



## CanAlaska Uranium Ltd.

(CVV-V: C\$0.15)

## Update

September 22, 2009

**NOT RATED, Speculative Risk\***

12-month target price: N/R

Timothy Lee, M.Sc., MBA / (416) 840-7916

[tle@dundeesecurities.com](mailto:tle@dundeesecurities.com)

### **Mineral Exploration Watch List Update: Drilling Hits Near-Surface Uranium at Fond du Lac**

**Dundee's Trading Call: CanAlaska has several exploration properties with active programs, but the drilling results from Fond du Lac bring this project to the forefront.** The company has a large land package of prospective uranium projects, several of which are the subject of early-stage exploration programs. While those projects may help add to CanAlaska's story, the results from Fond du Lac will likely draw attention to this project. If the company can expand on its new discovery, its share price should see further upside.

**The News: Drilling encounters shallow uranium at Fond du Lac.** On September 22, CanAlaska announced drilling results from its Fond du Lac uranium project, located in the northern Athabasca Basin of Saskatchewan. The property is part of the Fond du Lac Denesuline First Nation Reserve Lands, and CanAlaska is working under an option to earn a 49% interest in the project

The results are from a 19-hole summer drill program testing for a potential basement feeder zone northeast of the historic Fond du Lac uranium deposit. Figure 1 shows map of the property with drill hole locations and an outline of the historical resource.

Hole FDL017 returned 40.4 metres averaging 0.32% U<sub>3</sub>O<sub>8</sub> (including 6 metres averaging 1.13% U<sub>3</sub>O<sub>8</sub>) from a depth of 54.5m.

**Implications: This is an encouraging initial result, with high-grade uranium mineralization at a shallow depth.**

Hole FLC017 encountered the type of uranium mineralization the company was looking for. Hole FLC020 also encountered an encouraging interval of basement-hosted uranium mineralization well outside the historically defined resource to the northeast. These are the first intersections of significant basement-hosted uranium mineralization on the property, and they extend the area of known mineralization 70m to the northeast of the previously known 400m-long zone of uranium mineralization.

The new zone encountered in these two holes appears to trend east-west, with a nearly vertical orientation. Most of the other holes drilled to the northeast did not encounter significant uranium, and further drilling will be needed to determine the extent of the new zone.

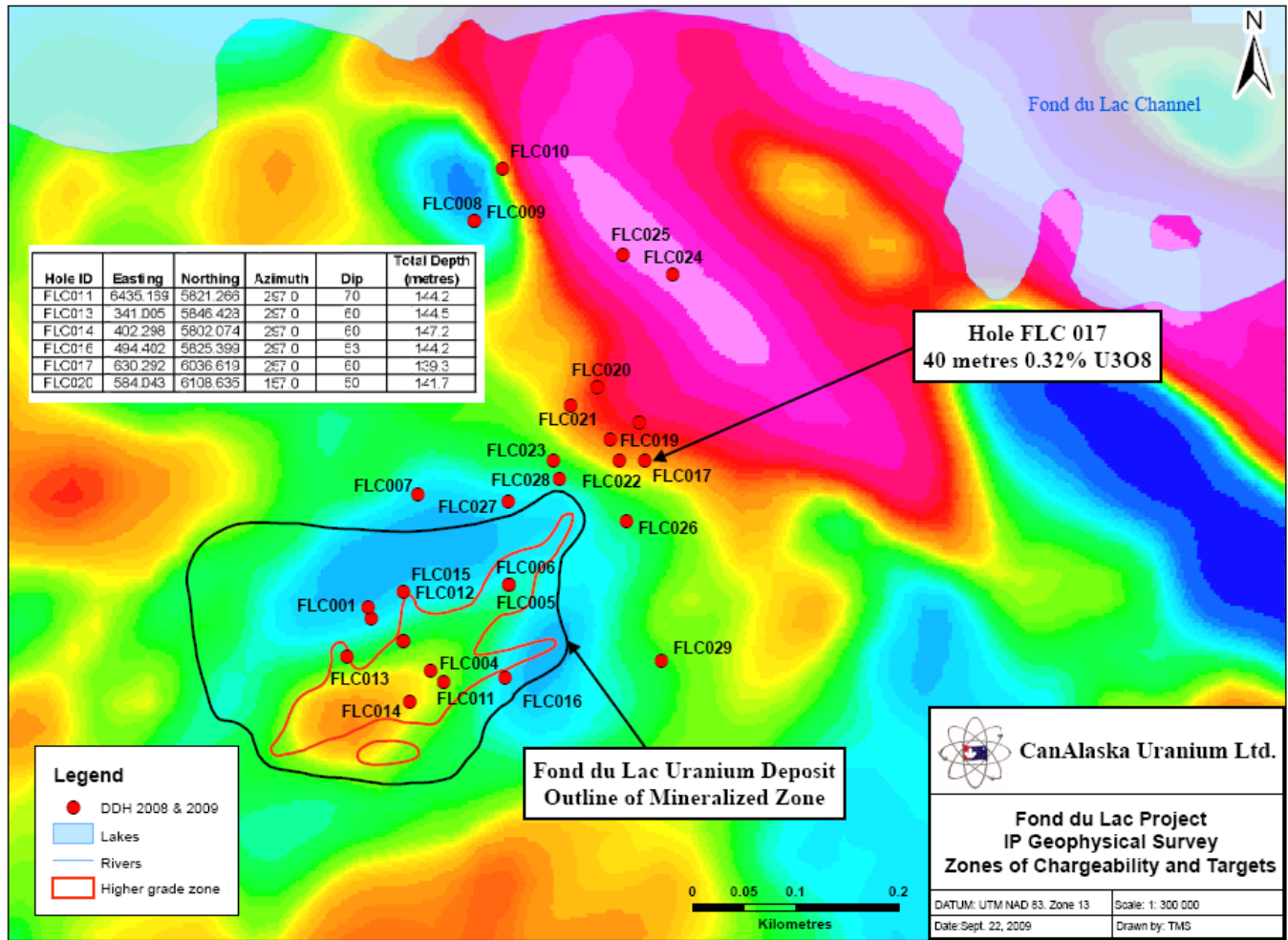
Four additional holes intersected sandstone-hosted uranium on the margins of the historical resource, increasing the size of the known uranium zone.

**What's Next: Further summer exploration results are pending, and the company is well funded for winter programs.** The CanAlaska is also awaiting assay results from summer exploration on its Lake Athabasca Project and from mapping and sampling work at the Poplar Project.

CanAlaska is planning extensive winter exploration programs for its projects. Its joint venture partners, consisting of Chinese, Japanese and Korean utilities, have committed over \$40 million to exploration on its properties in Saskatchewan and Manitoba.

*See the attached two-page company summary for more information.*

**Figure 1: Map view of the Fond du Lac project with drill hole locations and an outline of the historical resource overlying results of an IP geophysical survey.**



Source: Company Reports

# CanAlaska Uranium Limited

## (CVV-TSXV)

Rating  
12-Month Target Price

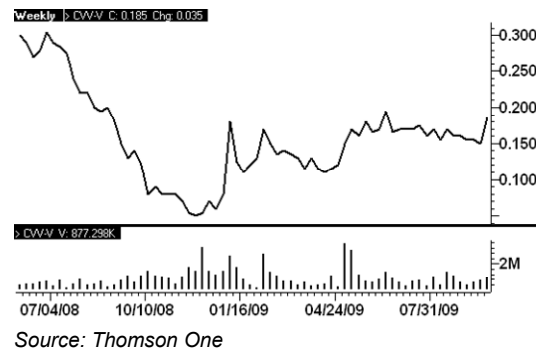
Not Rated  
Not Rated

### Background

- CanAlaska Uranium Limited is an exploration and development company focused on the acquisition, exploration and development of uranium projects in North America. The company began picking up projects in 2004.

### 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 was instrumental in helping secure over \$40 million in exploration commitments through partnerships for CanAlaska.
- 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.
- John Kowalchuk B.Sc., P.Geo., Regional Exploration Manager - Mr. Kowalchuk oversees and directs the company's exploration staff from CanAlaska's Field Office in Saskatoon. He possesses more than 38 years of exploration experience with both senior and junior mining companies in Canada, US, Mexico and Chile.



### Financial

- As of the end of April 2009 the company had about \$6.6MM in cash and equivalents and no long-term debt.

### Operations / Exploration

- CanAlaska has a mandate to discover unconformity style uranium deposits in the Athabasca Basin. The company has spent over \$45 million since 2004 advancing over 22 projects through the methodical delineation of priority targets. Many projects are now drill ready or have been optioned to interested parties. CanAlaska continues to seek strategic partners for various projects.
- At West McArthur, Mitsubishi Development Pty., a subsidiary of Japan's largest conglomerate, Mitsubishi Corporation, is providing \$11MM in exploration funding to earn a 50% interest in the project.
- At the Cree East Project, a Korean consortium led by Hanwha Corp., and comprising of KEPCO, KORES and SK Energy, is similarly investing \$19MM to earn a 50% ownership interest. Geophysical surveys and initial drilling were completed in 2008. Drilling encountered alteration, sulphides, and limited uranium mineralization. Further drilling is testing the unconformity at between depths of 250m and 800m.
- 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 U<sub>3</sub>O<sub>8</sub>. Local grades within the core of the zone are known to reach up to 5%. The mineralization is shallow, and CanAlaska believes it to be open at depth in largely unexplored areas.
- In December 2008, CanAlaska announced that it had entered into a Memorandum of Understanding with Chinese-based mining partner, Allway Minerals, to undertake exploration, including 100,000m of drilling within five years, on CanAlaska's North East Wollaston Project in northern Manitoba.

### Company News

- In September 2008, CanAlaska reported highlights from Fond du Lac of 0.123% U<sub>3</sub>O<sub>8</sub> over 26.8m and 0.77% over 25.21m at shallow depths.
- In January 2009, CanAlaska announced exploration plans including drilling and geophysics at Cree East, West McArthur, Fond Du Lac, and Black Lake.

CANALASKA URANIUM LIMITED				CVV-TSXV	C\$ 0.15
Rating	N/A	Target	N/A	Shares O/S (MM)	137.8
Risk	Speculative			Float (MM)	136.2
				Fully Diluted Shares (MM)	160.6
12-Month Return	N/A	Close	C\$ 0.15	Basic Mkt. Capitalization (\$MM)	C\$ 20.7
<b>All figures in C\$, unless stated otherwise</b>					
<b>MANAGEMENT &amp; COMPANY CONTACTS</b>					
Peter Dasler			President & CEO		
Emil Fung			VP Corporate Development		
Dr. Karl Schimann			VP Exploration		
Damian Towns			CFO		
www.canalaska.com			800-667-1870		
<b>CAPITAL STRUCTURE</b>	<b>Strike</b>	<b>Basic</b>	<b>In-the-</b>	<b>Proceeds</b>	
	<b>\$</b>	<b>(MM)</b>	<b>Money</b>	<b>\$MM</b>	
Shares Outstanding		137.8			
<b>Options</b>	2009	0.43	0.9	0.0	0.00
	2010	0.47	3.2	0.0	0.00
	2011	0.46	2.8	0.0	0.00
	2012	0.69	1.8	0.0	0.00
	2012	0.43	5.8	0.0	0.00
	2013	0.40	1.2	0.0	0.00
	2013	0.25	1.3	0.0	0.00
<b>Warrants</b>	2010	0.50	5.8	0.0	0.00
<b>Fully Diluted Shares</b>		160.6	0.0	0.00	
<b>OWNERSHIP (est.)</b>					
			<b>Basic</b>		<b>%</b>
<b>* As reported by Stockwatch</b>					
Insiders			1.6		1%
Goodman & Co. Investment Counsel			11.3		8%
Dynamic DMP Resource Class			2.5		2%
<b>BALANCE SHEET</b>					
					<b>Apr-09</b>
<b>Year-end April</b>					<b>(\$MM)</b>
<b>Assets</b>					
Cash and Equivalents					\$6.6
Other current assets					1.0
Current Assets					7.6
PP&E					40.0
Other Assets					0.3
Total Assets					<u>\$47.9</u>
<b>Liabilities</b>					
Current liabilities					\$1.2
Long-term debt					-
Other					8.9
Shareholders equity					37.8
<b>Total Liabilities and Equity</b>					<u>\$47.9</u>
<b>PROJECTED BURN RATE (estimated)</b>					
					<b>(\$MM)</b>
Year End 2008 Cash Balance					\$7.4
2009 Exploration Costs-Initial Estimate					(1.0)
2009 Administrative Costs					(1.0)
2009 Option and Warrant Exercise					0.0
Project Financing					0.0
Year-End 2009 Cash Balance Estimate					\$5.4
<b>LAST FINANCING</b>					
Date					Jul-09
Type	Non-brokered Flow-Thru Private Placement				
Units					Shares MM 6.0
Price					\$ 0.17
Gross Proceeds					\$MM 1.02
Warrants					3MM @ \$0.24, 24 months
<b>MAIN PROPERTIES</b>					
<b>Cree East Project, Athabasca Basin, Saskatchewan</b>			<b>100% (Korean partners earning 50%)</b>		
Stage:	Exploration				
Deposit:	Unconformity related uranium				
Geology:	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.				
Current:	A 14-hole winter 2009 drill program will target two distinct alteration zones, following up on anomalous results from 2008 drilling and geophysical surveys.				
Budget:	Funded by Korean JV Partners, \$2.1MM for 2009 winter drill program				
<b>West McArthur, Athabasca Basin, Saskatchewan</b>					
			<b>100% (Mitsubishi can earning 50%)</b>		
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, lithogeochemical surveys and lake sediment surveys covering over half the property. Several EM conductors were identified, some of which have been drilled.				
Current:	The company has planned a 5-hole, 4,600m drill program and a TDEM geophysical survey in early 2009. The program will target a previously undrilled zone in the southern part of the project that contains a 4km-long geophysical target.				
Budget:	Funded by Mitsubishi, \$2MM expected to be spent in 2009				
<b>Fond du Lac, Saskatchewan</b>					
			<b>Earning 49% (100% owned by Native community)</b>		
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.				
Current:	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. In early 2009 the company began a program with 2,000m of drilling and geophysics to test targets in the vicinity of the historic deposit.				
Budget:	\$500K expected to be spent in 2009				

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

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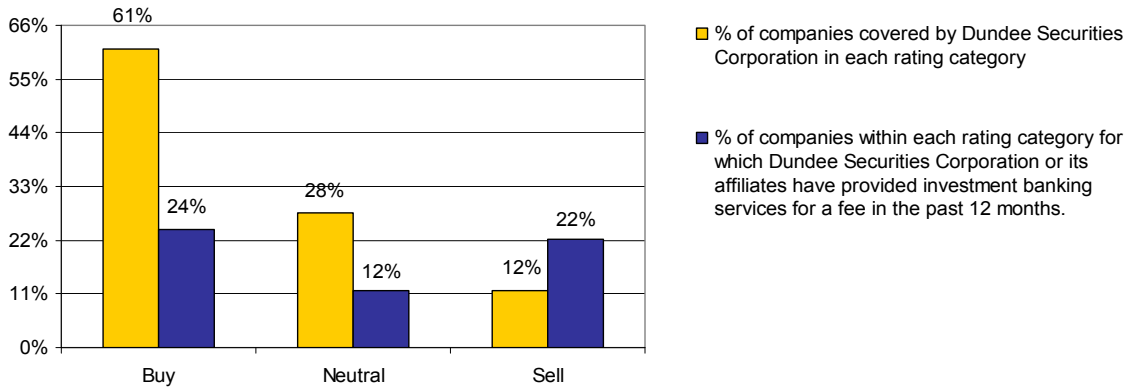
Risk in relation to forecasted price volatility is only one method of assessing the risk of a security and actual risk ratings could differ.

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As at March 31, 2009

Source: Dundee Securities Corp.