesday-Wednesday	Level 800	Booth 2622
AVZ	Avala Resources Ltd.	Sunday-Wednesday	Level 800	Booth 3216
AVK	Avnel Gold Mining Ltd.	TBA	TBA	TBA
BHV	Bellhaven Copper & Gold Inc.	TBA	TBA	TBA
BSX	Belo Sun Mining Corp.	Sunday-Wednesday Monday, March 7: 10:00am	Level 800 Room 801A	Booth 2441 Exchange Forum
CVV	CanAlaska Uranium Ltd.	Sunday-Wednesday	Level 800	Booth 2140
CDG	Candente Gold Corp.	Sunday-Wednesday	Level 800	Booth 3031
CNL	Continental Gold Ltd.	Sunday-Wednesday	Level 800	Booth 2105
COP	Coro Mining Corp.	Sunday-Wednesday	Level 800	Booth 2928
DNA	Dalradian Resources Inc.	TBA	TBA	TBA
EXN	Excellon Resources Inc.	Sunday-Wednesday Tuesday, March 8: 4:00pm	Level 800 Room 802AB	Booth 2107 Exchange Forum
FDC	Forum Uranium Corp.	Sunday-Wednesday	Level 800	Booth 2825
GMC	Geovic Mining Corp.	Sunday-Wednesday	Level 800	Booth 3037
GCU	Gold Canyon Resources Inc.	Sunday-Wednesday	Level 800	Booth 2831
GHK	Gold Hawk Resources Inc.	TBA	TBA	TBA
AUM	Golden Minerals Co.	TBA	TBA	TBA
KAM	Kaminak Gold Corp.	Sunday, March 6: 10:00am-5:00pm Monday, March 7: 9:00am-5:00pm	Level 700 Level 700	Core Shack: Session A Core Shack: Session A
KIV	Kivalliq Energy Corp.	Sunday-Wednesday	Level 800	Booth 2709
LMG	Lincoln Mining Corp.	TBA	TBA	TBA
LYD	Lydian International Ltd.	Sunday-Wednesday	Level 800	Booth 2328
MMW	Magma Metals Ltd.	Sunday-Wednesday Wednesday, March 9: 11:20am	Level 800 Room 803AB	Booth 3014 Exchange Forum
MBG	Malbex Resources Inc.	Sunday-Wednesday	Level 800	Booth 3246
MRO	Millrock Resources Inc.	TBA	TBA	TBA
HML	New Hana Copper Mining Ltd.	TBA	TBA	TBA
PDL	North American Palladium Ltd.	Sunday-Wednesday Wednesday, March 9: 11:00am	Level 800 Room 803AB	Booth 2522 Exchange Forum
NFR	Northern Freegold Resources Ltd.	Sunday-Wednesday	Level 800	Booth 2806
PGD	Peregrine Diamonds Ltd.	Sunday-Wednesday Tuesday, March 8: 2:00pm	Level 800 Room 803AB	Booth 2304 Exchange Forum
PXP	Pitchstone Exploration Ltd.	Sunday-Monday	Level 800	Booth 2207
PG	Premier Gold Mines Ltd.	Sunday, March 6: 10:00am-5:00pm Monday, March 7: 9:00am-5:00pm	Level 700 Level 700	Core Shack: Session A Core Shack: Session A
PEM	Premium Exploration Inc.	Tuesday, March 8: 9:00am-5:00pm Wednesday, March 9: 9:00am-12:00pm	Level 700 Level 700	Core Shack: Session B Core Shack: Session B
REG	Regulus Resources Inc.	Sunday-Wednesday	Level 800	Booth 3103
REN	Renaissance Gold Inc.	Tuesday-Wednesday	Level 800	Booth 2612
RVC	Richfield Ventures Corp.	TBA	TBA	TBA
RIC	Richmont Mines Inc.	Sunday-Wednesday Wednesday, March 9: 10:20am	Level 800 Room 801A	Booth 3345 Exchange Forum
RVS	Riverstone Resources Inc.	TBA	TBA	TBA
RCR	Rockcliff Resources Inc.	TBA	TBA	TBA
RYG	Ryan Gold Corp.	TBA	TBA	TBA
SH	Southern Hemisphere Mining Ltd.	TBA	TBA	TBA
SAU	St. Augustine Gold & Copper Ltd.	TBA	TBA	TBA
UGD	Unigold Inc.	Sunday-Wednesday	Level 800	Booth 2352
VGQ	Virginia Mines Inc.	Sunday-Wednesday	Level 800	Booth 2640

Source: Prospectors and Developers Association of Canada

Figure 23: Map to Dundee's Mineral Exploration Watch List and Coverage List Exhibit Halls F & G, South Building (continued)



Source: Prospectors and Developers Association of Canada

DUNDEE'S MINING RESEARCH TEAM

Paul Burchell

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Paul's background includes over 20 years of domestic and international experience as an exploration geologist and regional exploration manager. He was employed for 15 years with Placer Dome where he was responsible for exploration activities and advanced-stage feasibility studies in both Canada and Chile. Paul entered the financial community with First Associates (FA) in 2000 as a Research Associate, followed by a year at Credit Suisse First Boston. He returned briefly to the mining industry as a consulting geologist in Romania before rejoining FA as a Mining Analyst in 2002. RBC Capital Markets came calling in 2003, and after a couple of years following the small cap precious metal sector for the bank, Paul joined Dundee Securities in January 2005 as Mining Analyst covering small-to mid-cap precious metal companies. He rejoined Dundee in mid-2008 following a one-year medical hiatus, and subsequently assumed coverage of the large cap gold producers.

Rod Cooper, P.Eng., MBA

Vice President, Senior Analyst, Mining

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Rod Cooper is a professional mining engineer with nearly 30 years of varied international experience in corporate development, engineering and operations. Prior to joining Dundee Securities as Senior Analyst in the base metals and iron ore areas in November 2009, he was Chief Operating Officer for Baffinland Iron Mines, the owner of the Mary River project in Canada's arctic region. Prior to Baffinland, Rod was Vice President Technical Services for Kinross Gold Corporation. He has also worked for Homestake Canada, Echo Bay Mines, Inco Metals and the TD Bank. He graduated with a degree in Mining Engineering (Honours) from Queen's University in 1980, and with a Masters Degree in Business Administration from the University of Toronto in 1984.

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Ron Stewart has approximately 25 years experience in the mining industry. He spent 17 years with Placer Dome working both in Canada and on international postings, including two years managing the company's investor relations department. From 2002 to 2007, Ron was the Senior Vice President of Exploration for Kinross Gold Corporation, managing the company's global exploration effort. In mid 2007, Ron left Kinross to assume the President & CEO position Verena Minerals Corp., a junior exploration company focused on exploration and development in Brazil. Ron joined Dundee as a Senior Gold Analyst in September 2008.

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Senior Mining Analyst David Talbot worked for nine years as a geologist in the gold exploration industry in Northern Ontario. His field experience included three years with Placer Dome and six years managing projects for Franco-Nevada Corp. and its successor, Newmont Capital. David joined Dundee's research department in May 2003 and in the summer of 2007, he took over the role of analyzing the fast-growing uranium sector. David is a member of the Prospectors and Developers Association of Canada, the Society of Economic Geologists and graduated with distinction from the University of Western Ontario, with an Honours B.Sc. degree in geology.

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Vishal holds a Master's degree in Geology from the University of Toronto. Prior to joining Dundee, Vishal worked in the resource exploration industry as a Consulting Geologist with Noront Resources, Northern Gold Mining and Nuinsco Resources. Vishal entered the financial community with Desjardins Securities as a Mining Research Associate, followed by a brief stay in Corporate Finance at Cormark Securities. Vishal joined Dundee Securities in January 2011 as a Mining Analyst covering the Mineral Exploration Watch List companies.

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Harish, a Mining Engineer, joined Dundee Securities in March 2006 as a Research Associate for the gold & precious metals group. Prior to joining our team, he worked for an international consulting firm's Sudbury branch. His previous experience includes working on mine planning & design, production optimization and feasibility studies. He holds a Master's degree (Mineral Economics) in Mining Engineering from McGill University.

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Joe is a Canadian Chartered Accountant with experience in the audit of small-to-mid cap gold and base metal mining companies. Prior to joining Dundee Securities in 2009, Joe articulated at PricewaterhouseCoopers LLP in Toronto and obtained his CA designation in 2009. He holds a Bachelor of Commerce degree, majoring in economics and finance, from the University of Toronto.

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Darcy Donelle is a Canadian Chartered Accountant with assurance experience in areas ranging from alternative investments to owner managed businesses. Prior to joining Dundee Securities as Associate in base metals in February 2010, he was a Senior Associate at PricewaterhouseCoopers Bermuda performing assurance engagements for a portfolio of clients including private equity funds, corporate pension plans, and funds of hedge funds. Darcy articulated with Grant Thornton LLP in Moncton, New Brunswick. He holds a Bachelor of Arts degree, double major (economics/political science), from the University of New Brunswick in 2003.

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Mansur Khan joined Dundee Securities in July 2007 as a Research Associate in the Aerospace and Industrial Products sectors. He had also covered three companies as an analyst before switching into the mining group at Dundee. Prior to Dundee, Mansur worked for a number of years at a private mid-sized design engineering and manufacturing company on various information systems/operations projects. Mansur holds an MBA from the Rotman School of Management, University of Toronto and a B.Comm. from Ryerson University (with a focus on information systems development).

CanAlaska Uranium Limited (CVV-TSXV)

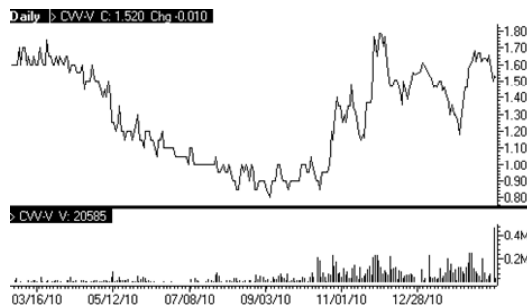
Rating Buy, Venture Risk
12-Month Target Price N/A

Background

- CanAlaska is an exploration and development company focused on the acquisition, exploration and development of uranium projects in North America.

Management

- Peter Dasler, President, CEO & Director - Mr. Dasler has 30 years of experience in exploration geology and mining, including 20 years consulting for various companies.
- Emil Fung, VP Corporate Development & Director - Mr. Fung joined CanAlaska in 2005 to advance its corporate development efforts. He has been instrumental in helping secure exploration commitments through partnerships.
- Dr. Karl Schimann, VP - Dr. Schimann's experience includes 20 years in exploration with Cogema/Areva, and specifically in the Athabasca Project Manager for the Cigar lake discovery team in the early 1980's, as well as Manager of the McClean Lake Mine Geology Department for Cogema/Areva.



Financial

- As at February 3, 2011, the company had cash of approximately \$14.2MM.

Operations / Exploration

- CanAlaska has a mandate to discover unconformity style uranium deposits in the Athabasca Basin. The company has spent over \$75MM since 2004 advancing over 21 projects through the methodical delineation of priority targets. Many projects are now drill ready or have been optioned to interested parties with JV funding totaling \$42MM on 5 out of 21 projects. CanAlaska continues to seek strategic partners for various properties.
- At West McArthur, MC Canada Resources Ltd., a subsidiary of Japan's largest conglomerate, Mitsubishi Corporation, earned in to a 50% interest following an investment of \$11 million, and the project is now a 50-50 joint venture. The venture will continue exploration under a new \$20 million 5-year plan.
- At the Cree East Project, a Korean consortium led by Hanwha Corp., and comprising of KEPCO, KORES and SK Energy, is similarly investing \$19 million to earn a 50% ownership interest. Geophysical surveys and initial drilling were completed in 2008. Drilling encountered alteration, sulphides, and limited uranium mineralization. 16,324 metres of drilling was completed in 2010 and drilling continues in 2011.
- The Fond du Lac project targets unconformity style uranium mineralization along the northern rim of the Athabasca Basin. The property has a historical resource 200,000 t grading 0.25% for 1.1 million lbs of U₃O₈. The mineralization is shallow, and CanAlaska believes it to be open at depth in largely unexplored areas. In September 2008, CanAlaska reported highlights from Fond du Lac of 0.123% U₃O₈ over 26.8m and 0.77% over 25.21m at shallow depths. Drilling announced in September 2009 encountered 0.32% U₃O₈ over 40.4m.
- Kodiak Exploration has commenced drilling on the company's McTavish project under a \$4 million option to earn a 50% interest. 2010 exploration was focused on a strong airborne geophysical target approx 400m from where Kodiak had previously drilled anomalous uranium.

Company News

- CanAlaska has \$10-15 million in exploration budgeted for 2011, of which approximately \$8.5 million will be funded by its strategic partners. This includes drilling programs at West McArthur, Cree East, and Fond du Lac as well as the Collins Bay Extension property, optioned from Bayswater Uranium Corp. in mid-2009.
- Following ground geophysical surveys on its Cree East Project from Dec 2010 to Jan 2011, CanAlaska recently announced that winter drilling has commenced on the project as part of a planned \$3.58MM, 7,650 metre, 18-hole drill program.

CANALASKA URANIUM LTD.					CVV-TSXV	C\$ 1.55
Rating	BUY	Target	N/A		Shares O/S (MM)	19.4
Risk	Venture				Float (MM)	18.8
					Fully Diluted Shares (MM)	23.6
12-Month Return	N/A	Close	C\$ 1.55		Basic Mkt. Capitalization (\$MM)	C\$ 30.1
All figures in C\$, unless stated otherwise						
MANAGEMENT & COMPANY CONTACTS						
Peter Dasler, M.Sc, P.Geo		President & CEO				
Emil Fung, M.B.A.		VP Corporate Development				
Dr. Karl Schimann, PhD, P.Geo		VP Exploration				
Ram Ramachandran, C.A.		CFO				
http://www.canalaska.com		(604) 688-3211				
CAPITAL STRUCTURE						
	Strike	Basic	In-the-	Proceeds		
	C\$	(MM)	Money	\$MM		
Shares Outstanding		19.4				
Options	FY2011	\$0.10	0.0	0.0	0.0	
	FY2012	\$0.10	0.3	0.3	0.0	
	FY2013	\$0.13	0.8	0.8	0.1	
	FY2014	\$0.10	0.6	0.6	0.1	
	FY2015	\$0.10	0.2	0.2	0.0	
Warrants	Apr-11	\$0.28	0.1	0.1	0.0	
	Apr-12	\$0.27	2.2	2.2	0.6	
Fully Diluted Shares			23.6	4.1	0.8	
OWNERSHIP (est.)						
			Basic	%		
* As reported by Thomson One						
Insiders Total			0.6	3%		
Goodman & Co. Investment Council			0.7	3%		
BluMont Capital			0.1	1%		
Matrix Funds			0.1	1%		
BALANCE SHEET						
						Oct-10
						(\$MM)
Assets						
Cash and Equivalents						\$5.7
Other current assets						0.5
Current Assets						6.2
PP&E						0.7
Other Assets						50.7
Total Assets						\$57.5
Liabilities						
Current liabilities						\$0.4
Long-term debt						-
Other						17.6
Shareholders equity						39.6
Total Liabilities and Equity						\$57.5
PROJECTED BURN RATE (estimated)						
						(\$MM)
Year-end FY2010 cash balance estimate						\$8.7
Exploration Expenditures (est.)						(12.5)
General and Admin Expense (est.)						(1.5)
Warrant exercise						0.0
Project/Equity Financing						11.0
Capital Expenditures						(0.4)
Year-end FY2011 cash balance estimate						\$5.3
LAST FINANCING						
Date						Jan-11
Type						Private Placement
Shares						MM 2.2
Price						C\$ 1.60
Gross Proceeds						C\$MM 3.5
Warrants						1.1M @\$1.90, 24 months
MAIN PROPERTIES						
Cree East Project, Athabasca Basin, Saskatchewan						
						50% (Korean Consortium has remaining 50%)
Stage: Exploration						
Deposit: Unconformity related uranium						
Geology: Proterozoic-age Belt Group metamorphic rocks intruded by the Cretaceous age Idaho Batholith and a Tertiary-age rhyolite quartz-eye porphyry stock. The mineralization is associated with a major regional structure (Orogrande Shear Zone "OSZ"), and occurs within hydrothermally-altered zones within the sheared rocks.						
Previous: The project area covers Athabasca group conglomerates and sandstones. Depth to the unconformity ranges from 200m - 400m in the southern portion. Structural breaks trend across the property and further drop the basement to estimated depths of 900m across the northern edge of the property.						
The 2010 uranium exploration program at Cree East is currently budgeted at \$5.8M, testing 5 targets with approximately 32 drill holes over the winter and summer.						
Current: During 2010, CanAlaska and the Korean Consortium drilled 16,324 m at Cree Lake. Drilling continues in 2011 with 2 drills operating at Cree East this winter. Multiple targets proved positive first drill results along a 4km trend.						
Budget \$5.5MM is budgeted for exploration in 2011						
West McArthur, Athabasca Basin, Saskatchewan						
						50% (Mitsubishi has remaining 50%)
Stage: Exploration						
Deposit: Unconformity related uranium						
Geology: Regional geology comprises Archean granites and lower Proterozoic metamorphic rocks. The basement rocks are overlain by 600m to 850 m of flat lying Athabasca sandstones and conglomerates.						
Previous: Previous exploration by Kerr Addison, Cogema, and Cameco included airborne and ground geophysics, lithochemical surveys and lake sediment surveys covering over half the property. Several EM conductors were identified, some of which have been drilled.						
In February 2010, Mitsubishi completed its earn-in of a 50% interest in the property by spending \$11 million on exploration, and the two companies formed a 50-50 joint venture, with CanAlaska as operator.						
The companies have outlined a five year, \$20 million exploration program to test already identified targets and explore the remainder of the property.						
Current: During 2010, Mitsubishi and CanAlaska completed a 6,071m drill campaign into alteration systems associated with targets at West McArthur.						
Budget \$2.5MM is budgeted for exploration in 2011						
Fond du Lac, Saskatchewan						
						50% vested interest with Native community
Stage: Reserves Development						
Deposit: Unconformity related uranium						
Geology: The project area straddles the boundary between the Athabasca Basin and the underlying basement. The Athabasca basin extends a depth of 0 - 400m in the project area. There is a major crustal break known as the Grease River Fault zone that has numerous splay faults. Numerous uranium-rich boulder trains scattered across the property.						
Previous: The Fond Du Lac deposit was discovered in the 70s by Eldorado Nuclear. In 1982 a historic resource of 200,000 mt grading 0.25% U3O8 for 1.1 million contained pounds U3O8 was estimated. A higher-grade central core of mineralization (locally up to 5% U3O8) occurs in sandstones above the unconformity with a surrounding low-grade aureole.						
In September 2008, CanAlaska Uranium received assay results for uranium-mineralized sections of three drill holes and cores from the Fond du Lac project, including hole FCL-003, returning 0.123% U3O8 over 26.8 m from 18.1 m depth. The company continued drilling in 2009, further delineating sandstone-hosted mineralization around the known deposit. In addition, two holes encountered basement-hosted mineralization to the north/northeast of the deposit, with a In March 2010, CanAlaska announced that drilling was under way at the Helmet project (just south of the Fond du Lac project) aimed at testing a group of strong targets along the Grease River fault that were modeled from airborne EM surveys. Subsequent to that, additional drilling was conducted at Fond du Lac.						
Current: In February 2011, CanAlaska began an RC drilling program at Fond du Lac. A further two programs of DD were planned to follow at Fond du Lac West and Fond du Lac Main.						
Budget \$1.5MM is budgeted for exploration in 2011						

Source: Company Reports, Dundee Securities, Thomson One, Bloomberg