

Junior uranium explorer anticipating higher prices

METALS & MINING – INDUSTRIAL METALS & MINERALS

The five-year bear market in the mining industry has been a very difficult period for many metals markets and the companies producing and exploring for those metals. Nowhere has this slump been more difficult than in the uranium sector.

In 2007; the price of yellowcake spiked to over \$150/lb. After plunging to as low as \$40/lb by the end of 2009, the price of uranium rebounded back to approximately \$80/lb by 2011 – and then came Fukushima. The negligence which led to that catastrophe caused a knee-jerk reaction from many governments, some reactors were taken out of commission and some future projects were shelved. At times, prices have dipped below \$20/lb.

However, we continue to live in an energy-starved world despite the temporary surplus in crude oil production. As nations contemplated their future energy demand, governments have been putting nuclear projects back on the drawing board – as the only proven technology with the capacity to meet the future energy needs of many economies.

This has led to forecasts of a significant rebound in uranium prices. A [June 2016](#) mining article predicted that uranium prices would double by 2018. At the end of July; Cantor Fitzgerald released

its 2016 Quarterly Commodity Outlook suggesting a [violent increase](#) in uranium prices is on the way. Presently, Cantor Fitzgerald is forecasting a price of \$40/lb, moving to \$70/lb as the market tightens further.

All this is music to the ears of junior exploration companies like [CanAlaska Uranium Ltd.](#) (TSX: V.CVV, OTCQB: CVVUF, [Forum](#)). CanAlaska's operations are centered in Canada's famed Athabasca Basin, where it holds interests in a land package of approximately 500,000 hectares.

However, uranium isn't the only commodity on the radar of the management team. The Company also has two diamond projects in addition to its portfolio of uranium properties, with its current focus on the Athabasca Diamond Project. Further information can be found [here](#). Stockhouse recently had the chance to ask CanAlaska's CEO and President, Peter Dasler, to comment on improving prospects in the uranium market and the Company's collection of prospective projects.

Please introduce newer investors to your company.

CanAlaska is a well-established uranium exploration company focused on the

Athabasca Basin which hosts the world's richest uranium deposits. We follow the "project generator" business model whereby we find partners to explore and develop our properties. CanAlaska has been in the uranium business since 2004 and has multiple properties in the Athabasca totaling about 500,000 hectares. As a project generator, we provide shareholders exposure to multiple discovery opportunities at less cost. With our partners incurring the majority of exploration expenditures, we have a more attractive share structure (27 million shares outstanding) and treasury (\$2 million cash plus shares of several companies).

Who are the principals among CanAlaska's management and board, and could you list some of the credits on their resumes?

CanAlaska has a strong, efficient and highly experienced management team. I work closely with fellow director Dr. Karl Schimann to identify and acquire important properties in the Athabasca Basin and elsewhere. Karl worked for French uranium giant AREVA (previously COGEMA) as a Senior Geologist and Project Manager, where he was a key member of the team that undertook the discovery and development of the massive Cigar Lake uranium mine. In

total, he spent twenty years with AREVA, ten of which were based in Canada's Athabasca Basin. Like Karl, I'm an exploration geologist with over 40 years of experience and over 10 years working in the Athabasca Basin. The early years were spent identifying and acquiring properties in the basin. As we started acquiring properties in 2004, we've been able to build a sizable portfolio of properties. Most of our projects are located in the **Eastern basin** which has the best infrastructure in the Athabasca and home to the world's richest uranium mines.

How did management respond to the downturn in the uranium market in 2011?

During the downturn we still conducted exploration on select properties thanks to the partnerships in place. A consortium of major Korean companies, led by KORES and KEPCO, funded exploration on our large **Cree East** project. They've taken the project to an advanced exploration stage. It's clear the property has many geological characteristics conducive to hosting a major uniformity uranium deposit similar in size to Cigar Lake or McArthur River.

Also after 2011 we looked at other acquisition opportunities that could yield long term benefits for shareholders. We believe we found it at **North Ruttan**, a copper-zinc-gold VMS project near the **Ruttan mine** in Manitoba, one of Canada's largest past producing copper-zinc mines. We intend to find a partner to monetize this attractive, drill ready property.

Elsewhere in Manitoba we started geophysical surveys on our large **NW Manitoba** claim block. This uranium project is

on the Saskatchewan border and covers the northern extension of the Wollaston sedimentary belt, the Eastern region of the Athabasca Basin where all the major

...a "violent increase" in uranium prices is on the way.

uranium deposits have been discovered. Our exploration yielded several targets; in 2013 we attracted Northern Uranium as a partner in a multimillion dollar exploration and share deal.

Metals analysts are now predicting a strong rebound in uranium prices over the next 1 - 2 years. Does the Company have an internal forecast for the price of uranium, and (if so) what is that price?

Yes, as a participant in a recent **uranium panel** (January 2017 Vancouver Resource Investment Conference) **Thom Calandra** asked my thoughts on the uranium price. I predicted the spot price would be about US\$60/lb in the next 1-2 years. If I'm right, uranium investors stand to make a tremendous amount of money in the sector.

Please list and briefly describe CanAlaska's uranium projects.

As CanAlaska has interests in 18 properties (ownership and royalties) it would

take several pages to describe our projects. We have lots of information on our website about our uranium and other projects that I would encourage viewers to visit: www.canalaska.com.

We are very excited about our **West McArthur** project. Cameco, one of the world's largest uranium producers, approached us in 2016 to do a deal on the project. They believe uranium mineralization found at their Fox Lake discovery, may extend onto West McArthur, or be found elsewhere on our property. We expect to learn of Cameco's drilling plans for West McArthur in the coming weeks.

CVV's current exploration program is centered at its West McArthur uranium project. What led management to focus on West McArthur, and what exploration initiatives are presently being undertaken?

West McArthur is a very large property in the heart of the Wollaston belt, immediately west of Cameco's giant McArthur River mine. In 2004 the claims of Kerr Addison Mines had lapsed and there was no exploration being carried out on the property mainly because previous airborne geophysical surveys in this area did not have enough depth penetration to model targets at the unconformity. There was enough geochemical data and some drill data that indicated potential for another large uranium deposit. We thought that the new MegaTEM survey technology would be powerful enough to see to the unconformity, and we were right. We saw multiple targets tied to conductor trends, and drilled uranium mineralization in the third drill-hole.

That was sufficient for a Canadian sub-

subsidiary of Mitsubishi Corporation to enter into an agreement to back the next \$10 million of exploration. That exploration has led us to three targets that look large enough to host another giant deposit, two of which are to be drilled by Cameco in their option to earn a 30% interest in the property. We were approached by Cameco's technical team following their drill success at nearby Fox Lake, and we are very excited to see the development of a target so close to their McArthur River mine infrastructure.

Is the Company contemplating additional exploration work on its other uranium projects at the present time or is CanAlaska concentrating its energies on West McArthur?

Our Option deal with Cameco has left us time and funding to work on our next-door uranium project at Cree East. This is another large property that benefits from the infrastructure available in the Eastern Athabasca. We operate this project on behalf of a Korean Consortium led by Hanwha Corporation, but including Korean Resources Corporation, Korean Electric Power and SK Industries. Our last work indicated 9 zones of uranium mineralization along a 5km conductor trend. At Zone B the work was able to detail an 800 metre long target centered on a large zone of intense alteration that matches the model for unconformity uranium mineralization. Our drill contractor has left a drill positioned on the property, and the next drill holes at Zone B should be very exciting for the company and investors.

The Company has branched out into other mineral exploration. What is CanAlaska's other operational priority?

We were fortunate to have a diverse group of geologists and geophysicists working for us looking for uranium in the Athabasca, and in the downturn after 2012 they were able to research and model a larger number of other commodities and targets. One area was diamond potential in Canada. This led us to be into the Pikoo area at a very early stage, and also to lead a program for diamonds in the Western Athabasca, that De Beers funded.

Our copper focus was in BC and Manitoba where we were able to find multiple properties that had received some exploration in the past, or which were near significant mines and discoveries. The properties we acquired have several exploration targets, and a number of new areas more ready to work on.

We have generated project information on a number of other commodities, including various specialty metals. All of these are of interest as they can provide opportunities for discovery and support the Company while we unlock the value of the uranium properties that we hold in the Athabasca area.

CVV entered into a joint venture with DeBeers to explore targets on its Athabasca diamond project. How much did DeBeers invest in this project, and what were the highlights of that exploration work?

De Beers were a great partner for us in 2016. They committed over \$1.4 million and spent over \$2.5 million evaluating diamond targets in the Western Athabasca. The key requirements for diamond bearing kimberlites are present in the area, and there are kimberlite indicator minerals down-ice. Unfortunately

the large diameter targets that showed up on the government airborne survey broke up into many smaller targets when new close spaced surveys were completed, and this diminished the immediate interest. The few targets that were drill tested showed that there are several different causes of the anomalies, and a more detailed and prolonged program will be needed to identify those most prospective for kimberlite out of the 300 plus targets.

We still like the area and are focusing on re-evaluating the first targets and another group of targets just slightly west, and in the Alberta portion of the western Basin. These targets are closer to the down-ice indicator minerals, and many of these show reversed magnetic response.

What is the Company's current cash position?

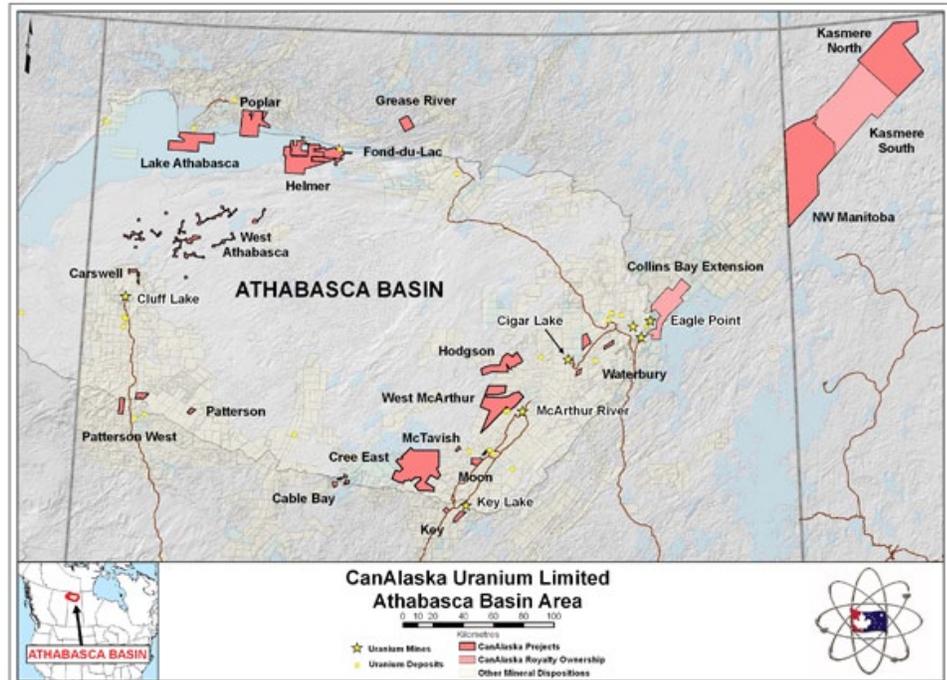
CanAlaska has just on \$2 million cash. We also hold a number of securities of other companies that we have acquired through property deals over time, and we expect to receive more funds from the exercise of \$0.70 warrants as our share price appreciates.

As a project generator, CanAlaska regularly acquires and farm-outs prospective projects to other mining/mineral companies. What are management's long-term priorities as it pursues this business model?

Our objective has always been to participate in the discovery of a world-class uranium deposit. The best place to find these rich uranium deposits are in the Athabasca Basin. The basin's uranium

mines are producing among the **highest value** ore on the planet. Through discovery of another giant uranium deposit, we can create tremendous wealth for shareholders. Through farm-outs we leverage our opportunity for discovery in the short term, and reduce our shareholders dilution. Rather than sequentially developing properties, we have multiple partners working at the same time. The giant nature of these targets, either on our two key properties or on our other Athabasca uranium properties, allows room for multiple company ownership, similar to what we already see with the multiple ownership structure of Cigar Lake and McArthur River uranium mines.

The two key properties for this task are our Cree East and West McArthur properties. These properties have not been a drain on our treasury during the past slowdown, as we have over 19 years of assessment credits filed on each. We have partners who are helping us with the exploration, and we expect that these partners will be the ones who help us after any discovery.



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