

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR (G) OF THE SECURITIES  
EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

FOR THE FISCAL YEAR ENDED APRIL 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

DATE OF EVENT REQUIRING THIS SHELL COMPANY REPORT

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER:	0-28792
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**CanAlaska Uranium Ltd.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

**Not Applicable**

(TRANSLATION OF REGISTRANT'S NAME INTO ENGLISH)

**British Columbia, Canada**

(JURISDICTION OF INCORPORATION OR ORGANIZATION)

**1020- 625 Howe Street, Vancouver, B.C. V6C 2T6**

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

**Mr. Peter Dasler**

**Telephone 604.688.3211 - E-mail - [pdasler@canalaska.com](mailto:pdasler@canalaska.com)**

**1020 - 625 Howe Street, Vancouver, BC, V6C 2T6**

(NAME, TELEPHONE NUMBER, E-MAIL AND ADDRESS OF COMPANY CONTACT PERSON)

TITLE OF EACH CLASS

NAME ON EACH EXCHANGE ON WHICH REGISTERED

**Not Applicable**

**Not Applicable**

SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT.

**Common Shares without par value**

(TITLE OF CLASS)

SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT  
TO SECTION 15(d) OF THE ACT.

**None**

(TITLE OF CLASS)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common shares as of the close of the period covered by the annual report.

**22,058,136 Common Shares without par value issued and outstanding at April 30, 2012**

Indicate by check mark whether the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES		NO	X
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If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES		NO	X
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Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES	X	NO	
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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the

preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  
Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer  Accelerated filer  Non-accelerated filer X

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP		International Financial Reporting Standards as issued by the International Accounting Standards Board	X	OTHER	
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Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17		Item 18	
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If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of this Exchange Act).

YES		NO	X
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(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

YES		NO	
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The following financial statements are attached to and form a part of this report filed with the SEC:

*Consolidated Financial Statements of the Company:*

- Report of Independent Registered Chartered Accountants on Consolidated Financial Statements.
- Consolidated Statements of Financial Position as at April 30, 2012 and 2011 and May 1, 2010.
- Consolidated Statements of Net Loss and Comprehensive Loss for the year ended April 30, 2012 and 2011.
- Consolidated Statements of Changes in Equity for the year ended April 30, 2012 and 2011.
- Consolidated Statements of Cash Flows for the year ended April 30, 2012 and 2011.
- Notes to the Consolidated Financial Statements.

#### **EXHIBIT INDEX**

The following exhibits are attached to and form part of this Annual Report:	
<i>Exhibit</i>	
1.1	Articles of Incorporation*
11.1	Code of Ethics
12.1	Section 302 Certification of the Company's Chief Executive Officer
12.2	Section 302 Certification of the Company's Chief Financial Officer
13.1	Section 906 Certification of the Company's Chief Executive Officer
13.2	Section 906 Certification of the Company's Chief Financial Officer
14.1	Management Discussion and Analysis dated July 30, 2012
14.2	Audit Committee Charter
14.3	Corporate Governance Policy

\* Previously filed and incorporated by reference from our Form 20-F filed with the SEC on September 14, 2010

## GLOSSARY OF MINING TERMS

The following are abbreviations and definitions of terms commonly used in the mining industry and this Annual Statement:

<b>Aeromagnetic survey</b>	A geophysical survey using a magnetometer aboard or towed behind an aircraft.
<b>Au</b>	The chemical symbol for gold.
<b>Anomaly</b>	Any departure from the norm which may indicate the presence of mineralization in the underlying bedrock.
<b>Anorthosite</b>	Light grey to almost black variety of gabbro, made up of plagioclase with a mafic content of less than 10%.
<b>Aphebian</b>	Period of time in the Earth's history between 2.5 and 1.8 billion years ago.
<b>Archean</b>	Period of time in the Earth's history between 3.8 and 2.5 billion years ago.
<b>Assay</b>	A chemical test performed on a sample of ores or core to determine the amount of valuable metals contained.
<b>Assessment Work</b>	The amount of work, specified by mining law, that must be performed each year in order to retain legal control of mining claims.
<b>Athabasca Basin</b>	The region located in northern Saskatchewan province, Canada, hosting the world's richest uranium deposits and all of Canada's producing uranium mines. The basin is approximately 400 km across east/west and 150 km north/south. Its geology is characterized by metasedimentary bedrock overlain by younger sandstones.
<b>Audio-Magnetotellurics (AMT)</b>	A geophysical method that measures the Earth's varying electric and magnetic fields.
<b>Basin</b>	In geology a round or oval depression in the Earth's surface, containing younger rock in its central part.
<b>Batholith</b>	A large mass of igneous rock extending to great depth with its upper portion dome-like in shape. Similar smaller masses of igneous rocks are known as bosses or plugs.
<b>Breccia</b>	A rock in which angular fragments are surrounded by a mass of fine-grained minerals.
<b>CVV</b>	Stock symbol for CanAlaska Uranium Ltd. on the TSX Exchange
<b>Chalcopyrite</b>	A sulphide mineral of copper and iron; the most important ore mineral of copper.
<b>Channel Sample</b>	A sample composed of pieces of vein or mineral deposit that have been cut out of a small trench or channel, usually about 10 cm wide and 2 cm deep.
<b>Chip Sample</b>	A method of sampling a rock exposure whereby a regular series of small chips of rock is broken off along a line across the face.
<b>Claim</b>	An area marked on a map or the ground, where the Government has given current mineral title to the registered owner. Holder usually has the right to carry out mineral exploration and apply to mine on the located area.
<b>Cretaceous</b>	The third and latest of the periods in the Mesozoic Era.
<b>Diamond Drill</b>	A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, 2 cm or more in diameter.
<b>Dickite</b>	A polymorphic alumino-silicate clay that is formed from hydrothermal environments.
<b>Diorite</b>	An intrusive igneous rock composed chiefly of plagioclase, hornblende, biotite or pyroxene.
<b>Dravite</b>	A complex sodium/magnesium/aluminum/boron silicate formed from hydrothermal environments.
<b>EM Survey</b>	A geophysical survey method which measures the electromagnetic properties of rocks.
<b>Exploration</b>	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.
<b>Exploration Permit</b>	See licence for New Zealand operations
<b>Fault</b>	Fracture in the Earth's crust, along which there has been displacement of the sides

	relative to one another parallel to the fracture.
<b>Gabbro</b>	A dark, coarse-grained intrusive igneous rock.
<b>Geophysical Surveys</b>	The use of one or more geophysical techniques in geophysical exploration.
<b>Grab Samples</b>	A sample of rock or sediment taken more or less indiscriminately at any place.
<b>Gravity Gradient Survey</b>	A geophysical method used to map and mathematically model underground fault structures based on measurements of the gravity of rocks.
<b>Gneiss</b>	Layered granite-like rock.
<b>Gossan</b>	An iron-oxide rich weathered product overlying a sulphide deposit.
<b>Granite</b>	A coarse-grained intrusive igneous rock consisting of quartz, feldspar and mica.
<b>Gpt, or g/t</b>	Grams per tonne.
<b>Hydrothermal Alteration</b>	The change in the mineralogy of the rock. The old minerals are replaced by new ones because there has been a change in the conditions. These changes could be changes in temperature, pressure, chemical conditions or any combination of these. Hydrothermal alteration is a change in the mineralogy as a result of interaction of the rock with hot water fluids, called “hydrothermal fluids”.
<b>Hydrothermal Fluids</b>	It causes hydrothermal alteration of rocks by passing (hot) water fluids through the rocks and changing their composition by adding, removing or redistributing components. Temperatures can range from weakly elevated to boiling. Fluid composition is extremely variable. They may contain various types of gases, salts (brine fluids), water and metals.
<b>Illite</b>	A layered aluminosilicate clay that is formed from hydrothermal environments.
<b>Induced Polarization (IP)</b>	A geophysical survey method which measures the electrochemical properties of rocks. Time domain IP methods measure the voltage decay or chargeability over a specified time interval after the induced voltage is removed. Frequency domain IP methods use alternating currents (AC) to induce electric charges in the subsurface and the apparent resistivity is measured at different AC frequencies.
<b>g/t Au</b>	Grams per tonne gold.
<b>Kimberlite</b>	A blue/grey igneous rock which contains olivine, serpentine, calcite and silica.
<b>Km</b>	A measure of distance known as a kilometre.
<b>Leach</b>	To dissolve from a rock. For example, when acidic water passes through fractured rocks, soluble minerals leach or dissolve from the rocks.
<b>Licence</b>	See claim, but not necessarily physically marked on the ground.
<b>Lode</b>	Zone of metal veins.
<b>Mb</b>	The chemical symbol for molybdenum.
<b>Mg</b>	The chemical symbol for magnesium.
<b>Mafic</b>	Igneous rocks with dark minerals.
<b>Max-Min EM</b>	A specific type of electromagnetic geophysical survey.
<b>MEL</b>	See licence, specifically for Manitoba, Canada
<b>Mesozoic Era</b>	One of the grand divisions of geologic time, follows the Paleozoic and succeeded by the Cenozoic.
<b>Metallurgy</b>	The study of extracting metals from their ores.
<b>Mineralization</b>	The concentration of metals and their chemical compounds within a body of rock.
<b>Ni</b>	The chemical symbol for nickel.
<b>NSR</b>	Net Smelter Returns. A royalty paid from the sale of mined minerals.
<b>Opt</b>	Ounce per ton.
<b>Ore</b>	A natural aggregate of one or more minerals, which at a specified time and place, may be mined and sold at a profit, or which from some part may be profitably separated.

<b>Oz</b>	A measure of weight known as an ounce.
<b>Permit</b>	Paperwork to allow certain types of activities in exploration
<b>Placer</b>	A deposit of sand and gravel containing valuable metals such as gold, tin or diamonds.
<b>Proterozoic</b>	Period of time in Earth's history between 2.5 billion years ago and 544 million years ago.
<b>Ppm</b>	Parts per million.
<b>Pyrite</b>	A yellow iron sulphide mineral, normally of little value. It is sometimes referred to as "fool's gold".
<b>Rare Earth Elements (REE)</b>	The rare earth elements ("Rare Earths" or "REE") include the 15 elements in the Periodic Table of Elements, plus yttrium and scandium which have multiple uses in technology.
<b>Radiometric dating</b>	The calculation of an age in years of geologic materials by any one of several age determination methods based on nuclear decay of natural radioactive elements contained in the material.
<b>Sample</b>	A small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying.
<b>Sampling</b>	Selecting a fractional but representative part of a mineral deposit for analysis.
<b>Shear or shearing</b>	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing such metamorphic structures as cleavage and schistosity.
<b>Strike</b>	The course or bearing of a bed or layer of rock.
<b>Tailings</b>	Material rejected from a mill after most of the recoverable valuable minerals have been extracted.
<b>Th</b>	The chemical symbol for thorium.
<b>U</b>	The chemical symbol for uranium.
<b>U<sub>3</sub>O<sub>8</sub></b>	Uranium oxide. The mixture of uranium oxides produced after milling uranium ore from a mine. Sometimes loosely called "yellowcake". It is yellow in colour and is usually represented by the empirical formula U <sub>3</sub> O <sub>8</sub> . Uranium is sold in this form.
<b>Unconformity</b>	A boundary separating two or more rocks of markedly different ages, marking a gap in the geologic record.
<b>Unconformity Deposit Model</b>	The theoretical model for the characterization of major uranium deposits located in the Athabasca Basin. Deposition/concentration of high-grade "unconformity" uranium deposits are thought to result from the chemical interaction of dissolved uranium present in water-saturated sediments above the unconformity with reducing gases and fluids generated from significant hydrothermal activity emanating from below the unconformity. High-grade uranium deposits have been observed to occur at, above and/or below the unconformity.  Many unconformity-type deposits are marked by the surrounding presence of sandstone and basement rocks that have also been chemically-altered due to hydrothermal activity. These larger rock "alteration" zones represent the primary targets for uranium explorers as the altered physical properties of the rocks can be detected via various airborne and land-based geophysical survey methods. In addition, the presence of geological fault structures is highly-correlated with high-grade uranium deposition, with the fault structures likely acting as the conduits for the upwelling of hydrothermal fluids.
<b>Uraninite</b>	A mineral consisting of uranium oxide and trace amounts of radium and thorium and polonium and lead and helium; uraninite in massive form is called pitchblende which is the chief uranium ore.
<b>Vein</b>	A fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.
<b>Volcanic rocks</b>	Igneous rocks formed from magma that has flowed out or has been violently ejected from a volcano.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F and the exhibits attached hereto contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” (or the negative and grammatical variations of any of these terms and similar expressions) be taken, occur or be achieved,) are not statements of historical fact and may be forward-looking statements. Such statements are included, among other places in this Annual Report on Form 20-F, in the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Description of Business" and "Description of Property." Forward-looking statements are subject to a variety of known and unknown risks and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- mining exploration risks, including risks related to accidents, equipment breakdowns or other unanticipated difficulties with or interruptions in production;
- the potential for delays in exploration activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price fluctuations;
- the uncertainty of profitability based upon the Company's history of losses;
- risks related to failure of the Company and/or its joint venture partner to obtain adequate financing on a timely basis and on acceptable terms;
- risks related to environmental regulation, permitting and liability;
- political and regulatory risks associated with mining and exploration;
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the sections entitled “Risk Factors”, “Information on the Company” and “Operating and Financial Review and Prospects” and in the exhibits attached to this Annual Report on Form 20-F. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. Although the forward-looking information contained in this Annual Report is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong global demand for mineral commodities, continued funding and continued strength in the industry in which the Company operates, and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this Annual Report. The Company does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions change, except as required by law. **For the reasons set forth above, investors should not place undue reliance on forward-looking statements.**

## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this item.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

This Form 20F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this item.

### ITEM 3. KEY INFORMATION

#### A. Selected Financial Data

1. The selected financial data and the information in the following tables of the Company for the years ended April 30, 2012 and April 30, 2011 were derived from the consolidated financial statements of the Company. These consolidated financial statements have been prepared in accordance with and in full compliance with International Financial Reporting Standard (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”), which differ in certain respects from the principles the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). These IFRS consolidated financial statements are the Company’s first annual consolidated financial statements prepared in accordance with IFRS for the year ending April 30, 2012. Previously, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). Subject to certain transition elections disclosed in the consolidated financial statements filed herewith, the Company has consistently applied the same accounting policies in the opening IFRS statement of financial position as at May 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 17 in the consolidated financial statements, filed herewith, discloses the impact of the transition to IFRS on the Company’s reported consolidated statements of financial position, statement of net loss and comprehensive loss and statement of cash flows, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements for the year ended April 30, 2011.

The Company’s consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The selected financial data should be read in conjunction with the consolidated financial statements along with the notes thereto, the Management Discussion and Analysis (“MDA”) dated July 30, 2012, filed herewith, and ITEM 5 – Operating and Financial Review Prospects.

2. The table below summaries certain consolidated financial information in accordance with IFRS for the years ending April 30, 2012 and April 30, 2011. The information has been derived from the consolidated financial statements filed herewith. The consolidated financial statements were initially prepared in accordance with Canadian GAAP, consistent with the prior years and periods ended April 30, 2010, 2009 and 2008. The consolidated financial statements at the year ended April 30, 2011 have been adjusted in accordance with IFRS 1, and therefore the financial information set forth in this annual report for the year ended April 30, 2011 may differ from information previously published. The Company adopted IFRS transition date of May 1, 2010. For details regarding the adjustments made with respect to the comparative data refer to Note 17 in the consolidated financial statements filed herewith.

**International Financial Reporting Standards  
(in Canadian Dollars) for the Fiscal Year Ended April 30**

\$000's	2012	2011
<b>Assets</b>		
Cash and cash equivalents	4,394	9,642
Other current assets	466	981
Mineral properties	1,356	1,797
Other non-current assets	849	959
Total assets	7,065	13,379
<b>Liabilities</b>		
Current liabilities	1,792	2,461
<b>Shareholders' Equity</b>		
Common shares	73,210	72,108
Equity reserve	10,506	10,170
Investment revaluation reserve	53	267
Deficit	(78,496)	(71,627)
Revenues	-	-
Exploration costs	5,119	7,717
Other expenses	1,750	2,079
Net loss for the year	(6,869)	(9,796)
Unrealized loss (gain) on available-for-sale securities	214	(257)
Total comprehensive loss for the year	(7,083)	(9,539)
Weighted Avg.# of shares outstanding (000's)	20,425	18,114
Net loss per share – basic and diluted	(0.34)	(0.54)

2. (a) The table below summaries certain consolidated financial information for the years ending April 30, 2010, 2009 and 2008 in accordance with U.S. GAAP in Canadian dollars, which have been derived from previously published consolidated financial statements for the year ended dates.

**U.S. GAAP (in Canadian Dollars) for the Fiscal Year Ended April 30**

\$000's	2010	2009	2008
<b>Assets</b>			
Cash	7,889	6,339	7,376
Restricted cash	833	-	-
Other current assets	1,409	1,272	3,003
Mineral properties	1,043	583	529
Other non-current assets	1,134	1,144	1,598
Total assets	12,308	9,338	12,506
<b>Liabilities</b>			
Current liabilities	1,626	1,194	2,619
Future income tax liability	-	-	-
<b>Shareholders' Equity</b>			
Common shares	67,655	62,219	59,247
Contributed surplus	10,108	8,383	5,835
Accumulated other comprehensive income	10	9	166
Deficit	(76,645)	(68,439)	(58,429)
Non-controlling interest	9,554	5,972	3,068
Revenues	-	-	-
Exploration costs	6,652	8,426	14,146
Other expenses	2,973	2,680	2,289
Loss before income taxes	(9,625)	(11,106)	(16,435)
Future income tax (expense) recovery	-	-	-
Net loss for the year	(9,625)	(11,106)	(16,435)
Loss attributable to non-controlling interests	1,418	1,097	532
Loss attributable to common shareholders	(8,207)	(10,009)	(15,903)
Unrealized (gain) loss on available-for-sale securities	(1)	157	360
Comprehensive loss for the year	(9,624)	(11,263)	(16,795)
Weighted Avg.# of Shares Outstanding	15,376	13,716	11,704
Net Loss Per Share – basic and diluted	(0.53)	(0.72)	(1.36)

2. (b) The table below summaries certain consolidated financial information for the years ending April 30, 2010, 2009 and 2008 in accordance with Canadian GAAP in Canadian dollars, which have been derived from previously published consolidated financial statements for the year ended dates.

**Canadian GAAP (in Canadian Dollars) for the Fiscal Year Ended April 30**

\$000's	2010	2009	2008
<b>Assets</b>			
Cash	8,722	6,339	7,376
Other current assets	1,409	1,272	3,003
Mineral properties	46,245	39,133	31,661
Other non-current assets	1,134	1,144	1,598
Total assets	57,510	47,888	43,638
<b>Liabilities</b>			
Current liabilities	1,626	1,194	2,619
Future income tax liability	3,399	2,654	1,919
<b>Shareholders' Equity</b>			
Common shares	60,878	56,183	54,079
Contributed surplus	9,665	7,940	5,392
Accumulated other comprehensive income	10	9	166
Deficit	(30,668)	(27,692)	(24,137)
Non-controlling interest	12,600	7,600	3,600
<b>Revenues</b>			
Revenues	-	-	-
Exploration costs	477	1,008	899
Other expenses	2,960	2,815	2,447
Loss before income taxes	(3,437)	(3,823)	(3,346)
Future income tax (expense) recovery	461	268	298
Net loss for the year	(2,976)	(3,555)	(3,048)
Unrealized (gain) loss on available-for-sale securities	(1)	157	360
Comprehensive loss for the year	(2,975)	(3,712)	(3,408)
Weighted Avg.# of Shares Outstanding	15,576	13,716	11,704
Net Loss Per Share – basic and diluted	(0.19)	(0.26)	(0.26)

3. (a) On July 26, 2012 the exchange rate of the Canadian dollar into United States Dollars based on the nominal rate for U.S. Dollars reported by the Bank of Canada was \$1.00 equals C\$0.99.

3. (b) **U.S. Dollar/Canadian Dollar Exchange Rates for Previous Six Months**

2012	February	March	April	May	June
High	1.0158	1.0161	1.0204	1.0173	0.9837
Low	0.9960	0.9965	0.9950	0.9647	0.9576

3. (c) **U.S. Dollar/Canadian Dollar Exchange Rates for the Five Most Recent Financial Years**

Fiscal Year Ended	Average	High	Low	Close
April 30, 2012	0.9959	1.0630	0.9383	0.9879
April 30, 2011	0.9873	1.0582	0.9218	0.9464
April 30, 2010	1.0109	1.1079	1.0038	1.0158
April 30, 2009	1.1926	1.1977	1.1875	1.1930
April 30, 2008	1.0079	1.0121	1.0037	1.0072

**B. Capitalization and Indebtedness**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this item.

**C. Reasons for the Offer and Use of Proceeds**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this item.

**D. Risk Factors**

The Company is engaged in the exploration of mineral properties, an inherently risky business. An investment in our common shares is highly speculative and subject to a number of known and unknown risks. Only those persons who can bear the risk of the entire loss of their investment should purchase our securities. An investor should carefully consider the risks described below and the other information that we file with the SEC and with Canadian securities regulators before investing in our common shares. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The risks described below are not the only ones faced. Additional risks that we are not currently aware of or that we currently believe are immaterial may become important factors that affect our business. If any of these risks occur, operating results and financial conditions could be seriously harmed, the market price of our common shares could decline and the investor may lose all of their investment. The risk factors set forth below and elsewhere in this Annual Report, and the risks discussed in our other filings with the SEC and Canadian securities regulators may have a significant impact on our business, operating results and financial condition and could cause actual results to differ materially from those projected in any forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements".

**Commodity Prices**

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. At the current time, uranium prices have remained depressed following the Fukushima nuclear incident. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of mineral commodities.

## **Competition**

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. The Company has a large land position in the Athabasca Basin, and has carried out extensive exploration, but has not defined an economic deposit. Other exploration companies have been successful with the discovery of deposits in the Athabasca, and these companies tend to attract investors away from CanAlaska. CanAlaska relies on the ongoing support of its JV partners to fund their portion of exploration, however additional funding from the current partners is uncertain. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

## **Mineral Exploration Risks**

Mineral exploration activities and, if warranted, development activities generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Environmental hazards, industrial accidents, unusual or unexpected geological formations, fires, power outages, labour disruptions, flooding, explosions, cave-ins, land-slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Operations and activities in which we have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines, if any, and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. We may become subject to liability for certain hazards which we cannot insure against or which we may elect not to insure against because of premium costs or other reasons. The payment of such liabilities may have a material, adverse effect on our financial position. At the present time, we do not conduct any mining operations and none of our properties are under development, and, therefore, we do not carry insurance to protect us against certain inherent risks associated with mining. Reclamation requirements vary depending on the location and the managing regulatory agency, but they are similar in that they aim to minimize long term effects of exploration and mining disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation.

## **We Are An Exploration Stage Company**

At present, none of our properties have a known body of ore and all our proposed exploration programs are an exploratory search for ore. We will only develop our mineral properties if we obtain satisfactory results from our exploration programs. The development of uranium and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. We have relied and may continue to rely upon consultants and others for exploration expertise. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. We cannot assure you that any mineral deposits will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Depending on the price of uranium or other minerals produced, if any, we may determine that it is impractical to commence or, if commenced, continue commercial production.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond our control and which cannot be accurately predicted, such as market fluctuations, the global marketing conditions for uranium and other metals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

## **Canadian and U.S. Reporting of Reserves Are Different**

Our reserve and resource estimates are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements, as we generally reports reserves and resources in accordance with Canadian practices. These practices are different from those used to report reserve and resource estimates in reports and other materials filed with the SEC. It is Canadian practice to report measured, indicated and inferred resources, which are not permitted in disclosure filed with the SEC by United States issuers. In the United States, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves.

Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC permits issuers to report "resources" only as in-place tonnage and grade without reference to unit of metal measures.

Accordingly, information concerning descriptions of mineralization, reserves and resources contained in this Annual Report, or in the documents incorporated herein by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

**The Company believes it is likely a "passive foreign investment company" which will likely have adverse U.S. federal income tax consequences for U.S. shareholders**

U.S. shareholders should be aware that the Company believes it was classified as a passive foreign investment company ("PFIC") during the tax year ended April 30, 2012, and may be a PFIC in future tax years. If the Company is a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of common shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. shareholders should be aware that there can be no assurance that the Company will satisfy record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. shareholders with information that such U.S. shareholders require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. shareholder wishes to make a QEF Election. Thus, U.S. shareholders may not be able to make a QEF Election with respect to their common shares. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations." Each U.S. shareholder should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

**Foreign Political Risk**

The Company's material property interests are currently located in Canada and New Zealand. Some of the Company's interests are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

**Government Laws, Regulation and Permitting**

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. In Canada, the issuance of governmental licenses and permits are increasingly being influenced by land use consultations between the government and local First Nations communities. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.



### **Title to Properties**

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn an increased economic interest in certain of its properties. To earn this increased interest, the Company is required to make certain exploration expenditures and payments of cash and/or Company shares. If the Company fails to make these expenditures and payments, the Company may lose its right to such properties and forfeit any funds expended up to such time.

### **Estimates of Mineral Resources**

The mineral resource estimates used by the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

### **Cash Flows and Additional Funding Requirements**

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects. Without further financing and exploration work on its properties the company expects its current 884,364 ha of property to reduce to 864,407 ha by December 31 2012, and 582,776 ha by December 31 2014. The Company's Fond Du Lac property reaches its last anniversary on February 13 2013, following which time a new lease will be required by the Fond Du Lac community from Aboriginal and Northern Affairs Canada. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 15 years from the current date.

### **Key Management**

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has terminated all long term employment contracts with senior management and is in the process of completing the negotiation of reduced contracts with the CEO, CFO, VP Corporate Development and VP Exploration. Non essential technical staff have been terminated and remaining technical staff are currently occupied on third party contracts, and projects which require minimal funding. This status is being monitored and adjusted on a monthly basis.

### **Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares and the amount of financing that can be raised by the Company.

### **Our Stock Is Thinly Traded**

The trading market for our shares is not always liquid. The market price of our common shares has ranged from a high of \$0.83 and a low of \$0.31 during the twelve month period ended April 30, 2012. Although our shares trade on the Toronto Stock Exchange, FINRA Over-the-Counter Bulletin Board and on the Frankfurt Stock Exchange, the volume of shares traded at any one time can be limited, and, as a result, there may not be a liquid trading market for our shares.

### **Foreign Currency Exchange**

A small portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for the Company's products or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

### **Conflict of Interest**

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

## **ITEM 4. INFORMATION ON THE COMPANY**

### **A. History and Development of the Company**

The Company was incorporated on May 22, 1985 under the laws of the Province of British Columbia, Canada under the name Canadian Gravity Recovery Group Ltd. On June 14, 1985, the Company changed its name to CanAlaska Resources Ltd. On September 15, 1993, the Company consolidated its share capital on a four for one basis and changed its name to International CanAlaska Resources Ltd. On October 19, 1999, the Company consolidated its share capital on a five for one basis and changed its name to CanAlaska Ventures Ltd. The Company was transitioned under the *Business Corporations Act* on September 24, 2004. The Company changed its name to CanAlaska Uranium Ltd. on October 11, 2006. On November 8, 2010, the Company consolidated its share capital on a 10 for one basis. On June 21, 2011, the Company's shares were listed for trading on the Toronto Stock Exchange and were de-listed from the TSX-Venture Exchange. The registered office is #1020 – 625 Howe Street, Vancouver, BC, V6C 2T6, CANADA. The telephone number is 604.688.3211 the fax number is 604.688.3217. The company's host agent in the United States is Incorp Services Inc., 375 N. Stephanie Street, Suite 1411, Henderson, Nevada 89014-8909, USA.

### **B. Business Overview**

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties, principally in Canada. The Company aims to acquire and advance its projects to a stage where they can be exploited at a profit or it can arrange joint ventures, whereby other companies provide funding for development and exploitation. The Company's principal focus has been exploring for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan.

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

The Company intends to restrict its exploration activity in the uranium sector until financial markets recover. Management intends to continue its efforts to joint venture or sell its various uranium assets to reduce ongoing expenditures and strengthen its treasury. The Company also intends to reduce the size of its operations team to match reduced project funding and market financings.

The Company is in the early stages of exploration on all of its mineral properties

The Company generates the majority of its exploration projects, and in the past has organised and managed technical staff and field crews to carry out project work on its own behalf and for others. The Company has reduced its overall staff levels, and will continue this path if there is a continued decline in the ability to support uranium exploration.

The Company can give no estimate of the time to reach discovery on any of its projects. This is dependent upon the availability of funding, the prospectivity of the projects, and the successful completion of exploration and drill programs.

As part of its efforts to conserve its cash position and reduce obligations, the Company has terminated the management contracts of all of its senior management team. The termination dates run from July 13 – July 31, 2012. For details of the contract terminations, see “Executive Compensation” section of this 20-F.

### **C. Organizational Structure**

CanAlaska Resources Ltd. USA (“CanAlaska USA”) is a wholly owned subsidiary incorporated by the Company in the State of Nevada on May 16, 1988 for the purpose of mineral exploration in Alaska. The Company’s registered agent in the State of Nevada is Incorp Services Inc., 2360 Corporate Circle – Suite 400, Henderson, Nevada 89074-7722 USA.

Golden Fern Resources Limited is a wholly owned subsidiary incorporated under the Companies Act of New Zealand on August 15, 1993 for the purpose of exploration of mineral resources in New Zealand.

CanAlaska West McArthur Uranium Ltd. (“CWMU”) is a wholly owned subsidiary that was incorporated under the Business Corporation’s Act of British Columbia on March 15, 2007. CWMU acts as the operator for the 50/50 West McArthur Joint Venture Project located in the Athabasca basin Saskatchewan, Canada, with MC Resources Canada Ltd., (a division of Mitsubishi Development PTY Ltd.) and the Company.

Canada-Korea Uranium Limited Partnership (“CKULP”) was registered under the Partnership Act (Section 51) on December 14, 2007, for the partners to carry out uranium exploration and development of the Cree East Property located in the Athabasca basin, Saskatchewan, Canada. The partners include a consortium of four Korean entities consisting of Hanwha Resources (Canada) Ltd., Kores Canada Corp., Kepco Canada Energy Ltd., SK Networks Co., Ltd., (together referred to the “Consortium” (50%)) and the Company (50%).

CanAlaska Korea Uranium Limited (“CKUL”) was incorporated on July 4, 2007 under the Business Corporations Act of British Columbia to act as General Partner of the Canada-Korea Uranium Limited Partnership for the purpose of exploring the Cree East Joint Venture Property located in the Athabasca basin, Saskatchewan, Canada. CKUL is held 50% by the Consortium members and 50% by the Company.

Poplar Uranium Limited is a wholly owned subsidiary that was incorporated under the Business Corporation’s Act of British Columbia on August 22, 2007. The company holds the title to one recently acquired gold property in Nunavut.

### **D. Property, Plants and Equipment**

#### **Overview**

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

As part of the transition to IFRS, the Company adopted an accounting policy to retrospectively expense all pre-feasibility exploration and evaluation costs, whereby these costs had previously been capitalized under Canadian GAAP. The effects of this transitional change are as follows:

- (i) At May 1, 2010:
  - a) decrease deferred exploration assets of \$44,542,000
  - b) increase opening deficit by \$44,542,000
  
- (ii) At April 30, 2011:
  - a) decrease deferred exploration assets of \$52,345,000
  - b) increase opening deficit by \$44,542,000
  - c) increase net loss by \$7,803,000

The following table summarizes the Company’s expenditures in the Athabasca Basin over the last eight quarters. The reimbursements figures in the table do not include the contributions from our Korean Partners on Cree East which is disclosed in Table 3 below (all numbers in accordance with IFRS).

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

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

### 1 Cree East Project, Saskatchewan – Korean Consortium

Cree East is a high-priority project located in the south-eastern portion of the Athabasca Basin, 35 kilometres west of the formerly producing Key Lake mine and 5 to 22 kilometres north of the south rim of the Athabasca Basin. The project is comprised of 16 contiguous mineral claims totalling approximately 56,000 hectares. A Korean Consortium (Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Networks Co. Ltd.), in December 2007 agreed to spend \$19.0 million on the properties to earn into a 50% interest in the Cree East project.

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

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

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

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

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

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

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

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

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

#### **IFRS impact on accounting for Cree East Project**

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

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

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

- (i) At May 1, 2010:
  - a) cash decreased by \$836,000
  - b) non-controlling interest decreased by \$12,600,000
  - c) dilution gain resulting from above credited to deficit in the amount of \$11,764,000
  
- (ii) At April 30, 2011:
  - a) cash decreased by \$1,774,000
  - b) non-controlling interest decreased by \$19,000,000

c) dilution gain resulting from above credited to deficit in the amount of \$5,462,000

## 2 West McArthur Project, Saskatchewan – Mitsubishi

The West McArthur project in the Athabasca Basin, Saskatchewan, was optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi could exercise an option to earn a 50% interest in the property by investing \$11.0 million. In February 2010, Mitsubishi exercised their option with a payment to the Company and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee between 5% and 10%, based on expenditures incurred. The West McArthur project is located immediately west of the McArthur River uranium mine operated by Cameco Corp, and covers approximately 36,000 hectares.

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

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

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

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

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

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

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

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

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

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

### **3 Fond Du Lac Project, Saskatchewan**

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

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

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

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

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

### **4 Grease River Project, Saskatchewan**

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

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

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

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

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

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

#### **5 Cree West Project, Saskatchewan**

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

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

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

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

#### **6 Key Lake Project, Saskatchewan**

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

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

In winter 2007, three holes costing \$0.2 million were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U<sub>3</sub>O<sub>8</sub> over 1 metre), but with strong alteration and faulting. In winter 2008, an additional target was drill-tested on another claim, returning highly-anomalous rare earths mineralization. Only minimal activity occurred through fiscal 2011 and 2012.

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



## 7 Carswell Project, Saskatchewan

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

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

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

## 8 NW Manitoba, Manitoba

This property consists of approximately 144,000 hectares and lies between 90 and 170 kilometres northeast along the Wollaston trend of basement formations hosting uranium deposits, which include Rabbit Lake, Collins Bay and Eagle Point Uranium mines. In May 2012, the Company reported strong geophysical responses matching geology and uranium mineralized boulders from the recent surveys within the target areas at its NW Manitoba uranium project. The recent ground resistivity gravity geophysical surveys localized anomalous features typical of sulphide-bearing mineralization, and zones of clay alteration within areas of shallow overburden. There is a striking correspondence between the location of gravity anomalies and the low resistivity zones from the survey.

## 9 Other Projects

The Company uses its technical staff between field seasons to evaluate other mineral projects for acquisition, either by staking or by option, with the purpose of sale to third parties. For a full description of the geology and setting of the current projects and of the Company's other projects, reference should be made to the “Property” section, and accompanying news releases of work on the Company's website at [www.canalaska.com](http://www.canalaska.com).

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

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

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

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

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

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

## 2.2.9 Project Expenditure Summary

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

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

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

#### ITEM 4A - UNRESOLVED STAFF COMMENTS

None.

#### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

##### A. Operating Results

This discussion should be read in conjunction with the consolidated financial statements of the Company for the fiscal year ended April 30, 2012 as filed herewith and the Management Discussion and Analysis dated July 27, 2012 as filed herewith.

##### Significant Accounting Policies

The complete list of the Company's significant accounting policies are set out in Note 3 of the consolidated financial statements, filed herewith, for the year ended April 30, 2012.

##### Financial assets and liabilities

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

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

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

The Company has classified its financial instruments as follows:

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

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

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

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

### **Exploration and evaluation expenditures**

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

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

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

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

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

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

#### **Decommissioning liabilities**

Obligations associated with the decommissioning of tangible non-current assets are recorded as provisions when those obligations are incurred, with the amount of the liability initially measured at management's best estimates. These obligations are capitalized in the accounts of the related non-current assets and are amortized over the useful lives of the related assets. It is possible that the Company's estimates of its ultimate decommissioning liabilities could change as a result of changes in regulations, the extent of environmental remediation required and the means of reclamation or costs estimates. Changes in estimates are accounted for prospectively from the period these estimates are revised.

There are no decommissioning liabilities obligations as at April 30, 2012, April 30, 2011 and May 1, 2010.

#### **Income taxes**

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

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

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

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

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

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

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

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

#### **Share-based payments**

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The total amount to be expensed is determined by reference to the fair value of the options granted.

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in Note 10 in the consolidated financial statements, filed herewith. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period of the options with a corresponding increase in equity reserve.

**Flow-through shares**

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

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

**New Accounting Pronouncement****IFRS Convergence**

In February 2008, the CICA announced that GAAP for publicly accountable enterprises is to be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Companies are required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from GAAP to IFRS is to be applicable to the Company's reporting for the first quarter of its 2012 year end for which the current and comparative information will be prepared under IFRS. The Company is required to apply all of those IFRS standards which are effective for fiscal year ending April 30, 2011 and apply them to its opening May 1, 2010 balance sheet.

<b>Results of Operations – Consolidated Statements of Loss and Comprehensive Loss</b>		
For the years ending April 30	<b>2012</b>	<b>2011</b>
	(\$000's)	(\$000's)
<b>EXPENSED EXPLORATION COSTS</b>		
Mineral property expenditures	4,825	8,026
Mineral property write-offs	451	-
Equipment rental income	(157)	(303)
Net option payments	-	(6)
	5,119	7,717
<b>OTHER EXPENSES</b>		
Consulting, labour and professional fees	1,255	1,299
Depreciation and amortization	136	178
Gain on disposal of property and equipment	(7)	(11)
Foreign exchange (gain) loss	(4)	4
Insurance, licenses and filing fees	115	130
Interest income	(119)	(90)
Other corporate costs	164	159
Investor relations and presentations	132	163
Rent	134	118
Share-based payments	319	623
Travel and accommodation	68	94
Management fees	(363)	(560)
Impairment and loss (gain) on disposal of available-for-sale securities	122	(28)
Premium on flow-through shares	(202)	-
	1,750	2,079
<b>Net loss for the year</b>	<b>(6,869)</b>	<b>(9,796)</b>
<b>Other comprehensive loss</b>		
Unrealized loss (gain) on available-for-sale securities	214	(257)
<b>Total comprehensive loss for the year</b>	<b>(7,083)</b>	<b>(9,539)</b>
<b>Basic and diluted loss per share (\$ per share)</b>	<b>(0.34)</b>	<b>(0.54)</b>
<b>Weighted average common shares outstanding (000's)</b>	<b>20,425</b>	<b>18,114</b>



## **Operating Results - Narrative Discussion**

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

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

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

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

Insurance, licenses and filing fees are consistent with prior periods. During the fiscal year ended April 30, 2012, the Company graduated from the TSX Venture Exchange to the Toronto Stock Exchange.

Interest income was higher in 2012 compared to 2011. The increase was attributed to both the increased cash balances held during the year and better investment rates of return.

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

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

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

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

## **B. Liquidity and Capital Resources**

As of April 30, 2012 the Company had cash and cash equivalents of \$4.4 million (April 30, 2011: \$9.6 million). The Company's working capital position as at April 30, 2012 was \$3.1 million (April 30, 2011: 8.2 million).

The Company has entered into joint venture agreements with the Korean Consortium and Mitsubishi and they are currently fully or partially funding exploration on two of its properties located in Athabasca. As of April 30, 2012, the Korean Consortium has completed \$19.0 million of funding. In February 2010, Mitsubishi completed \$11.0 million of funding, and CanAlaska and Mitsubishi entered into a 50/50 joint venture. Subsequent to the formation of the joint venture, Mitsubishi has provided funding of \$4.3 million for the West McArthur project.

CanAlaska views itself as fortunate to have strong strategic relationships with its partners. The strategic support from Mitsubishi and our Korean Consortium partners allowed the Company to continue to advance two significant projects in these challenging economic times. CanAlaska has also been conscious to maintain a reasonable treasury and is continually evaluating all of its projects.

In May 2011 and March 2012, the Company closed non-brokered common share and flow-through private placements for aggregate gross proceeds of \$1.4 million. The Company believes that with the completion of these private placements, its current treasury, and the support of its strategic partners that it can continue to maintain operations over the next twelve months given the continuing funding from our joint venture partners. Due to increasingly difficult market conditions facing junior uranium exploration companies, management is currently in the process of evaluating its priorities and taking steps to streamline non discretionary expenditures.

The Company however remains in nature an exploration enterprise and will, at some point, need to seek additional financings either through equity offerings or the formation of additional strategic partnerships.

*Cash and Working Capital*

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

Included within cash and cash equivalents are \$0.4 million in funds from the CKU Partnership which are dedicated to the Cree East project. Reference should be made to Note 5 of the consolidated financial statements, filed herewith, for further details.

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

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

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

<b>Other Assets and Liabilities (\$000's)</b>	<b>Apr-12</b>	<b>Apr-11</b>
Reclamation bonds	345	343
Property and equipment	504	616
Mineral property interests	1,356	1,797

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

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

<b>Shareholders' Equity (\$000's)</b>	<b>Apr-12</b>	<b>Apr-11</b>
Common shares	73,210	72,108
Contributed surplus	10,506	10,170
Accumulated other comprehensive income	53	267
Deficit	(78,496)	(71,627)
<b>Total shareholders' equity</b>	<b>5,273</b>	<b>10,918</b>

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

#### **Equity instruments**

The Company has an unlimited amount of authorized common shares without par value. As of April 30, 2012 the Company had 22,058,136 common shares outstanding.

<b>Proceeds from Financings</b>			
<b>Date</b>	<b>Type / Gross Proceeds</b>	<b>Intended Use</b>	<b>Actual Use</b>
March 2012	\$0.1 million – 283,000 common shares	Uranium exploration in Saskatchewan	As Intended
March 2012	\$0.8 million – 1,522,000 flow-through common shares	Uranium exploration in Saskatchewan	As Intended
May 2011	\$0.5 million – 418,141 flow through common shares	Uranium exploration in Saskatchewan	As Intended

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

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

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

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

#### **C. Research and Development, Patents and Licenses, etc.**

As the Company is a mineral exploration company with no research and development, the information required by this section is not applicable.

#### **D. Trend Information**

As the Company is a mineral exploration company with no producing properties, the information required by this section is not applicable.

#### **E. Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

**F. Tabular Disclosure of Contractual Obligations**

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

\$000's	Payments due by period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
<i>Contractual Obligations:</i>					
Operating Lease Obligations	638	198	300	140	-
TOTAL	638	198	300	140	-

The Company has outstanding future commitments under mineral property agreements to issue common shares of the Company. Reference should be made to Note 8 of the consolidated financial statements filed herewith.

**ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. Directors and Senior Management**

The following table the name, province or state and country of residence for each director and executive officer of the Company, their principle occupation over the past five years, years of service and the number of securities held. Each director will hold office until the next annual general meeting of the shareholders and until such director's successor is elected and qualifies, or until the director's earlier death, resignation or removal. The executive officers and committee members of the Company are elected annually at the first director's meeting immediately following the annual general meeting of shareholders.

Name, Residence and Current Position(s) with the Company	Principle Occupation	Director of the Company Since	Number of Securities Held
<p><b>Peter Dasler</b> Tsawwassen, BC, Canada <i>President, Chief Executive Officer &amp; Director</i></p>	<p>President, CEO and Director of the Company (2004-present). Mr. Dasler has over 35 years of experience in exploration geology including twenty years of geological consulting and contracting for junior and senior companies based out of Vancouver, BC. Mr. Dasler holds Bachelor's (1974) and Master's (1981) degrees from Canterbury University, New Zealand, and is a member of the professional Engineers and Geoscientists Association of BC. His background includes senior geological positions in New Zealand, and Mine Manager of the 10 million ton per annum Taharoa Ironsand Mine, as well as management of junior exploration companies in Canada.</p>	<p>September 20 2006</p>	<p><b>179,380</b> Common shares <b>7,812</b> Warrants <b>536,000</b> Stock Options</p>
<p><b>Emil Fung</b> West Vancouver, BC, Canada <i>Vice President Corporate Development &amp; Director</i></p>	<p>Vice President of Corporate Development and Director of the Company (2007- present); Consultant and employee of the Company (2005-2007). Mr. Fung holds a B.A.Sc. (Ch.E.) degree from the University of Toronto and is a M.B.A. graduate from the Schulich School of Business at York University, Toronto. He began his career as a design engineer of Canadian nuclear reactors. In the mid-80's, Mr. Fung was engaged in investment banking in New York, where he headed mergers and acquisitions for Toronto Dominion Securities. During the 90's, Mr. Fung pursued his entrepreneurial interests in Asia where he founded several media, telecoms and entertainment companies. He later formed a venture capital fund to invest exclusively in entrepreneurial start-ups in China. Mr. Fung returned to Canada in 2003 with a view to bridge the growing gap between resource-hungry Asian economies and the commodity riches of Canada. He teamed with the Company in January, 2005 to advance the Company's corporate development efforts.</p>	<p>June 28 2007</p>	<p><b>56,489</b> Common shares <b>7,812</b> Warrants <b>506,000</b> Stock Options</p>
<p><b>Amb. Thomas Graham Jr.</b> Bethesda, MD, United States <i>Chairman &amp; Director</i></p>	<p>Appointed Chairman of the Board June 3, 2011. Director of the Company (2007-present); appointed as a member of the International Advisory Board for the nuclear program of the United Arab Emirates in 2010; Chairman of the Board of Mexco Energy Corporation (July 1997-present); Executive Chairman of Lightbridge Corporation (formerly Thorium Power, Ltd.)(2006-present). Ambassador Thomas Graham, Jr. is one of the world's leading experts in nuclear non-proliferation. Amb. Graham has served under four successive U.S. Presidents as a senior U.S. diplomat involved in the negotiation of every major international arms control and non-proliferation agreement for the past 35 years. This includes the SALT, START, ABM, INF, NPT, CFE and CTBT Treaties. Amb. Graham has served with the U.S. Arms Control and Disarmament Agency and as the Special Representative of the President of the United States for Arms Control, Non-Proliferation, and Disarmament, in which role he successfully led U.S. government efforts to achieve the permanent extension of the Nuclear Non-Proliferation Treaty.</p>	<p>March 30 2007</p>	<p><b>20,000</b> Common shares <b>150,000</b> Stock Options</p>

<p><b>Hubert Marleau</b> <sup>(1)(2)(3)</sup> Montreal, QC, Canada Director</p>	<p>Independent Director of the Company (1996-present); Founder and Chairman of Palos Capital Corp. (1998-present); and Director of several other public companies.</p>	<p>April 17 1996</p>	<p><b>149,000</b> Stock Options</p>
<p><b>Jean Luc Roy</b> <sup>(1)(2)(4)</sup> Burkina Faso, Africa <i>Director</i></p>	<p>Independent Director of the Company (2007-present); Former President and CEO of El Nino Ventures Inc.(2006-2009); Manager for SOMISY SA (2008 – 2009); COO of Ampella Mining Limited (2009 – present). He has over 20 years experience in the mining industry. The majority of his experience has been in Africa for companies such as International Gold Resources, Ashanti Goldfields Inc., Senafo, and First Quantum Minerals. Mr. Roy has managed projects from exploration through to production in three different countries. As Managing Director for First Quantum Minerals, Jean Luc played a crucial role in securing extensive land positions and by successfully placing a mining operation into production in the Democratic Republic of Congo during a period of major unrest in the country. Mr. Roy is presently a resident of Burkina Faso where is COO of Ampella Mining Ltd an Australian listed company focused on gold exploration in West Africa with their flagship property Batie West.</p>	<p>October 31 2007</p>	<p><b>5,700</b> Common shares <b>150,000</b> Stock Options</p>
<p><b>Victor Fern</b> <sup>(2)(3)</sup> Fond du Lac, SK, Canada Director</p>	<p>Independent Director of the Company (2007-present); road maintenance supervisor for Athabasca Development Corporation (2009-present); mill training foreman and a mill process operator for Cameco Corporation; former Chief of the Fond Du Lac Denesuline First Nation (2005–2007).</p>	<p>March 25 2008</p>	<p><b>150,000</b> Stock Options</p>
<p><b>Michael E. Riley</b> <sup>(1)(3)(5)</sup> Surrey, BC, Canada <i>Director</i></p>	<p>Independent Director of the Company since June 3, 2011; Director and Chair of the Audit Committee of BC Lottery Corporation (2008 – present); Director and Chair of the Audit Committee of Primero Mining Corp. (2010 – present); Director and member of the Finance Committee of Vancouver Symphony Society; former audit partner with Ernst &amp; Young LLP (1985 – 2006).</p>	<p>June 3 2011</p>	<p><b>150,000</b> Stock Options</p>
<p><b>Karl Schimann</b> Vancouver, BC, Canada <i>Vice President Exploration</i></p>	<p>Dr. Schimann joined CanAlaska in late 2004 as exploration manager where he directs a top-flight team of geophysicist and geologists. He was appointed Vice President on June 28, 2007. Dr. Schimann holds a Ph.D. from the University of Alberta and has worked extensively in the Uranium industry. He is a member of the Association of Professional Engineers and Geoscientists of British Columbia, the Canadian Institute of Mining, Metallurgy, and Petroleum, the Geological Association of Canada, and the Association of Exploration Geochemists.</p>	<p>June 7 2004</p>	<p><b>423,375</b> Common shares <b>7812</b> Warrants <b>231,750</b> Stock Options</p>
<p><b>Ram Ramachandran</b> Toronto, ON, Canada <i>Chief Financial Officer</i></p>	<p>Mr. Ramachandran is a Director of Rio Alto Mining Limited (May, 2011- present); White Tiger Gold (2010 - present); Viper Gold Ltd. (2011 - 2012) and serves as CFO for Purepoint Uranium Group Inc. (2005 - present). Ram has over 25 years of financial reporting experience in a multitude of capacities. For over 10 years Ram has consulted extensively on financial reporting and regulatory matters for public companies, accounting and law firms. Ram's contributions to the capital markets include authoring and launching the "Canadian Securities Reporter", a proprietary public company subscription</p>	<p>April 5 2010</p>	<p><b>55,000</b> Stock Options</p>

	service currently available through the CICA's Knotia website. Ram has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and served as a principal in the national office of an international accounting firm. Ram was also a member of the OSC's Continuous Disclosure Advisory Committee and has completed the IFRS Certification program offered by the Institute of Chartered Accountants in England & Wales.		
<b>Frances Petryshen</b> Vancouver, BC Canada <i>Corporate Secretary</i>	Ms. Petryshen was appointed by the board to serve as Corporate Secretary of the Company since December 2007. Ms. Petryshen brings a strong background of over 25 years of management and administration of junior resource companies. She has been a Director and Officer of several public and private companies. Ms. Petryshen was recently admitted as a Fellow of the Institute of Chartered Secretaries and Administrators (FCIS), has been elected a Director and Secretary of the BC Branch of Institute and was recently appointed to the Committee for Canada; she is also a graduate of the ICSA Accredited Director Program (Acc.Dir.). She is a member of the Canadian Society of Corporate Secretaries.	Dec 14 2007	<b>33,625</b> Common shares <b>7812</b> Warrants <b>235,000</b> Stock Options

Notes:

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Governance Committee
- (4) Chair of the Audit Committee and Compensation Committee
- (5) Chair of the Governance Committee

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the directors or officers of the Company:

- (a) is, as at the date of this Form 20-F, or has been, within ten years before the date of this Form 20-F, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;

In August 2003, Mr. Marleau sought registration as a Financial Advisor with the Commission des valeurs mobilières du Québec ("CVMQ"), and duly filed an application for said purpose at that time. On November 13, 2003, Mr. Marleau and Gestion Palos Inc. undertook with the CVMQ to cease acting as dealers or advisors until such time as Gestion Palos Inc. was registered with the CVMQ as an advisor. Such registrations were granted by the CVMQ on December 15, 2003.

Mr. Marleau was:

- Required by the TSX Venture Exchange, on September 3, 2003, to complete a workshop prior to acting as an officer of Stanstead Capital Inc.
- Required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Artevo Corporation.
- Reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; required to attend a workshop; required to pay a fee of \$3,000; required to provide a written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect.

- A director of Magistral Biotech Inc. in early 2006 when it was subject to a cease trade order imposed by L’Autorité des marchés financiers and the British Columbia Securities Commissions because it did not file a comparative financial statement for the financial year ended December 31, 2005. Magistral Biotech Inc. subsequently filed the necessary disclosures and in late 2006, L’Autorité des marchés financiers and the British Columbia Securities Commissions each issued Partial Revocation Orders allowing Magistral Biotech Inc. to effect certain transactions to complete a reverse take-over with Immunotec Research Ltd.
- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date of this Form 20-F, or has been, within ten years before the date of this Form 20-F, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- Mr. Marleau was a director of Malette International Inc. (“Malette”) a reporting issuer listed on the Toronto Stock Exchange Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marches financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette.
- Mr. Ramachandran was a director of Century Mining Corporation (“Century”), a wholly owned subsidiary of White Tiger Gold Limited (“White Tiger”), from October 21, 2011 to May 30, 2012. On May 18, 2012 Century’s secured lender realized its security consisting of White Tiger’s interest in Century upon default by Century under the secured loan. Mr. Ramachandran resigned as a director of Century effective May 30, 2012 upon the appointment of a receiver by the Quebec Superior Court with respect to Century’s assets.
- (c) has, within the ten years before the date of this Form 20-F, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Other Principle Directorships**

In addition to their positions on the Board, the following Directors also serve as Directors of the following reporting issuers or reporting issuer equivalents:

Name of Director	Reporting Issuer(s) or Equivalent(s)
<b>Hubert Marleau</b>	A.I.S. Resources Limited (AIS-V) Gobimin Inc. (GMN) Eco Oro Mineral Corp. (EOM)) Huntington Exploration Inc. (HEI) Niocan Inc.(NIO) Woulfe Mining Corp. (WOF) Uni-Select Inc. (UNS)
<b>Amb. Thomas Graham Jr.</b>	Lightbridge Corporation (LTBR)
<b>Michael E. Riley</b>	Primero Mining Corp. (TSX - P)



## **B. Compensation**

In this Form 20-F:

Chief Executive Officer (“**CEO**”) means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

Chief Financial Officer (“**CFO**”) means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

Named Executive Officer (“**NEO**”) means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the company including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**closing market price**” means the price at which the Company’s security was last sold, on the applicable date in the security’s principle marketplace in Canada;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

### **Named Executive Officers**

During the financial year ended April 30, 2012, the Company had the following NEOs: Peter Dasler, President and CEO; Ram Ramachandran, CFO; Emil Fung, Vice President, Corporate Development; and Karl Schimann, Vice President, Exploration.

### **Compensation Discussion & Analysis**

Due to increasingly difficult conditions facing junior uranium exploration, the Company’s management and board of directors have approved a plan to significantly reduce the overhead of the Company. Employment and consulting contracts with all of the Company’s NEOS have been amended or terminated as discussed below:

#### **Ram Ramachndran Consulting Agreement**

Effective May 1, 2012 the Company has amended a consulting agreement with Ram Ramachandran (dba 1530622 Ontario Inc.) to provide Chief Financial Officer services. The Company has agreed to pay an annual fee of \$30,000 for production of the interim and annual financial statements and management discussion and analysis, production of the AIF and liaison with the Company’s auditors, IFRS conversion and restatement. This consulting agreement may be terminated by either party with 30 days written notice.

#### **Dasler Employment Agreement**

The existing employment agreement dated March 3, 2008, with Peter Dasler (the “*Dasler Employment Agreement*”) with respect to Mr. Dasler’s position as the President, CEO and a director of the Company, pursuant to which Mr. Dasler is entitled to a fee of \$191,016 per annum has been terminated pursuant to Section 4 of the Employment Agreement. Mr. Dasler was provided 90 day written notice of termination ending on July 31, 2012.

In addition to the Dasler Employment Agreement, the contingency agreement was also terminated. The Company and Mr. Dasler entered into a contingency agreement which governed the termination or modification of Mr. Dasler's employment in the event that a change of control of the Company occurs during the term of the Dasler Employment Agreement.

Mr. Dasler maintains his stock option position with the Company and he will continue on as President and CEO. A revised compensation program will be recommended by the independent compensation committee for board acceptance prior to August 15, 2012.

#### **Fung Employment Agreement**

The existing employment agreement dated March 3, 2008, with Emil Fung (the "*Fung Employment Agreement*") with respect to Mr. Fung's position as the Vice President of Corporate Development and a director of the Company, pursuant to which Mr. Fung is entitled to a fee of \$191,016 per annum, has been terminated pursuant to Section 4 of the Employment Agreement. Mr. Fung was provided 90 day written notice of termination ending on July 13, 2012.

In addition to the Fung Employment Agreement, the contingency agreement was also terminated. The Company and Mr. Fung entered into a contingency agreement which governed the termination or modification of Mr. Fung's employment in the event that a change of control of the Company occurs during the term of the Fung Employment Agreement.

Mr. Fung maintains his stock option position with the Company and he will continue on as Vice President of Corporate Development.. A revised compensation program will be recommended by the independent compensation committee for board acceptance prior to August 15, 2012.

#### **Schimann Consulting Agreement**

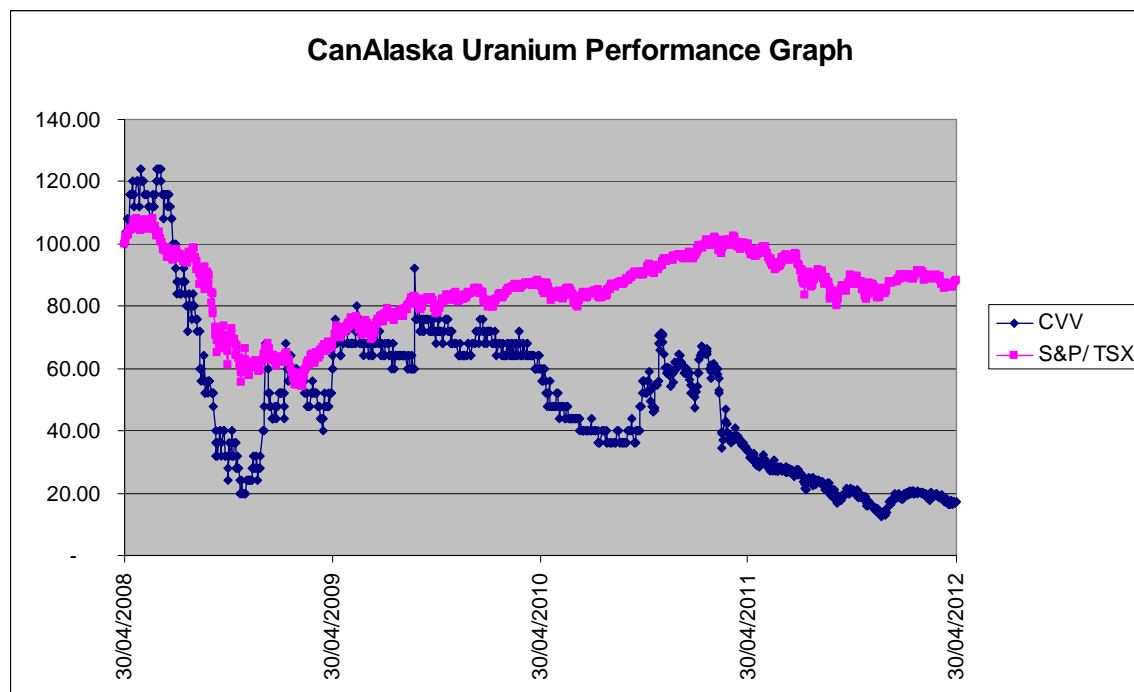
The existing consulting agreement dated March 3, 2008, (the "*Schimann Consulting Agreement*") with Schimann Consulting Inc. ("*Schimann Consulting*") a company in which Mr. Karl Schimann, Vice President of Exploration, holds a beneficial interest has been terminated pursuant to Section 4 of the Schimann Consulting Agreement. Pursuant to the Schimann Consulting Agreement, Schimann Consulting was paid a fee of \$715 per day for consulting services provided to the Company by Mr. Schimann.

In addition to the Schimann Consulting Agreement, the Company and Mr. Schimann have also entered into a contingency agreement (the "*Contingency Agreement*") was also terminated. The Contingency Agreement governed the termination or modification of Mr. Schimann's consulting agreement in the event that a change of control of the Company occurs during the term of the Schimann Consulting Agreement.

Mr. Schimann maintains his stock option position with the Company and he will continue as Vice President of Exploration. A revised compensation program will be recommended by the independent compensation committee for board acceptance prior to August 15, 2012.

## Performance Graph

The common shares of the Company commenced trading on the TSX on June 21, 2011 under the symbol “CVV”. The following chart compares the total cumulative shareholder return for CDN \$100 invested in common shares of the Company on April 30, 2008, with the cumulative total return of the S&P/TSX Composite Index (formally the TSE 300 Composite Index) for the period from April 30, 2008 to April 30, 2012. The performance of common shares of the Company as set out in the graph does not necessarily indicate future price performance.



	Apr. 2008	Apr. 2009	Apr. 2010	Apr. 2011	Apr. 2012
S&P/TSX Composite Index	\$103.88	\$69.50	\$91.01	\$103.94	\$88.20
CanAlaska Uranium Ltd.	\$37.31	\$23.88	\$22.39	\$12.54	\$17.20

## Share Based and Option Based Awards

The Company maintains a stock option plan to provide additional long-term incentives to the Company’s executive officers, as well as its directors, employees and consultants. The Compensation Committee reviews the level of incentive options periodically and makes any new issuance recommendations to the Board for approval. Previous grants of option-based awards are taken into account when considering new grants. See “Narrative Discussion” under “Incentive Plan Awards” below for details of the Company’s stock option plan.

## Compensation Governance

Compensation of the NEOs of the Company is set by the Board as recommended by the Company’s compensation committee (the “Compensation Committee”). The Compensation Committee consists of three independent directors namely Jean Luc Roy, Chair, Victor Fern and Hubert Marleau. None of the above members have any direct experience that is relevant to the responsibilities in executive compensation.

The Compensation Committee reviews, on an annual basis, the cash compensation, performance and overall compensation package for each NEO. The Compensation Committee then presents its findings and any recommendations to the Board for consideration and, if acceptable to the Board, approval. The Compensation Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each of the NEOs.

The Company's executive compensation practices are intended to provide both current and long term rewards to its NEOs that are competitive within the compensation practices of the industry and consistent with their individual performance and contribution to the Company's objectives. Compensation components include base salary, bonus and long term incentives in the form of stock options.

In determining the appropriate base salary of an executive officer, the Compensation Committee considers the responsibilities of the individual, comparable salaries in the industry, the experience level of the individual and overall performance. Once the base salary has been established, it will be reviewed by the Compensation Committee on an annual basis. The Company's compensation committee is currently reviewing the compensation packages for the executive management.

The Committee meets at least annually or more frequently if required. On an annual basis, the Compensation Committee will report to the Board that it is compliant with its Charter.

The Compensation committee is currently evaluating its compensation practices and will be formulating policies that are flexible and reflective of current market conditions while limiting any risks arising out of compensation practices

### Summary Compensation Table

The following table sets out compensation of the NEOs of the Company for the three most recently completed financial years of the Company:

Name and principal position (a)	Year Ended April 30 (b)	Salary (\$) (c)	Option-based awards (\$) <sup>(3)</sup> (e)	Non-equity incentive plan compensation (\$) (f)		All other compensation (\$) (h)	Total compensation (\$) (i)
				Annual incentive plans (f1)	Long-term incentive plans (f2)		
<b>Peter Dasler</b> <i>President, CEO and Director</i>	2012	191,016	48,213	Nil	Nil	Nil	239,229
	2011	191,016	29,769	28,750	Nil	Nil	249,535
	2010	181,920	108,133	50,853	Nil	Nil	340,906
<b>Ram Ramachandran</b> <i>CFO</i> <sup>(1)</sup>	2012	67,500	6,027	Nil	Nil	Nil	73,527
	2011	80,000	15,835	2,000	Nil	Nil	97,835
	2010	6,667	Nil	Nil	Nil	Nil	6,667
<b>Emil Fung</b> <i>Vice President Corporate Development</i>	2012	191,016	48,213	Nil	Nil	Nil	239,229
	2011	191,016	6,334	28,750	Nil	Nil	226,100
	2010	181,920	53,308	48,300	Nil	Nil	283,528
<b>Karl Schimann</b> <sup>(2)</sup> <i>Vice President Exploration</i>	2012	160,160	48,213	Nil	Nil	Nil	208,373
	2011	175,975	59,538	28,750	Nil	Nil	264,263
	2010	179,960	35,250	57,500	Nil	Nil	272,710

*Notes:*

- (1) Mr. Ramachandran was appointed CFO of the Company on April 1, 2010. Mr. Ramachandran's compensation was paid as a management fee to a consulting company in which he holds a beneficial interest.
- (2) Mr. Schimann's compensation is paid as consulting fees to a consulting company in which he holds a beneficial interest.
- (3) In determining the fair value of the options granted, the Company followed the principles established under International Financial Reporting Standards, which requires the determination of the fair value of options granted using the Black-Scholes methodology. The Black-Scholes methodology requires making estimates of the risk free rate, expected life of the options, expected volatility and expected dividends. The Company used the following assumptions in determining the fair value of the options:

Forfeiture rate:	15.40% to 15.42%
Risk-free rate:	1.08% to 1.74%
Expected Life	1.48 to 2.79 years
Expected volatility	82% to 94%
Expected dividends	0%

### Outstanding Share-Based and Option-Based Awards

The following table sets forth details of all awards outstanding for the Company's NEOs as at the year ended April 30, 2012, and includes awards granted to the NEOs in prior years.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
<b>Peter Dasler</b> <i>President, CEO and Director</i>	10,000	\$1.00	Jun 28/12	Nil	Nil	Nil
	60,500	\$1.00	Dec 20/12	Nil	Nil	Nil
	81,000	\$1.00	Jan 25/14	Nil	Nil	Nil
	35,000	\$1.00	Apr 30/14	Nil	Nil	Nil
	90,000	\$1.00	Dec 3/14	Nil	Nil	Nil
	22,500	\$1.50	Apr 30/14	Nil	Nil	Nil
	47,000	\$1.00	Oct 31/13	Nil	Nil	Nil
	200,000	\$0.50	Nov 7/14	Nil	Nil	Nil
	<b>546,000</b>					
<b>Emil Fung</b> <i>Vice President Corporate Development</i>	20,000	\$1.00	Jun 28/12	Nil	Nil	Nil
	150,000	\$1.00	Dec 20/12	Nil	Nil	Nil
	81,000	\$1.00	Jan 25/14	Nil	Nil	Nil
	35,000	\$1.00	Apr 30/14	Nil	Nil	Nil
	15,000	\$1.00	Apr 30/14	Nil	Nil	Nil
	15,000	\$1.50	Apr 30/13	Nil	Nil	Nil
	10,000	\$1.00	Oct 31/13	Nil	Nil	Nil
	200,000	\$0.50	Nov 7/14	Nil	Nil	Nil
	<b>526,000</b>					
<b>Karl Schimann</b> <i>Vice President Exploration</i>	20,250	\$1.00	Jan 25/14	Nil	Nil	Nil
	6,500	\$1.50	Apr 30/13	Nil	Nil	Nil
	200,000	\$0.50	Nov 7/14	Nil	Nil	Nil
	<b>226,750</b>					
<b>Ram Ramachandran</b> <i>CFO</i>	25,000	\$1.00	Oct 31/13	Nil	Nil	Nil
	25,000	\$0.50	Nov 7/14	Nil	Nil	Nil
	<b>50,000</b>					

The following table sets forth details of the value vested or earned by the Company's NEOs for all incentive plan awards during the year ended April 30, 2012:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Peter Dasler</b>	Nil	Nil	Nil
<b>Ram Ramachandran</b>	Nil	Nil	Nil
<b>Emil Fung</b>	Nil	Nil	Nil
<b>Karl Schimann</b>	Nil	Nil	Nil

Notes:

- (1) The value of the option-based awards – vested during the year is calculated by using the number of fully vested options at the financial year end and multiplying that number of options by the difference between the market price and the exercise price of the option. The market value of \$0.425 per share is the closing price of the Company's shares at April 30, 2012.

## Narrative Discussion

The disinterested shareholders of the Company approved a stock option plan (the “Plan”) at the Annual General Meeting of shareholders held on September 23, 2010. The Plan increased the maximum aggregate number of common shares of the Company which may be reserved for issuance under the Plan to 34,000,000 common shares, which represented approximately 20% of the issued and outstanding common shares of the Company at that date. In addition, the exercise price of all of the qualified stock options outstanding under the Plan as at September 23, 2010 were adjusted to the minimum exercise price permitted by the TSX-V of \$0.10 per share.

On November 8, 2010 the Company consolidated its share capital on a ten old for one new basis resulting in the maximum shares issuable under the Plan having been reduced to a maximum issuable of 3,400,000 shares and the exercise price of the outstanding stock options were adjusted accordingly to the exercise price of \$1.00 per share.

The principal purpose of the Plan is to give directors, officers, employees and consultants the opportunity to participate in the profitability and growth of the Company by granting to such individuals options, exercisable over periods of up to ten years as determined by the Board, to buy shares of the Company at a price not less than the closing market price of the Company’s shares on the day preceding the date of granting of the option.

The Plan provides that the maximum aggregate number of common shares reserved for issuance under the Plan and all other share compensation arrangements of the Company is 3,400,000 common shares, representing approximately 15% of the Company’s issued and outstanding share capital.

The Plan is administered by the Compensation Committee of the Company. Management will make recommendations to the Compensation Committee for proposed allocations. Once the Compensation Committee approves the allotment, the proposed issuance is forwarded to the Board for acceptance.

The full text of the Plan is available by contacting the Company and has been posted on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.edgar.com](http://www.edgar.com).

The current status of the Plan is as follows:

Shares issued upon exercise of incentive stock options	-	419,250
Shares reserved for issuance pursuant to unexercised incentive stock option	-	2,906,250
Unallocated shares available for future grants of incentive stock options	-	74,500
	<b>TOTAL</b>	<b>3,400,000</b>

Management believes that incentive plan awards are an effective means of rewarding corporate and individual performance and that they are a necessary component of compensation packages that are currently an industry standard.

## Director Compensation Table

The following table sets forth the details of compensation provided to the directors other than the NEOs (the “*Other Directors*”) during the Company’s most recently completed financial year:

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Hubert Marleau	\$19,600	Nil	\$12,957	Nil	Nil	\$32,557
Amb. Thomas Graham Jr.	\$24,698 <sup>(2)</sup>	Nil	\$14,464	Nil	Nil	\$39,162
Jean Luc Roy	\$22,300	Nil	\$12,053	Nil	Nil	\$34,353
Victor Fern	\$17,100	Nil	\$12,053	Nil	Nil	\$29,153
Michael Riley	\$19,725	Nil	\$39,400	Nil	Nil	\$59,125

Notes:

- (1) In determining the fair value of the options granted, the Company followed the principles established under International Financial Reporting Standards, which requires the determination of the fair value of options granted using the Black-Scholes methodology. The Black-Scholes methodology requires making estimates of the risk free rate, expected life of the options, expected volatility and expected dividends. The Company used the following assumptions in determining the fair value of the options:

Forfeiture rate:	15.40% to 15.42%
Risk-free rate:	1.08% to 1.74%
Expected Life	1.48 to 2.79 years
Expected volatility	82% to 94%
Expected dividends	0%

- (2) Fees earned were US\$25,000; this amount has been exchanged into Canadian dollars at the year end exchange rate of 0.9879 as of April 30, 2012.

## Narrative Discussion

Amb. Thomas Graham Jr. is paid an all inclusive annual director’s fee of US \$25,000 converted to Canadian dollars \$24,698 using the exchange rate of 0.9879 as at April 30, 2012. The Other Directors are paid an annual retainer fee of \$15,000 per year. The chairman of the Audit Committee receives an additional \$2,500 per year and the Compensation and Corporate Governance Committee Chairs receive an additional \$1,500 per year. In addition, a meeting fee of \$700.00 is paid for each Board meeting attended and a fee of \$600.00 is paid for each committee meeting attended.

## Pension Plan Benefits

As at the year ended April 30, 2012, the Company did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans for the NEOs or the other Directors.

## Termination and Change of Control Benefits

As of July 31, 2012, all senior management contracts will have been terminated by providing the required 90 day working notice. In addition, all change of control compensatory provisions will be terminated at that time.

## Directors and Officers Insurance

The Company subscribes to a Directors and Officers Liability Insurance to a limit of \$5,000,000 per claim. The policy insures the Company against any wrongful act committed by its Directors and Officers, including any actual or alleged breach of duty, neglect, error, omission, misstatement, misrepresentation, or act done or attempted by the Directors and Officers of the Company in their capacity to act for the Company. In addition, the Company has further indemnified its Directors and Officers, to the fullest extent of the law, by entering into personal indemnity agreements with all of the Company’s Directors and Officers.

The Other Directors are also compensated through the grant of incentive stock options.

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for the Other Directors as at the year ended April 30, 2012, and includes awards granted to the Other Directors in prior years.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
<b>Amb. Thomas Graham Jr.</b> <sup>(2)</sup>	15,000	\$1.00	Jan 25/14	nil	nil	nil
	7,500	\$1.00	Apr 30/14			
	17,500	\$1.00	Oct 31/13			
	60,000	\$0.50	Nov 7/14			
	<b>100,000</b>					
<b>Hubert Marleau</b>	1,000	\$1.00	Jun 28/12	nil	nil	nil <sup>(1)</sup>
	44,000	\$1.00	Dec 20/12			<sup>(2)</sup>
	15,000	\$1.00	Jan 25/14			<sup>(3)</sup>
	7,500	\$1.00	Apr 30/14			<sup>(4)</sup>
	28,750	\$1.00	Oct 31/13			<sup>(5)</sup>
	53,750	\$0.50	Nov 7/14			<sup>(6)</sup>
<b>150,000</b>						
<b>Jean Luc Roy</b>	10,000	\$1.00	Oct 31/12	nil	nil	nil
	40,000	\$1.00	Dec 20/12			
	15,000	\$1.00	Jan 25/14			
	7,500	\$1.00	Apr 30/14			
	27,500	\$1.00	Oct 31/13			
	50,000	\$0.50	Nov 7/14			
<b>150,000</b>						
<b>Victor Fern</b>	50,000	\$1.00	Mar 24/13	nil	nil	nil
	15,000	\$1.00	Jan 25/14			
	7,500	\$1.00	Apr 30/14			
	27,500	\$1.00	Oct 31/14			
	50,000	\$0.50	Nov 7/14			
<b>150,000</b>						
<b>Michael Riley</b>	100,000	\$1.00	July 24/14	nil	nil	nil
	50,000	\$0.50	Nov 7/14			
	<b>150,000</b>					

Notes:

- (1) Disclose the aggregate dollar amount of in-the-money unexercised options held at the end of the year. Calculate this amount based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option. The Company's common shares closed at \$0.425 per share on April 30, 2012 therefore the in-the-money options are nil.
- (2) On May 9, 2012 the Company granted incentive options to Thomas Graham Jr. for the purchase of 50,000 common shares at an exercise price of \$0.42 per share for a three year period from the grant date.



## **C. Board Practices**

1. The election and retirement of our directors are provided for in the Companies articles. An election of directors takes place at each annual meeting of shareholders. A director retains office only until the election of his successor. The number of directors to be elected at such meeting is the number of directors then in office, unless the directors or the shareholders otherwise determine. The election is by ordinary resolution of shareholders. If an election of directors is not held at the proper time, the incumbent directors continue in office until their successors are elected. The last annual general meeting was held on September 23, 2011. Company articles permit the directors to add additional directors to the board between annual general meetings as long as the number appointed does not exceed one-third of the number directors elected at the last annual general meeting. Individuals appointed as directors to fill casual vacancies created on the board or added as additional directors hold office like any other director until the next annual general meeting at which time they may be re-elected or replaced.

The officers of the Company are re-appointed at a directors' meeting following each annual general meeting.

2. As at July 31, 2012 the Company and any of its subsidiaries have no service contracts with any of its directors providing for benefits upon termination of employment.

3. The members of our audit committee included Jean Luc Roy (Chairperson), Hubert Marleau and Michael Riley. The audit committee reviews and approves the scope of the audit procedures employed by our independent auditors, reviews the results of the auditor's examination, the scope of audits, the auditor's opinion on the adequacy of internal controls and quality of financial reporting and our accounting and reporting principles, policies and practices, as well as the accounting, financial and operating controls. The audit committee also reports to the board of directors with respect to such matters and recommends the selection of independent auditors. Before financial statements that are to be submitted to the shareholders at an annual general meeting are considered by the board of directors, such financial statements are submitted to the audit committee for review with the independent auditors, following which the report of the audit committee on the financial statements is submitted to the board of directors.

The members of the nominating and corporate governance committee included Michael Riley (Chairperson), Hubert Marleau and Victor Fern. The mandate of the nominating and corporate governance committee is to identify individuals qualified to be nominated for election as directors of the Company or any of the Board's committees, evaluate the qualifications and independence of each member of the Board and its committees and recommend to the Board any appropriate changes in the composition of the Board and any of its committees, evaluate the performance of the Board and its committees; and develop and recommend to the Board corporate governance principles.

The members of the compensation committee included Jean Luc Roy (Chairperson), Hubert Marleau and Victor Fern. The compensation committee reviews and approves the total compensation package for the Corporation's senior executives including, without limitation, their base salaries, annual incentives, deferred compensation and stock options.

## **D. Employees**

At July 30, 2012 the Company will have 10 full time employees. At the fiscal year end April 30, 2012, the Company employed 18 full time and 8 fixed term personnel. During the height of the winter exploration season there were 22 full time and 13 fixed term employees. The Company also engages contractors and consultants from time to time to work on specific projects and for administration, legal and other services that are required. Management continues to pare down the staffing requirements of the Company in response to the downturn in the financial markets and the decrease in exploration activity for the Company. Management intends to satisfy the staffing requirements on a consulting or fixed term basis.

## **E. Share Ownership**

The following tables set forth the share ownership of those persons listed in Subsection 6B above and include details of warrants, options to purchase shares of the Company and common shares beneficially owned by such persons for the most recently completed fiscal year ending April 30, 2012:

**Common Shares and Stock Options at July 30, 2012:**

Name Position	Number of Common Shares Beneficially Owned #	Number of Securities underlying unexercised Options #	Option Issue Date	Option Exercise price (\$)	Option Expiration Date	Number of Warrants	Exercise Price (\$)	Warrant Expiry Date
<b>Peter Dasler</b> <i>President, Chief Executive Officer and Director</i>		60,500	Dec 21/07	\$1.00	Dec 20/12	7,812	\$1.90	Dec 22/12
		81,000	Jan 26/09	\$1.00	Jan 25/14			
		35,000	May 1/09	\$1.00	Apr 30/14			
		90,000	Dec 4/09	\$1.00	Dec 3/14			
		22,500	Apr 30/09	\$1.50	Apr 30/14			
		47,000	Oct 30/10	\$1.00	Oct 31/13			
		200,000	Nov 8/11	\$0.50	Nov 7/14			
	<b>179,380</b>	<b>536,000</b>				<b>7,812</b>		
<b>Emil Fung</b> <i>Vice President Corporate Development and Director</i>		150,000	Dec 21/07	\$1.00	Dec 20/12	7,812	\$1.90	Dec 22/12
		81,000	Jan 26/09	\$1.00	Jan 25/14			
		35,000	May 1/09	\$1.00	Apr 30/14			
		15,000	May 1/09	\$1.00	Apr 30/14			
		15,000	Apr 30/10	\$1.50	Apr 30/13			
		10,000	Oct 30/10	\$1.00	Oct 31/13			
		200,000	Nov 8/11	\$0.50	Nov 7/14			
	<b>56,489</b>	<b>506,000</b>				<b>7,812</b>		
<b>Amb. Thomas Graham Jr.</b> <i>Chairman and Director</i>		15,000	Jan 26/09	\$1.00	Jan 25/14			
		7,500	Apr 30/09	\$1.00	Apr 30/14			
		17,500	Oct 30/10	\$1.00	Oct 31/13			
		60,000	Nov 8/11	\$0.50	Nov 7/14			
		50,000	May 9/12	\$0.42	Apr 30/15			
		<b>20,000</b>	<b>150,000</b>					
<b>Hubert Marleau</b> <i>Director</i>		44,000	Dec 21/07	\$1.00	Dec 20/12			
		15,000	Jan 26/09	\$1.00	Jan 25/14			
		7,500	May 1/09	\$1.00	Apr 30/14			
		28,750	Oct 30/10	\$1.00	Oct 31/13			
		53,750	Nov 8/11	\$0.50	Nov 7/14			
		<b>Nil</b>	<b>149,000</b>					
<b>Jean Luc Roy</b> <i>Director</i>		10,000	Oct 31/07	\$1.00	Oct 31/12			
		40,000	Dec 21/07	\$1.00	Dec 20/12			
		15,000	Jan 26/09	\$1.00	Jan 25/14			
		7,500	May 1/09	\$1.00	Apr 30/14			
		27,500	Oct 30/10	\$1.00	Oct 31/13			
		50,000	Nov 8/11	\$0.50	Nov 7/14			
		<b>5,700</b>	<b>150,000</b>					
<b>Victor Fern</b> <i>Director</i>		50,000	Mar 25/07	\$1.00	Mar 24/13			
		15,000	Jan 26/09	\$1.00	Jan 25/14			
		7,500	Apr 30/09	\$1.00	Apr 30/14			
		27,500	Oct 30/10	\$1.00	Oct 31/14			
		50,000	Nov 8/11	\$0.50	Nov 7/11			
		<b>Nil</b>	<b>150,000</b>					
<b>Michael Riley</b> <i>Director</i>		100,000	Jul 25/11	\$1.00	Jul 24/14			
		50,000	Nov 8/11	\$0.50	Nov 7/14			
		<b>Nil</b>	<b>150,000</b>					
<b>Karl Schimann</b> <i>Vice President Exploration</i>		20,250	May 1/09	\$1.00	Jan 25/14	7,812	\$1.90	Dec 22/12
		6,500	Apr 30/10	\$1.50	Apr 30/13			
		200,000	Nov 8/11	\$0.50	Nov 7/14			
		5,000	May 9/12	\$0.42	Apr 30/15			
		<b>423,375</b>	<b>231,750</b>					
<b>Ram Ramachandran</b> <i>Chief Financial Officer</i>		25,000	Nov 1/10	\$1.00	Oct 31/13			
		25,000	Nov 8/11	\$0.50	Nov 7/14			
		5,000	May 9/12	\$0.42	Apr 30/15			
		<b>Nil</b>	<b>55,000</b>					
<b>Frances Petryshen</b> <i>Corporate Secretary</i>		20,000	Dec 21/07	\$1.00		7,812	\$1.90	Dec 22/12
		45,000	Jan 26/09	\$1.00				
		12,500	May 1/09	\$1.00				
		22,500	Dec 4/09	\$1.00				
		25,000	Apr 30/10	\$1.50				
		10,000	Nov 1/10	\$1.00				
		100,000	Nov 8/11	\$0.50				
		<b>33,625</b>	<b>235,000</b>					

**Share Option Plan:**

Management believes that incentive plan awards are an effective means of rewarding corporate and individual performance and that they are a necessary component of compensation packages that are currently an industry standard. For a description of the share option plan please refer to Item 6. Directors, Senior Management and Employees; Subsection B. Compensation.

**ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****A. Major Shareholders**

1. (a) To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by CIBC Mellon Trust Company and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), as at April 30, 2012, the Company had 22,058,136 shares issued and there are no shareholders beneficially owning, directly or indirectly, or exercised control or direction over, shares carrying more than 5% of the voting rights attached to all outstanding shares of the Company.
1. (b) For the past three years Ravensden Asset Management (Goodman & Company) has reported managing 8.23% in 2008, 8.21% in 2009 and 9.36% in 2010 of the Company's common shares in mutual funds and client accounts. In 2010 Ravensden reported that it was no longer holding over 5% of the common shares of the Company.
1. (c) No shareholders have any special voting rights, one common share, one vote.
2. The most recent records show that the Company has approximately 6,000 shareholders of record holding 22,058,136 common shares of the Company. Approximately 75% of the shareholders are located in Canada 15% in the United States 7% in Asia and the balance in Europe.
3. To the extent known to the Company, the Company is not owned or controlled directly or indirectly by another corporation, by any foreign government, or any other legal person(s) severally or jointly.
4. There are no arrangements known to the Company of which may at a subsequent date result in a change of control of the Company.

**B. Related Party Transactions**

There were no material related party transactions from the last fiscal year end April 30, 2011, to the current date of this report. There are no proposed material related party transactions between the Company or any of its subsidiaries, except as previously disclosed in the audited year ended April 30, 2012 consolidated financial statements filed herewith.

**C. Interests of Experts and Counsel**

This Form 20F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

**ITEM 8. FINANCIAL INFORMATION****A. Consolidated Statements and Other Financial Information**

This Form 20-F contains consolidated financial statements for the Company for fiscal year end April 30, 2012 which contains an audit report dated July 27, 2012 filed herewith under Item 19.

**B. Significant Changes**

There have been no significant changes since the financial year ended April 30, 2012, other than disclosed in this Form 20-F.

**ITEM 9. THE OFFER AND LISTING**

This Form 20-F is being filed as an annual report under the Exchange Act, and as such provides information called for by items 9.A.4 and 9.C.

**A. Offer and Listing Details**

Information regarding pricing history of the stock shall be disclosed as follows:

**1. TSX Venture Exchange and Toronto Stock Exchange Trading Activity\***

(a) **The annual high and low market prices for the five most recent financial years as quoted on the TSX Venture Exchange and the Toronto Stock Exchange:**

<b>Year Ended</b>	<b>High</b>	<b>Low</b>
May 2011 – April 2012	0.83	0.30
May 2010 – April 2011	1.79	0.84
May 2009 – April 2010	1.95	1.45
May 2008 – April 2009	3.10	0.45
May 2007 – April 2008	7.00	2.50

(b) **The two most recent full financial years and any subsequent period: the high and low market prices for each full financial quarter as quoted on the TSX or the TSX Venture Exchange:**

<b>TSX Venture Exchange</b>	<b>High</b>	<b>Low</b>
<b>2012</b>		
First Quarter	0.83	0.64
Second Quarter	0.66	0.42
Third Quarter	0.53	0.30
Fourth Quarter	0.52	0.41
<b>2011</b>		
First Quarter	1.50	1.00
Second Quarter	1.40	0.90
Third Quarter	1.79	1.15
Fourth Quarter	1.68	0.84

(c) **The high and low market prices for the most recent six months as quoted on the Toronto Stock Exchange:**

<b>2012</b>	<b>High</b>	<b>Low</b>
January	0.50	0.41
February	0.52	0.48
March	0.51	0.44
April	0.48	0.41
May	0.43	0.33
June	0.41	0.32

The Company’s common shares have traded on the TSX Venture Exchange since January 4, 1988 under the trading symbol “CVV”. On June 21, 2011 the shares of the Company were delisted from the TSX Venture Exchange and commenced trading on the Toronto Stock Exchange under the same symbol “CVV”.

## 2. Over-the-Counter Bulletin Board Trading Activity

- (a) The annual high and low market prices for the five most recent financial years as quoted on the Over-the-Counter Bulletin Board:

Year Ended	High	Low
May 2011 – April 2012	0.87	0.30
May 2010 – April 2011	1.79	0.70
May 2009 – April 2010	2.00	1.30
May 2008 – April 2009	3.50	0.40
May 2007 – April 2008	6.40	2.60

- (b) The two most recent full financial years and any subsequent period: the high and low market prices for each full financial quarter as quoted on the Over-the-Counter Bulletin Board:

Quarter Ended	High	Low
<b>2012</b>		
First Quarter	0.87	0.67
Second Quarter	0.72	0.40
Third Quarter	0.52	0.30
Fourth Quarter	0.54	0.40
<b>2011</b>		
First Quarter	1.50	0.90
Second Quarter	1.40	0.70
Third Quarter	1.79	1.12
Fourth Quarter	1.68	0.85

- (c) The high and low market prices for the most recent six months as quoted on the Over-the-Counter Bulletin Board:

2012	High	Low
January	0.52	0.40
February	0.54	0.47
March	0.49	0.45
April	0.49	0.40
May	0.43	0.30
June	0.36	0.29

### B. Plan of Distribution

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

### C. Markets

The Company's common shares have traded on the TSX Venture Exchange since January 4, 1988 under the trading symbol "CVV" and are listed on the OTCBB from December 3, 1999 and under the trading symbol of "CVVUF" and on the Frankfurt Stock Exchange, Open Market under the trading symbol DH7N. On June 21, 2011, the shares of the Company were delisted from the TSX Venture Exchange and commenced trading on the Toronto Stock Exchange under the same symbol "CVV".

### D. Selling Shareholders

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

### E. Dilution

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

## **F. Expenses of the Issue**

This Form 20F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

## **ITEM 10. ADDITIONAL INFORMATION**

### **A. Share Capital**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

### **B. Memorandum and Articles of Association**

1. The Company is permitted to conduct any lawful business, that it is not restricted from conducting by its memorandum and articles, neither of which contain any restriction on the lawful business that the Company may conduct. CanAlaska Uranium Ltd. executive, registered and records office is located at 1020 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6, telephone number 604.688.3211.

The Company was incorporated on May 22, 1985 under the laws of the Province of British Columbia, Canada under the name Canadian Gravity Recovery Group Ltd. On June 14, 1985, the Company changed its name to CanAlaska Resources Ltd. On September 15, 1993, the Company consolidated its share capital on a four for one basis and changed its name to International CanAlaska Resources Ltd. On October 19, 1999, the Company consolidated its share capital on a five for one basis and changed its name to CanAlaska Ventures Ltd. The Company was transitioned under the *Business Corporations Act* on September 24, 2004. The Company changed its name to CanAlaska Uranium Ltd. on October 11, 2006.

The Company's common stock (the "Common Shares") has been listed on the Vancouver Stock Exchange (now the TSX Venture Exchange) (the "Exchange") since January 4, 1988 and is a Tier 1 Company. The Company has been trading on the OTC Bulletin Board in the United States under the symbol ICSKF since July 20, 1999 and under the symbol CVVUF since December 3, 1999, and on the Frankfurt Stock Exchange, Open Market under the trading symbol DH7. On June 21, 2011, the Company delisted its shares from the TSX-Venture Exchange and listed on the Toronto Stock Exchange.

The Company is a reporting company in British Columbia, Alberta, Ontario and Labrador and Newfoundland. The Company is extra-provincially registered in Labrador and Newfoundland, Saskatchewan, Manitoba, and Alberta, Canada.

2. A director who is, in any way, directly or indirectly interested in an existing proposal or contract or transaction with the Company, where a conflict of interest is declared, the nature and extent of the conflict which must be disclosed as required by the Business Corporations Act (British Columbia), may not vote in respect to the approval of the transaction.
3. All of the shares of common stock of the Company are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary. The holders of the common shares are entitled to one vote for each common share on all matters to be voted on by the shareholders. There are no sinking fund provisions. All common shares must be fully paid prior to issue and are thereafter subject to no further capital calls by the Company. There exists no discriminatory provision affecting any existing or prospective holder of common shares as a result of such shareholder owning a substantial number of shares.
4. The rights of the shareholders may be changed only by the shareholders passing a special resolution approved by members holding two thirds of the votes cast.
5. The Board of Directors must call an annual general meeting once each calendar year, not later than 13 months after the last such meeting. The Board may call an extraordinary meeting of shareholders at any time. Notice of such meetings must be accompanied by an Information Circular describing the proposed business to be dealt with and disclosures as prescribed by statute. Not less than 21 days notice shall be given for any meeting. A quorum shall be two members in person or proxy not representing less than 5% of the issued shares.

6. The articles of the Company contain no limitations on the rights of non-resident or foreign shareholders.
7. There are no provisions in the Company's articles that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company or its subsidiaries.
8. There are no provisions in the Company's articles governing ownership threshold.
9. With respect to items 2 through 8 above, the law applicable to the company in these areas is not significantly different from that in the host country.
10. Conditions imposed by the memorandum and articles governing changes in the capital require a special resolution of shareholders requiring two thirds of the votes cast.

**A copy of our Articles of Incorporation are incorporated by reference as Exhibit 1.1 to this Annual Report on Form 20-F.**

**C. Material Contracts**

During the two years immediately preceding August 12, 2011, there were no material contracts entered into by the Company other than entered into during the normal course of business as disclosed in ITEM 4, Section D, Property, Plant and Equipment and ITEM 5 Section F, Tabular Disclosure of Contractual Obligations. Private Placements disclosed in financial statements.

**D. Exchange Controls**

There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of common shares, other than withholding tax requirements.

There is no limitation imposed by Canadian law or by the constituent documents of the Company on the right of a non-resident to hold or vote common shares, other than are provided in the Investment Canada Act (Canada). The following summarizes the material features of the Investment Canada Act (Canada).

The Investment Canada Act (Canada) requires certain "non-Canadian" individuals, governments, corporations or other entities who wish to acquire a "Canadian business" (as defined in the Investment Canada Act), or establish a "new Canadian business" (as defined in the Investment Canada Act) to file either a notification or an application for review with a governmental agency known as "Investment Canada". The Investment Canada Act requires that certain acquisitions of control of a Canadian business by a "non-Canadian" must be reviewed and approved by the Minister responsible for the Investment Canada Act on the basis that the Minister is satisfied that the acquisition is "likely to be of net benefit to Canada", having regard to criteria set forth in the Investment Canada Act. Only acquisitions of control are reviewable under the Investment Canada Act; however, the Investment Canada Act provides detailed rules for the determination of whether control has been acquired and, pursuant to those rules, the acquisition of one-third or more of the voting shares of a corporation may, in some circumstances, be considered to constitute an acquisition of control. Certain reviewable acquisitions of control may not be implemented before being approved by the Minister; if the Minister does not ultimately approve a reviewable acquisition which has been completed, the acquired Canadian business be divested. Failure to comply with the review provisions of the Investment Canada Act could result in, among other things, an injunction or a court order directing disposition of assets or shares.

**E. Taxation**

**CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of common shares. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership, and disposition of common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences to U.S. Holders of the acquisition, ownership, and disposition of common shares. Each

prospective U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of common shares. No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the “IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

## **Scope of this Summary**

### **Authorities**

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the “Canada-U.S. Tax Convention”), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

### **U.S. Holders**

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of common shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

### **Non-U.S. Holders**

For purposes of this summary, a “non-U.S. Holder” is a beneficial owner of common shares that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences to non-U.S. Holders arising from and relating to the acquisition, ownership, and disposition of common shares. Accordingly, a non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any income tax treaties) relating to the acquisition, ownership, and disposition of common shares.

### **U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed**

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a “functional currency” other than the U.S. dollar; (e) U.S. Holders that own common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquired common shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold common shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); or (h) U.S. Holders that own or have owned (directly, indirectly, or by attribution) 10% or more of the total combined voting power of the outstanding shares of the Company. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income



Tax Act (Canada) (the “Tax Act”); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold common shares in connection with carrying on a business in Canada; (d) persons whose common shares constitute “taxable Canadian property” under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of common shares.

If an entity or arrangement that is classified as a partnership (or other “pass-through” entity) for U.S. federal income tax purposes holds common shares, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as “pass-through” entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of common shares.

### **Passive Foreign Investment Company Rules**

If the Company were to constitute a “passive foreign investment company” under the meaning of Section 1297 of the Code (a “PFIC”, as defined below) for any year during a U.S. Holder’s holding period, then certain potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of common shares. The Company believes that it was classified as a PFIC during the tax year ended April 30, 2012, and may be a PFIC in future tax years. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or any subsidiary of the Company) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of the Company and any subsidiary of the Company.

In addition, in any year in which the Company is classified as a PFIC, such holder would be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file a IRS Form 8621.

### **PFIC Status of the Company**

The Company generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company is passive income (the “income test”) or (b) 50% or more of the value of the Company’s assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “asset test”). “Gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a foreign corporation’s commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business and certain other requirements are satisfied. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, “passive income” does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain “related persons” (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company’s direct or indirect equity interest in any company that is also a PFIC (a “Subsidiary PFIC”), and will be subject to U.S. federal income tax on their proportionate share of (a) any “excess distributions,” as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of common shares. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions are received and no redemptions or other dispositions of common shares are made.

### **Default PFIC Rules Under Section 1291 of the Code**

If the Company is a PFIC for any tax year during which a U.S. Holder owns common shares, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership, and disposition of common shares will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a “qualified electing fund” or “QEF” under Section 1295 of the Code (a “QEF Election”) or makes a mark-to-market election under Section 1296 of the Code (a “Mark-to-Market Election”). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “Non-Electing U.S. Holder.” A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of common shares and (b) any excess distribution received on the common shares. A distribution generally will be an “excess distribution” to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder’s holding period for the common shares, if shorter). Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of common shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any “excess distribution” received on common shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder’s holding period for the respective common shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible. If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds common shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such common shares were sold on the last day of the last tax year for which the Company was a PFIC.

### **QEF Election**

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its common shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its common shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and “ordinary earnings” are the excess of (a) “earnings and profits” over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents “earnings and profits” of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder’s tax basis in the common shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of common shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the common shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder’s holding period for the common shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a “purging” election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such common shares were sold for their fair market value on the day the QEF Election is effective. If a U.S.

Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that the Company will satisfy the record keeping requirements that apply to a QEF, or that the Company will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that the Company is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their common shares. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company cannot provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

#### **Mark-to-Market Election**

A U.S. Holder may make a Mark-to-Market Election only if the common shares are marketable stock. The common shares generally will be “marketable stock” if the common shares are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. A U.S. Holder that makes a Mark-to-Market Election with respect to its common shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such common shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the common shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the common shares. A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares, as of the close of such tax year over (b) such U.S. Holder’s tax basis in such common shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder’s adjusted tax basis in the common shares, over (b) the fair market value of such common shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years). A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder’s tax basis in the common shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of common shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the Code and Treasury Regulations.

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the common shares cease to be “marketable stock” or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the common shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because

such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC.

### **Other PFIC Rules**

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of common shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which common shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses common shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such common shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

### **Ownership and Disposition of Common Shares**

The following discussion is subject to the rules described above under the heading “Passive Foreign Investment Company Rules.”

#### **Distributions on Common Shares**

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a common share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of the Company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if the Company is a PFIC. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the common shares and thereafter as gain from the sale or exchange of such common shares. (See “Sale or Other Taxable Disposition of common shares” below). However, the Company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by the Company with respect to the common shares will constitute ordinary dividend income. Dividends received on common shares generally will not be eligible for the “dividends received deduction”. In addition, the Company does not anticipate that its distributions will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

#### **Sale or Other Taxable Disposition of Common Shares**

Upon the sale or other taxable disposition of common shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder’s tax basis in such common shares sold or otherwise disposed of. A U.S. Holder’s tax basis in common shares generally will be such holder’s U.S. dollar cost for such common shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the common shares have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

## **Additional Considerations**

### **Additional Tax on Passive Income**

For tax years beginning after December 31, 2012, certain individuals, estates and trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on “net investment income” including, among other things, dividends and net gain from dispositions of property (other than property held in a trade or business). U.S. Holders should consult with their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of common shares.

### **Receipt of Foreign Currency**

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of common shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

### **Foreign Tax Credit**

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the common shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder’s U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder’s income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder’s U.S. federal income tax liability that such U.S. Holder’s “foreign source” taxable income bears to such U.S. Holder’s worldwide taxable income. In applying this limitation, a U.S. Holder’s various items of income and deduction must be classified, under complex rules, as either “foreign source” or “U.S. source.” Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the common shares that is treated as a “dividend” may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

### **Backup Withholding and Information Reporting**

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, recently enacted legislation generally imposes new U.S. return disclosure obligations (and related penalties) on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of \$50,000. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their common shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938. Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, common shares will generally be subject to information reporting and backup withholding tax, at the rate of 28% (and increasing to 31% for payments made after December 31, 2012), if a U.S. Holder (a) fails to furnish such U.S. Holder’s correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder’s U.S.

federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

**F. Dividends and Paying Agents**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

**G. Statements by Experts**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

**H. Documents on Display**

Any statement in this Annual Report about any of the Company's contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to this Annual Report, the contract or document is deemed to modify the description contained in this Annual Report. Readers must review the exhibits themselves for a complete description of the contract or document.

Readers may review a copy of the Company's filings with the SEC, including exhibits and schedules filed with it, at the SEC's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. Readers may call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC maintains a Web site (<http://www.sec.gov>) that contains reports, submissions and other information regarding registrants that file electronically with the SEC. The Company also files electronically through the EDGAR system.

Readers may read and copy any reports, statements or other information that the Company files with the SEC at the address indicated above and may also access them electronically at the Web site set forth above. These SEC filings are also available to the public from commercial document retrieval services.

Any documents referred to in this Annual Report may be inspected at the head office of the Company, 1020 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6, Canada, during normal business hours.

**I. Subsidiary Information**

There is no information relating to the Company's subsidiaries which must be provided in Canada and which are not otherwise called for by the body of generally accepted accounting principles used in preparing the consolidated financial statements.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

The Company anticipates its primary market risk, if any, to be related to fluctuations in exchange rates. Exchange rate risk may arise if the Company is required to use different currencies for various aspects of its operations. At present, the functional currency for the Company is the Canadian dollar. Based on the Company's overall exchange rate risk as at April 30, 2012, the Company believes that a ten percent change in exchange rates would not have a material adverse effect on its financial position, financial performance, or changes in financial position. The Company intends to monitor its exchange rate risk and take reasonable steps to reduce its exposure. The Company does not intend to purchase or sell derivative instruments for speculative purposes.

**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

This Form 20-F is being filed as an annual report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

**PART II**

**ITEM 13. DEFAULTS, DIVIDEND ARREARS AND DELINQUENCIES**

There has not been a material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within thirty days, relating to indebtedness of the Company or any of its significant subsidiaries. There are no payments of dividends by the Company in arrears, nor has there been any other material delinquency relating to any class of preference shares of the Company.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable.

**ITEM 15. CONTROLS AND PROCEDURES**

**Disclosure Controls and Procedures**

At the end of the period covered by this annual report for the fiscal year ended April 30, 2012, an evaluation was carried out under the supervision of, and with the participation of, our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, our CEO and CFO have concluded that the disclosure controls and procedures were effective to give reasonable assurance that the information required to be disclosed by us in reports that are filed or submitted under the Exchange Act are (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

**Management's Annual report on internal control over financial reporting**

As at the end of the period covered by this annual report, management of the Company, with the participation of the CEO and the CFO, evaluated the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting as required by Canadian securities laws. Based on that evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this annual report, the disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company was made known to senior management by others and information required to be disclosed by the Company in its annual filings, interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) or other reports filed or submitted by it under securities legislation were recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and the CFO have also concluded that, as of the end of the period covered by this annual report, the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To design its internal control over financial reporting, the Company used the *Internal Control – Integrated Framework* (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission. There are no material weaknesses in the Company's internal control over financial reporting. During the year ended April 30, 2012, there were no changes to the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Attestation Report of the Registered Public Accounting Firm**

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which permits the company to provide only management's report in this Annual Report. The Dodd-Frank Act permits a "non-accelerated filer" to provide only management's report on internal control over financial reporting in an Annual Report and omit an attestation report of the issuer's registered public accounting firm regarding management's report on internal control over financial reporting.

**ITEM 16. [Reserved]**

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

**Composition of the Audit Committee**

The Company's audit committee members are Jean Luc Roy, Michael Riley and Hubert Marleau. They are all independent directors as such term is defined by the listing standards of the NYSE MKT. The board of directors has determined that the Chairman of the Company's Audit Committee, Jean Luc Roy, qualifies as an "audit committee financial expert" as that term is defined in Item 16A(b) of Form 20-F. As a result of their education and experience, each member of the audit committee has familiarity with, and understanding of, or experience in accounting principles used by the Company to prepare its financial statements, in reviewing and evaluating the financial statements and are familiar with internal controls and procedures for financial reporting.

Mr. Roy is chairman and an independent member of the audit committee and is financially literate. Mr. Roy has an understanding of IFRS and financial statements. He has the ability to assess the general application of such principles in connection with accounting for estimates, accruals and reserves. In addition he has the background and experience to deal with the complexity of accounting issues that can be reasonably raised by the registrant's financial statements. Mr. Roy has an understanding of internal controls and the functioning of the audit committee and has experience overseeing the financial reporting function. Mr. Roy has been a director or executive officer of several exploration and mining companies for the past 20 years. Mr. Roy was the past President and CEO of El Nino Ventures Inc. Mr. Roy is presently a resident of Burkina Faso where is he COO of Ampella Mining Ltd an Australian listed company focused on gold exploration in West Africa with their flagship property Batie West.

Mr. Marleau is an independent member of the audit committee and is financially literate. With Mr. Marleau's extensive work history working with private and public companies as a director, Mr. Marleau has an understanding of internal controls and procedures for financial reporting.

Mr. Michael Riley in an independent member of the audit committee and is financially literate. Mr. Michael Riley is a Chartered Accountant was a former audit partner with Ernst & Young LLP from 1985 to 2006. Mr. Riley has a B.Comm. (Honors) degree in Quantitative Methods, from Concordia University and has a Graduate Diploma in Public Accounting from McGill University. He is currently chair of the Audit Committee of BC Lottery Corporation and Chair of the Audit Committee of Primero Mining Corp.

A copy of the audit committee charter is available on the Company's web site and is available by contacting the Company directly. The Audit Committee Charter is filed herewith.

**ITEM 16B. CODE OF ETHICS**

The Company has adopted a Code of Ethics ("COE") which defines certain fundamental principles, policies and procedures that govern the directors, officers, employees, advisors and contractors. The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and to the highest standard of business ethics. A copy of the COE is provided to all individuals associated with the Company including outside contractors.

The COE establishes a level of awareness and expectations in certain areas of behaviour such as conflicts of interest, gifts and entertainment, competitive practices, disclosure policies, legal compliance, financial reporting, records, company assets, workplace environment and Health and Safety. A whistle blower system for reporting violations to the COE has been established and is routinely revisited during regular employee meeting and orientations.

The COE is posted on the Company's web site, has been posted to SEDAR and EDGAR. A copy of the COE may be requested by contacting the head office at #1020 – 625 Howe Street, Vancouver, BC, V6C 2T6, by telephone 604.688.3211, fax 604.688.3217 or via e-mail at canalaska.com. The Code of Ethics is filed herewith.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table discloses the aggregate fees billed for each of the last two financial years for professional services rendered by the Company's audit firm, Deloitte & Touche LLP., for various services in Canadian Dollars.

**External Auditor Service Fees**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit of the Company's accounts are as follows:

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Advisory Fees</b>	<b>All Other Fees</b>
2012	\$50,290	\$40,125	\$79,871	Nil
2011	\$48,150	\$11,660	\$30,788	Nil



From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company's auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amount for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the US Securities and Exchange Commission, and whether the services requested and the fees related to such services could impair the independence of the auditors.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

None.

**ITEM 16E. PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

There have been no purchases made on behalf of the issuer or any affiliate issuer during this reporting period.

**ITEM 16F. CHANGE IN REGISTRANTS CERTIFYING ACCOUNTANT**

None.

**ITEM 16G. CORPORATE GOVERNANCE**

Not applicable.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable

**PART III**

**ITEM 17. CONSOLIDATED FINANCIAL STATEMENTS**

Not applicable.

**ITEM 18. FINANCIAL STATEMENTS**

See the consolidated financial statements and Exhibits listed in Item 19 hereof and filed as part of this Annual Report.

**ITEM 19. EXHIBITS**

The Consolidated Financial Statements of the Company and exhibits listed below are filed with this annual report on Form 20-F in the United States. The financial statements appear on Pages F-1 through F-41. This report is also filed in Canada as an Annual Information Form and the Canadian filing includes the Consolidated Financial Statements and exhibits listed below.

The following financial statements are attached to and form a part of this report filed with the SEC:

*Consolidated Financial Statements of the Company:*

- Report of Independent Registered Chartered Accountants on Consolidated Financial Statements.
- Consolidated Statements of Financial Position as at April 30, 2012 and 2011 and May 1, 2010.
- Consolidated Statements of Net Loss and Comprehensive Loss for the year ended April 30, 2012 and 2011.
- Consolidated Statements of Changes in Equity for the year ended April 30, 2012 and 2011.
- Consolidated Statements of Cash Flows for the year ended April 30, 2012 and 2011.
- Notes to the Consolidated Financial Statements.

**EXHIBIT INDEX**

The following exhibits are attached to and form part of this Annual Report:	
<i>Exhibit</i>	
1.1	Articles of Incorporation*
11.1	Code of Ethics
12.1	Section 302 Certification of the Company's Chief Executive Officer
12.2	Section 302 Certification of the Company's Chief Financial Officer
13.1	Section 906 Certification of the Company's Chief Executive Officer
13.2	Section 906 Certification of the Company's Chief Financial Officer
14.1	Management Discussion and Analysis dated July 30, 2012
14.2	Audit Committee Charter
14.3	Corporate Governance Policy

**\* Previously filed and incorporated by reference from our Form 20-F filed with the SEC on September 14, 2010**

## SIGNATURES

The Company hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: July 30, 2012

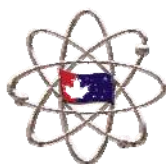
**CANALASKA URANIUM LTD.**

“Peter Dasler”

President & CEO

“Ram Ramachandran”

Chief Financial Officer



# **CanAlaska Uranium Ltd.**

Consolidated Financial Statements  
**April 30, 2012 and 2011**

(Expressed in Canadian dollars, except where indicated)

## **Report of Independent Registered Chartered Accountants**

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

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

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

**Emphasis of Matter**

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

(To be signed Deloitte & Touche LLP)

Independent Registered Chartered Accountants  
July 27, 2012  
Vancouver, Canada

# CanAlaska Uranium Ltd.

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

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

## Approved by the Audit Committee of the Board of Directors

“Peter Dasler”

Director

“Jean Luc Roy”

Director

# CanAlaska Uranium Ltd.

## Consolidated Statements of Net Loss and Comprehensive Loss

For the year ended April 30, 2012 and 2011

(Expressed in Canadian dollars except where indicated)

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

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



# CanAlaska Uranium Ltd.

## Consolidated Statements of Changes in Equity

For the year ended April 30, 2012 and 2011

(Expressed in Canadian dollars except where indicated)

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

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

# CanAlaska Uranium Ltd.

## Consolidated Statements of Cash Flows

For the year ended April 30, 2012 and 2011

(Expressed in Canadian dollars except where indicated)

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

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

# CanAlaska Uranium Ltd.

## Consolidated Statements of Cash Flows

For the year ended April 30, 2012 and 2011

(Expressed in Canadian dollars except where indicated)

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### 1 Nature of Operations

CanAlaska Uranium Ltd. (the “Company” or “CanAlaska”) and its subsidiaries for the past 7 years have been principally engaged in the exploration of uranium properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. From time to time, the Company evaluates new properties and directs exploration on these properties based on the Board of Director’s evaluation of financial and market considerations at the time. On June 21, 2011, the Company’s shares commenced trading on the Toronto Stock Exchange under the symbol “CVV” and ceased trading on the TSX Venture Exchange. The Company’s shares are also quoted on the Over-The-Counter Bulletin Board (“OTCBB”) in the United States under the symbol “CVVUF” and the Frankfurt Stock Exchange under the symbol “DH7N”. The Company’s registered office is located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

### 2 Going Concern

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to increasingly difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent net acquisition costs incurred to date and do not necessarily represent current or future values of the mineral properties.

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies**

### **a) Statement of Compliance**

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

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

### **b) Basis of preparation**

These consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis except for certain financial instruments that are measured on the fair value basis.

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

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies (continued)**

### **c) Share-based payments**

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The total amount to be expensed is determined by reference to the fair value of the options granted.

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in note 10. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period of the options with a corresponding increase in equity reserve.

### **d) Income taxes**

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

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

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

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

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

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 3 Summary of Significant Accounting Policies (continued)

### e) Flow-through shares

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

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

### f) Property and equipment

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

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

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

### g) Exploration and evaluation expenditures

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies (continued)**

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

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

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

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

### **h) Impairment of non-financial assets**

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies (continued)**

### **i) Foreign currencies**

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

### **j) Financial assets and liabilities**

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

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

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

The Company has classified its financial instruments as follows:

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



# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies (continued)**

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

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

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

### **Impairment of financial assets**

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

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

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

### **k) Investment revaluation reserve**

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **3 Summary of Significant Accounting Policies (continued)**

### **l) Cash and cash equivalents**

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

### **m) Decommissioning liabilities**

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

### **n) Equity**

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

### **o) Provisions**

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

### **p) Interest income**

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

### **q) Loss per share**

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 3 Summary of Significant Accounting Policies (continued)

### r) Segment reporting

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

### s) Accounting standards issued but not yet effective

- *IFRS 9, Financial Instruments: Classification and Measurement*, issued in December 2009, effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2015.
- *IFRS 7 Financial Instruments: Disclosures (Amendment)*, the amendment, effective for annual periods beginning on or after July 1, 2011, with early application permitted, requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where: financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them or; financial assets that are not derecognized in their entirety.
- *IAS 12 Income Taxes (Amendment)*, IAS 12 Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets introduces an exception to the existing principle for the measurement of deferred tax assets and liabilities arising on investment property measured at fair value, and the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after January 1, 2012.
- *IAS 1 Presentation of Financial Statements (Amendment)*, the amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRS to group together items within other comprehensive income ("OCI") that may be reclassified to the profit or loss section of the income statement. The amendments retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). In addition, the tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendment is effective for annual periods beginning on or after July 1, 2012.

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 3 Summary of Significant Accounting Policies (continued)

- *IFRS 10 Consolidated Financial Statements* replaces the portion of *IAS 27 Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements, and *SIC12 Consolidation - Special Purpose Entities*. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as a basis for consolidation; (iii) sets out how to apply the principle of control whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRS 10 may be adopted to an earlier accounting period, but in doing so, an entity must disclose the fact that it has early adopted the standard and apply *IFRS 11 Joint Arrangements*, *IFRS 12 Disclosure of Interests in Other Entities*, *IAS 27 Separate Financial Statements* (as amended in 2011), *IAS 28 Investments in Associates and Joint Ventures* (as amended in 2011).
- *IFRS 11* replaces *IAS 31 Interest in Joint Ventures* and *SIC-13 Jointly-Controlled Entities – Non-Monetary Contributions by Venturers*. This standard establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement (joint operations or joint ventures). This standard is effective for annual periods on or after January 1, 2013, with early adoption permitted.
- *IFRS 12* combines the disclosure requirements for an entity's interest in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. This standard requires the disclosure of information that enable users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, and entities are permitted to incorporate any of the new disclosures into their financial statements before that date.
- *IFRS 13 Fair Value Measurement* provides guidance on how to measure fair value, but does not change when fair value is required or permitted under IFRS. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payments transactions within the scope of *IFRS 2 Share-based Payments*; leasing transactions with the scope of *IAS 17 Leases*; measurements that have some similarities to fair value that are not fair value, such as net realizable value in *IAS 2 Inventories*; or value in use *IAS 36 Impairment of Assets*. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.
- *IAS 27* has the objective of setting standards to be applied in accounting for investments in subsidiaries, jointly controlled entities, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 3 Summary of Significant Accounting Policies (continued)

- *IAS 28* prescribes the accounting for investments in associates and to set the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.
- *IAS 19 Employee Benefits (“IAS 19”)*, in June 2011, the IASB issued amendments to IAS 19 that introduced significant changes to the accounting for defined benefit plans and other employee benefits. The amendments include elimination of the options to defer or recognize in full in profit or loss actuarial gains and losses and instead mandates the immediate recognition of all actuarial gains and losses in other comprehensive income. The amended IAS 19 also requires calculation of net interest on the net defined benefit liability or asset using the discount rate used to measure the defined benefit obligation. In addition, other changes incorporated into the amended standard include changes made to the date of recognition of liabilities for termination benefits and changes to the definitions of short-term employee benefits and other long-term employee benefits which may impact on the classification of liabilities associated with those benefits. The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.
- *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (“IFRIC 20”)*, in October 2011, the IASB issued IFRIC 20. IFRIC 20 clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory; and (ii) improved access to further quantities of material that will be mined in future periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted and includes guidance on transition from pre-existing stripping assets.

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

## 4 Significant Accounting Judgments and Estimates

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **4 Significant Accounting Judgments and Estimates (continued)**

### **a) Critical judgments**

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

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

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

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

### **b) Estimates**

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 5 Cash and Cash Equivalents

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

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

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

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

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

## 6 Available-for-Sale Securities

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 7 Property and Equipment

Property and equipment are comprised of the following:

	Automotive \$000's	Leasehold improvements \$000's	Mining equipment \$000's	Office equipment \$000's	Total \$000's
<b>Cost</b>					
At May 1, 2010	111	270	987	476	1,844
Additions	-	-	39	18	57
Disposals	-	-	(19)	-	(19)
At April 30, 2011	111	270	1,007	494	1,882
Additions	-	-	36	7	43
Disposals	(29)	-	(19)	-	(48)
At April 30, 2012	82	270	1,024	501	1,877
<b>Accumulated Depreciation and Amortization</b>					
At May 1, 2010	(72)	(62)	(661)	(306)	(1,101)
Depreciation and amortization	(12)	(22)	(102)	(42)	(178)
Disposals	-	-	13	-	13
At April 30, 2011	(84)	(84)	(750)	(348)	(1,266)
Depreciation and amortization	(4)	(21)	(79)	(32)	(136)
Disposals	21	-	8	-	29
At April 30, 2012	(67)	(105)	(821)	(380)	(1,373)
<b>Carrying Value</b>					
At May 1, 2010	39	208	326	170	743
At April 30, 2011	27	186	257	146	616
At April 30, 2012	15	165	203	121	504



# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 8 Mineral Property Interests

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

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 8 Mineral Property Interests (continued)

<b>Summary of option payments remaining due by CanAlaska in the years ending April 30</b>	<b>Cash \$000's</b>	<b>Total Spend<sup>1</sup> \$000's</b>	<b>Shares</b>
2013	-	1,200	-
2014	-	1,800	-
Thereafter	-	6,200	120,000

<b>Summary of option payments receivable by CanAlaska in the years ending April 30<sup>1</sup></b>	<b>Cash \$000's</b>	<b>Total Spend<sup>1</sup> \$000's</b>	<b>Shares</b>
2013	-	150	-
2014	-	433	-
Thereafter	-	720	-

<sup>1</sup> Represents cumulative spend required not the spend per fiscal year to maintain certain interests in the Company's properties.

### a) Cree East, Saskatchewan – Korean Consortium

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

### b) West McArthur, Saskatchewan - Mitsubishi

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **8 Mineral Property Interests (continued)**

### **c) Fond Du Lac, Saskatchewan**

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

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

### **d) Grease River, Saskatchewan**

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

### **e) Cree West, Saskatchewan**

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **8 Mineral Property Interests (continued)**

### **f) Key Lake, Saskatchewan**

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

### **g) Black Lake, Saskatchewan**

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

### **h) Rise and Shine, New Zealand**

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

### **i) Other Projects – BC Copper, British Columbia**

- BC Copper is comprised of approximately 25,000 hectares located in south central British Columbia. In November 2011, the Company optioned the claims to Tyrone Docherty and subsequently amended the agreement in February 2012 whereby certain acquired claims were included and excluded in the option as well as a reduction in the required exploration expenditure. Tyrone Docherty may earn a 50% interest in the property by making payments of \$30,000 (received) and making exploration expenditures of \$250,000 before July 2014.
- In March 2012, the Company optioned additional claims comprising approximately 8,899 hectares in south central British Columbia to Tyrone Docherty. Tyrone Docherty may earn a 50% interest in the property by making exploration expenditures of \$470,000 by July 2014. In May 2012 the company amended the agreement and reduced the property holdings to the Big Creek property, where a third party, Discovery Ventures Ltd and Docherty will earn 50% interest for the expenditure of \$75,000 in summer 2012, a further \$87,500 of exploration expenditure by July 1 2013, and a further \$87,500 of exploration expenditure by July 1 2014.
- In fiscal 2012, the Company wrote down its Voisey's Bay claim (\$3,000) as it did not intend to renew its permits on this property.

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 9 Share Capital

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

### Share Issuances

- a) On September 23, 2010, shareholders approved a share consolidation of ten to one. The shares of the Company began trading on a consolidated basis on November 8, 2010. All references to common shares, stock options, warrants and per share amounts for all periods have been adjusted on a retrospective basis to reflect the common share consolidation.
- b) In March 2012, the Company issued 283,000 common shares for gross proceeds of \$121,690. A finder's fee of \$4,867 in cash and 11,320 warrants were issued in connection with the financing. Each finder's warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of \$0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of \$1,825 which was determined using the Black Scholes model.

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

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 9 Share Capital (continued)

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

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

## 10 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 3,400,000 common shares of the Company may be allotted and reserved for issuance under the stock option plan.

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 10 Share Stock Options and Warrants (continued)

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

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

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

### Warrants

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

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

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

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the period ended April 30, 2012:

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 10 Share Stock Options and Warrants (continued)

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

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

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

## 11 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

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

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

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

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



# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 12 Income Tax

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

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

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

	<b>2012</b>	<b>2011</b>
	<b>\$000's</b>	<b>\$000's</b>
Deferred tax assets:		
Capital losses	6	34
	6	34
Deferred tax liabilities:		
Available for sale investments	6	34
	6	34

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 12 Income Tax (continued)

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

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

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

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 13 Commitments

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

<b>Fiscal Year Ending</b>	<b>Total \$000's</b>
2013	198
2014	150
2015	150
2016	133
Thereafter	7
<b>Total</b>	<b>638</b>

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

## 14 Financial Instruments

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

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

### a) Currency Risk

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

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

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

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

# **CanAlaska Uranium Ltd.**

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **14 Financial Instruments (continued)**

### b) Credit Risk

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

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

### c) Liquidity Risk

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

### d) Interest Rate Risk

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

## **15 Management of Capital**

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 16 Geographic Segmented Information

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

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

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

## 17 Transition to IFRS

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

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

### *IFRS Exemptions and Choices*

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

#### **a) Share-based payments**

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

#### **b) Business combinations**

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 17 Transition to IFRS (continued)

### c) Leases

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

#### *Mandatory exceptions to retrospective application*

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

#### *Estimates*

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

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 17 Transition to IFRS (continued)

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

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

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 17 Transition to IFRS (continued)

### Reconciliation of consolidated statement of comprehensive loss.

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



# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 17 Transition to IFRS (continued)

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

### a) Flow through shares and deferred taxes

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

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

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

The effects of this transitional change are as follows:

- (i) Premium on flow-through shares:
  - a) decreased share capital and deficit at May 1, 2010 by \$792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features.
- (ii) Renouncement of flow-through tax credits:
  - a) increased share capital and deficit by \$7,569,000 at May 1, 2010;
  - b) decreased share capital and deferred tax provision expense by \$149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 17 Transition to IFRS (continued)

### b) Variable interest entity

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

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

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

- (i) At May 1, 2010:
  - a) cash decreased by \$836,000
  - b) non-controlling interest decreased by \$12,600,000
  - c) credit resulting from above credited to deficit in the amount of \$11,764,000
  
- (ii) At April 30, 2011:
  - a) cash decreased by \$1,774,000
  - b) non-controlling interest decreased by \$19,000,000
  - c) credit resulting from above credited to deficit in the amount of \$5,462,000

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## 17 Transition to IFRS (continued)

### c) Share based payments

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

### d) Deferred mineral exploration costs

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

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

The effects of this transitional change are as follows:

- (i) At May 1, 2010:
  - a) decrease deferred exploration assets of \$44,542,000
  - b) increase deficit of \$44,542,000
  
- (ii) At April 30, 2011:
  - a) decrease deferred exploration assets of \$52,345,000
  - b) increase opening deficit by \$44,542,000
  - c) increase net loss by \$7,803,000

# CanAlaska Uranium Ltd.

Notes to the Consolidated Financial Statements

**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

## 17 Transition to IFRS (continued)

### *Impact of above on deferred taxes*

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

- (i) At May 1, 2010:
  - a) decrease liability and deficit by \$3,399,000
- (ii) At April 30, 2011:
  - a) decrease liability by \$3,596,000
  - b) decrease opening deficit by \$3,399,000
  - c) decrease net loss by \$197,000

### e) **Impact on deficit**

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

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

### f) **Impact on cash flow**

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

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

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

# **CanAlaska Uranium Ltd.**

Notes to the Consolidated Financial Statements

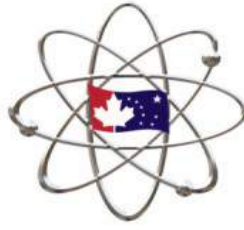
**For the year ended April 30, 2012 and 2011**

(Expressed in Canadian dollars except where indicated)

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## **18 Subsequent event**

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



## **CANALASKA URANIUM LTD.**

### **CODE OF ETHICS**

#### **SCOPE OF POLICY**

##### **Purpose of the Code of Ethics**

The purpose of a Code of Ethics (“COE”) is to define certain fundamental principles, policies and procedures that will govern the directors, officers, consultants, advisors, contractors and employees (the “Representatives”) of CanAlaska Uranium Ltd. (the “Company”).

This COE will assist to:

- Establish a framework for accepted/unacceptable behaviours
- Prompt high standards of business conduct and practice
- Promote accountability and adherence to this COE
- Develop a corporate culture steeped in honest and ethical conduct

##### **Principles of the COE**

The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and to the highest standard of business ethics. It is intended that the Company’s business practices are compatible with the economic, environmental and social priorities of the areas in which we operate. Any Representative of the Company is expected to comply with this COE in all aspects of their business activities. Where uncertainty exists in certain applications of the COE, you are expected to seek guidance through the channels provided. Violators of this COE will be subject to disciplinary action.

#### **CONFLICTS OF INTEREST**

##### ***Explained***

The Company’s Representatives have an obligation to give their complete loyalty to the best interest of the Company. They must avoid any action that may involve or appear to involve a conflict of interest with the Company. These Representatives should not have any financial or other business relationships with suppliers, customers or competitors that might impair the independence of any judgement they may need to make on behalf of the Company. Any potential conflict of interest must be reported to the appropriate person as outlined in the reporting of violators section of the COE.

##### **Gifts and Entertainment**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals, tickets to sporting or cultural events, discounts, travel, accommodation, merchandise or services. In some cultures these gifts play an important role in business relationships. However, a problem may occur when such courtesies compromise or appear to compromise your ability to make objective and fair business decisions.

Offering or receiving a gift that may be perceived to unfairly influence a business relationship should be avoided. No gift or entertainment should be given, provided or accepted by any Representative of the

Company unless it is not a cash gift, is consistent with customary practices, is not excessive in value, cannot be construed to be a bribe or payoff, and does not violate any applicable laws or regulations.

### **Competitive Practices**

The Company believes that fair competition is one of its core values. In this regard the Company complies with and supports laws of which prohibit restraints of trade, unfair practices, or abuses of economic power. Therefore the Company will not enter into arrangements that would restrict its ability to compete with other businesses or the ability of any other business to compete fairly with the Company.

The COE prohibits its Representatives from entering into understandings that may result in unfair business practices or anticompetitive behaviour. To never offer, or promise to pay or give anything of value, directly or indirectly, to any official for the purposes of influencing and act or a decision related to retaining or obtaining business directly or directing business to any other person, company or organization.

### **Public Relations**

The Company's Chief Executive Officer (CEO) and Vice President (VP) of Corporate Development are responsible for public relations, including all contact with media. All other Representatives may not respond to inquiries or requests for information unless specifically authorized to do so. If contacted by the media, representatives must refer the contact to the CEO or VP.

Representatives must be careful not to disclose confidential, personal or business information through public or casual discussions and must have read and are familiar with the Company's *Disclosure Policy*.

## **LEGAL COMPLIANCE**

### **Compliance with Laws, Rules, and Regulations**

All Company Representatives are expected to comply in good faith at all times with all applicable laws, rules, and regulations are to behave in an ethical manner. Representatives are required to educate themselves on laws, rules and regulations that govern their work. When an individual has questions or is uncertain of the laws that govern them, they should seek assistance in understanding these laws from a member of the Corporate Governance Committee or the Corporate Secretary.

All Company Representatives are subject to Insider Trading Regulations. Security Laws prohibit the trading in securities of any company while in possession of material, non-public information regarding such company. Each Representative will receive a copy of the Company's *Disclosure Policy* upon hiring or appointment. The policy will be up dated periodically and it is up to the individual to ensure that they thoroughly understand the policy and any changes or updates. Informational sessions will be held from time to time and Representatives are encouraged to continuously educate themselves about these laws, rules and regulations.

### ***Additional Conditions for Directors and Senior Officers***

The following additional conditions apply to directors and senior officers of the Company. A director or senior officer of the Company must file an insider report with the Canadian provincial and territorial securities regulations within 5 days of a purchase or sale of the Company's securities or grant of stock option. In order to reduce the likelihood of the violation of these trading and tipping restrictions, the Company has adopted the following policy:

- i. Trading in the Company's securities, or related securities such as options, must not take place during blackout periods. Each blackout period begins one business day before the issuance of a news release and ends at the end of the second business day after the day the Company issues the release publically. If there are any doubts whether or not any particular day is within a blackout period contact the CEO or Corporate Secretary. In addition, when the

director or senior officer is aware of a material fact that has not yet been disclosed to the public, they must remain in blackout until the material change has been reported publically.

- ii. Each year the Company holds an annual shareholder meeting. In connection with these meetings, it mails out a proxy circular to its shareholders giving notice of the shareholder meeting and providing information to shareholders with respect to matters of business to be dealt with at the meeting. A director or senior officer must not trade from the date of mailing until the end of the fifth business day following the date of mailing of a proxy circular to shareholders. This restriction also applies to special or extraordinary shareholder meetings. If there are any doubts as to when this period applies, contact the CEO or Corporate Secretary.
- iii. Directors and senior officers are encouraged to give prior notice to the CEO or Corporate Secretary of their intention to exercise a stock option and obtain confirmation that any sale of securities in connection with the exercise of a stock option will not occur during a blackout period.

### **Notification of Blackout Periods**

The Corporate Secretary or the Vice President of Corporate Development will endeavour to notify the appropriate parties by e-mail of any blackout periods. If you are not certain of the current blackout status please confirm by contacting the above individuals prior to engaging in activities involving the Company's securities.

### **Confidential Information**

During the normal course of business, Representatives will have access to business information and records of a confidential nature. Confidential information is described as: "information which has not been made public by the Company through its public channels". Confidential business information is not to be disclosed externally or used for inappropriate purposes. See the Company's *Disclosure Policy*. This requirement applies both during and after termination of employment or services.

### **Financial Reporting and Records**

The Company maintains accurate and complete records. Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make business decisions. Transactions between the Company and outside individuals and organizations are promptly and accurately entered in our books in accordance with generally accepted accounting practices and principles.

All Representatives who have control over the Company's assets and transactions are responsible for establishing or maintaining a system of internal controls in their area of responsibility designed to prevent unauthorized, unrecorded transactions, and permit the preparation of financial statements according to acceptable accounting principles.

No one shall rationalize or even consider misrepresenting facts or falsifying records. All Representatives have a responsibility to ensure that the Company's records, including accounting records, do not contain any false or misleading entries or omissions.

No Representative shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the independent auditors of the Company.

### **Records Retention**

Records should be retained and destroyed in accordance with any existing legal requirements..



## **COMPANY ASSETS**

### **Use of Company Property**

All Company Representatives are required to protect the assets and opportunities and ensure their efficient use. Assets (information, technology, intellectual property, property, buildings, equipment, machines, software and cash) must be used for legitimate business purposes only. Company assets may not be used for illegal purposes.

### **Destruction or Theft of Property**

Theft, carelessness and waste have a direct impact on the Company's operations. All Company Representatives shall not damage, destroy or misplace any property of the Company.

### **Intellectual Property of Others**

Company Representatives may not reproduce, distribute or alter copyrighted materials without permission of the copyright owner. Software used in connection with the Company's operations must be properly licensed and used only in accordance with that license.

### **Information Technology**

Email systems and internet services are provided to help us perform our duties. Occasional personal use is permitted, but not for personal gain or improper use. Your messages including voice mail and computer information are considered to be the property of the Company and therefore you will not be entitled to any privacy in regard to these messages. Employees will be provided with a copy of the *Employee Handbook* which more clearly details the rights and responsibilities of utilizing the Company's information technology.

### **Corporate Opportunities**

Company Representatives are not allowed to take for themselves opportunities that arise through the use of corporate property, information or position, or from using corporate property information or position for personal gain. Representatives have a duty to advance the interests of the Company and when opportunities arise they are obligated to use these opportunities for corporate advancement

## **WORKPLACE**

### **Harassment or Discrimination**

All Company Representatives deserve a workplace where they are respected, satisfied, and appreciated. The Company respects cultural diversity and will not tolerate harassment or discrimination prohibited by law. We are committed to equal opportunity in all aspects of employment.

Providing an environment that supports honesty, integrity, respect, trust, and responsibility permits us the opportunity to achieve excellence in the workplace. While everyone who works with the Company must contribute to the creation and maintenance of such an environment, our executives and management assume the special responsibility for fostering a work environment that is free from the fear of retribution and will bring out the best in all of us. Managers must be careful in words and deeds to avoid placing or seeming to place pressure on subordinates that could cause them to deviate from acceptable ethical behaviour. See the Respectful Work Environment policy located in the Employee Handbook, Operations Manual and on the Company Server. The Respectful Work Environment policy is posted at all office, warehouse and camp locations operated by the Company.

**Environment, Health and Safety**

The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations and has developed a Environment, Health, Safety and Community Policy (“HSE&C”) All Company Representatives must report any safety issues as they arise so that corrective action may be taken. The Company’s *Operations Manual* outlines detailed specific expectations and behaviours in connection with its HSE&C policies in the field. Each Field Employee or Company Representative is expected to be educated and aware of the policies that are applicable to their particular job description.

**Employee Handbook**

Upon hiring, you will receive a copy of the current *Employee Handbook*. This handbook details among other things, our corporate structure, environment, policies, procedures and our expectations from you. It is your responsibility to read and understand these policies. The policies will be reviewed and amended from time to time as required. If you have any questions or problems feel free to contact your immediate supervisor, the CEO or the Corporate Secretary.

**WAIVERS OF THE COE**

Any waiver of this Code of Ethics with respect to any Representative may only be made by the Board of Directors and or the Corporate Governance Committee. Any such waiver will be promptly disclosed as required by applicable laws or regulatory policies.

**REPORTING VIOLATIONS**

The Company has a serious commitment to conduct our business in a lawful and ethical manner. Representatives are encouraged to talk to their immediate supervisors or alternate when in doubt about the best course of action in connection with a particular situation or a direct violation of the Code of Ethics. When it is not appropriate or comfortable to report suspected violations to your immediate supervisor or alternate, report to the Chair of the Corporate Governance Committee or the Chair of the Audit Committee.

Further to it’s commitment to ethical, lawful and responsible management, the Company has engaged the services of Whistle Blower Security Inc., an independent third party administrator designated to provide confidential and anonymous reporting services. Representatives may now call a hotline from 6am to 4:30pm Monday through Friday 1-866-921-6714 or via email at [Canalaska@whistleblowersecurity.com](mailto:Canalaska@whistleblowersecurity.com) , to report any incidents or concerns.

If you observe or become aware of an actual or potential violation of this COE or any law or regulation, it is your responsibility to report the incident. The COE is designed to provide a safe environment, without reprisal, for the reporting of any incident.

The disciplinary measures are to be conducted by the Board of Directors for the Company. Measures that may be invoked could include, counselling, oral or written reprimand, warnings, probation or suspension without pay, demotions, termination of employment and restitution.

**ANNUAL ACKNOWLEDGEMENT AND CONFIRMATION**

All Representatives will acknowledge and confirm in writing on an annual basis that they are fully compliant with the COE or will report in writing to the Governance Chair the details where they are not compliant.

**CERTIFICATIONS**

I, Peter Dasler, certify that:

1. I have reviewed this annual report on Form 20-F of CanAlaska Uranium Ltd.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this annual report;
4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the company (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officers and I have disclosed, based on our more recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: July 30, 2012

**CANALASKA URANIUM LTD**

"Peter Dasler"

Peter Dasler  
Chief Executive Officer

**CERTIFICATIONS**

I, Ram Ramachandran, certify that:

1. I have reviewed this annual report on Form 20-F of CanAlaska Uranium Ltd.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the company (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officers and I have disclosed, based on our more recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: July 30, 2012

**CANALASKA URANIUM LTD**

"Ram Ramachandran"

Ram Ramachandran  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
SECTION 1350 OF CHAPTER 63 OF TITLE 18,  
OF THE UNITED STATES CODE (18U.S.C.1350)  
ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CanAlaska Uranium Ltd. (the "Company") on Form 20-F for the year ended April 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Dasler, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of the operations of the Company.

Date: July 30, 2012

***Peter Dasler***  
\_\_\_\_\_  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
SECTION 1350 OF CHAPTER 13 OF TITLE 18  
OF THE UNITED STATES CODE (18U.S.C.1350)  
ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CanAlaska Uranium Ltd. (the "Company") on Form 20-F for the year ended April 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ram Ramachandran, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of the operations of the Company.

Date: July 30, 2012

**"Ram Ramachandran"**  
Chief Financial Officer



EXHIBIT 14.1



## CanAlaska Uranium Ltd.

CVV - TSX CVVUF - OTCBB DH7N – Frankfurt

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

**Dated July 30, 2012**

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR. Information is also available at the Company's website [www.canalaska.com](http://www.canalaska.com). The following information is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and denominated in Canadian dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2012.

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*This MD&A contains forward-looking information. Refer to Section 6 "Forward-Looking Statements" and "Risks Factors" for a discussion of the risks, uncertainties and assumptions relating to such information.*



## 1. OVERVIEW OF THE COMPANY

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

Due to increasingly difficult market conditions facing junior uranium exploration, the Company's management is evaluating its priorities and taking steps to streamline non-discretionary expenditures. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to increasingly difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. From time to time, the Company will evaluate new properties and direct activities to these based on the Board of Director's evaluation of financial and market considerations at the time.

### 1.1 Profile and Strategy

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties, principally in Canada. The Company aims to acquire and advance its projects to a stage where they can be exploited at a profit or it can arrange joint ventures, whereby other companies provide funding for development and exploitation. The Company's principal focus for the past seven years has been the exploration for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan. As of July 25, 2012, the Company had 22,058,136 shares outstanding with a total market capitalization of \$5.6 million. The Company's shares trade on the Toronto Stock Exchange ("CVV") and are quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N").

**Table 1: Canadian Land Position Summary**

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

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

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





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

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

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

## 1.2 Outlook

- Restriction of uranium exploration activity until financial markets recover in this sector
- Strong commitment to option, joint venture or sale of individual exploration projects
- Evaluate alternate commodities and projects suitable for market financing, or acquisition and sale
- Company believes that it has the projects, strategic partners, people and knowledge base, corporate treasury and fund raising ability to maintain a position in the uranium exploration sector, but, due to increasingly difficult market conditions facing junior mining and junior uranium exploration companies, management has progressively terminated all long term contracts and is taking steps to streamline non-discretionary expenditures and financial overheads
- Our Korean partners have contributed \$19.0 million of their \$19.0 million funding commitment towards the Cree East project, but have requested a slow-down in expenditures, or introduction of an incoming partner
- At the West McArthur project, exploration is being carried out under a 50/50 joint venture with MC Resources Canada ("MCRC"), a wholly owned subsidiary of Mitsubishi Corporation, and CanAlaska, but maybe deferred in 2013 to await better market conditions
- At the Collins Bay Extension project, results from the Company's previous program provide strong exploration targets for the large breccia targets on the property, but further funding is required to progress this property
- CanAlaska is actively marketing all of its projects to potential partners

## 1.3 Senior Management compensation

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

## 2. MILESTONES AND PROJECT UPDATES

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

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



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

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

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

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

In May 2012, the Company reported strong geophysical responses matching geology and uranium mineralized boulders from the recent surveys within the target areas at its NW Manitoba uranium project. The recent ground resistivity and gravity geophysical surveys localized anomalous features typical of sulphide-bearing mineralization, and zones of clay alteration within areas of shallow overburden. There is a striking correspondence between the location of gravity anomalies and the low resistivity zones from the survey.

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

In March 2012, the Company announced the commencement of geophysical field work on its NW Manitoba uranium-REE project. The project covers a large area of the geologically favourable Wollaston Belt in the province of Manitoba, where the uranium rich basement rocks associated with the Athabasca uranium deposits intermittently come to surface. The Company has discovered multiple mineralized zones with extensive boulder dispersion trains and surface showings of high grade uranium (>1% U<sub>3</sub>O<sub>8</sub>), rare earths (REE) and molybdenum mineralization across numerous mineralized belts, either within, or cutting across all rock types in the area.

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

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

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



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

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

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

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

In June 2011, the Company reported on results from its 2011 Phase One reverse circulation and initial diamond core drilling program on the Fond Du Lac project. The exploration identified additional uranium targets proximal to the existing Fond Du Lac uranium deposit, and provided further targets for the planned 2011 Phase Two diamond drill program. Thirty-four vertical (2,895 metres) reverse circulation drill holes were completed in five soil anomaly target areas. Nine diamond drill holes were drilled at the west Fond Du Lac zone and five diamond drill holes were drilled at the main Fond Du Lac zone. The best uranium mineralization was encountered in diamond drill hole WFDL001, with 2-metres at 0.5% U<sub>3</sub>O<sub>8</sub>.

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

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

## 2.2 Project Updates

### Overview

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

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

- (i) At May 1, 2010:
  - a) decrease deferred exploration assets of \$44,542,000
  - b) increase opening deficit by \$44,542,000
  
- (ii) At April 30, 2011:
  - a) decrease deferred exploration assets of \$52,345,000
  - b) increase opening deficit by \$44,542,000
  - c) increase net loss by \$7,803,000



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

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

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

### 2.2.1 Cree East Project, Saskatchewan – Korean Consortium

Cree East is a high-priority project located in the south-eastern portion of the Athabasca Basin, 35 kilometres west of the formerly producing Key Lake mine and 5 to 22 kilometres north of the south rim of the Athabasca Basin. The project is comprised of 16 contiguous mineral claims totalling approximately 56,000 hectares. A Korean Consortium (Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Networks Co. Ltd.), in December 2007 agreed to spend \$19.0 million on the properties to earn into a 50% interest in the Cree East project.

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

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

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



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

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

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

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

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

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

#### **IFRS impact on accounting for Cree East Project**

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

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

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





- (i) At May 1, 2010:
- cash decreased by \$836,000
  - non-controlling interest decreased by \$12,600,000
  - dilution gain resulting from above credited to deficit in the amount of \$11,764,000
- (ii) At April 30, 2011:
- cash decreased by \$1,774,000
  - non-controlling interest decreased by \$19,000,000
  - dilution gain resulting from above credited to deficit in the amount of \$5,462,000

### 2.2.2 West McArthur Project, Saskatchewan – Mitsubishi

The West McArthur project in the Athabasca Basin, Saskatchewan, was optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi could exercise an option to earn a 50% interest in the property by investing \$11.0 million. In February 2010, Mitsubishi exercised their option with a payment to the Company and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee between 5% and 10%, based on expenditures incurred. The West McArthur project is located immediately west of the McArthur River uranium mine operated by Cameco Corp, and covers approximately 36,000 hectares.

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

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

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

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

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

The Grid 5 geophysical surveys followed up on geological modeling of airborne survey results, and current exploration information on potential uranium bearing basement stratigraphy. The EM surveys on Grid 5 have defined an east to north-east trending conductor package, located 12 kilometres south of the Grid 1 conductor trend and 6 kilometres north of the Grid 4 conductor trend. The Grid 5



conductor, as a result of follow-up DC resistivity surveys, exhibits six discrete zones of low sandstone resistivity overlying the graphitic conductor where low resistivity breaches the surface.

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

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

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

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

### **2.2.3 Fond Du Lac Project, Saskatchewan**

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

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

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

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



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

#### **2.2.4 Grease River Project, Saskatchewan**

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

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

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

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

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

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

#### **2.2.5 Cree West Project, Saskatchewan**

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

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

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

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

#### **2.2.6 Key Lake Project, Saskatchewan**

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

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

In winter 2007, three holes costing \$0.2 million were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U<sub>3</sub>O<sub>8</sub> over 1 metre), but with strong alteration and faulting. In winter 2008, an additional target was drilled on another claim, returning highly-anomalous rare earths mineralization. Only minimal activity occurred through fiscal 2011 and 2012.





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

**2.2.7 Carswell Project, Saskatchewan**

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

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

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

**2.2.8 NW Manitoba, Manitoba**

This property consists of approximately 144,000 hectares and lies between 90 and 170 kilometres northeast along the Wollaston trend of basement formations hosting uranium deposits, which include Rabbit Lake, Collins Bay and Eagle Point Uranium mines. In May 2012, the Company reported strong geophysical responses matching geology and uranium mineralized boulders from the recent surveys within the target areas at its NW Manitoba uranium project. The recent ground resistivity gravity geophysical surveys localized anomalous features typical of sulphide-bearing mineralization, and zones of clay alteration within areas of shallow overburden. There is a striking correspondence between the location of gravity anomalies and the low resistivity zones from the survey.

**2.2.9 Other Projects**

The Company uses its technical staff between field seasons to evaluate other mineral projects for acquisition, either by staking or by option, with the purpose of sale to third parties. For a full description of the geology and setting of the current projects and of the Company’s other projects, reference should be made to the “Property” section, and accompanying news releases of work on the Company’s website at [www.canalaska.com](http://www.canalaska.com).

**Table 5:**

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

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



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

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

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

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

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

### 2.2.9 Project Expenditure Summary

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

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



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

### 3. FINANCIAL POSITION AND CAPITAL RESOURCES

#### 3.1 Cash and Working Capital

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



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

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

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

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

### 3.2 Other Assets and Liabilities

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

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

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

### 3.3 Equity and Financings

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

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

#### Equity instruments

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



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

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

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

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

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

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

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

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

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

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

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

<b>Table 12: Proceeds from Financings</b>			
<b>Date</b>	<b>Type</b>	<b>Intended Use</b>	<b>Actual Use</b>
March 2012	\$0.1 million – 283,000 common shares	Uranium exploration in Saskatchewan	As Intended
March 2012	\$0.8 million – 1,522,000 flow-through common shares	Uranium exploration in Saskatchewan	As Intended
May 2011	\$0.5 million – 418,141 flow through common shares	Uranium exploration in Saskatchewan	As Intended
December 2010	\$2.75 million – 1,721,708 ordinary units	Uranium exploration in Saskatchewan	As Intended
December 2010	\$0.71 million – 446,167 flow-through units	Uranium exploration in Saskatchewan	As Intended



### **IFRS impact on flow-through share financings**

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

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

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

The effects of this transitional change are as follows:

- (i) Premium on flow-through shares:
  - a) decreased share capital and deficit at May 1, 2010 by \$792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features.
  
- (ii) Renouncement of flow-through tax credits:
  - a) increased share capital and deficit by \$7,569,000 at May 1, 2010;
  - b) decreased share capital and deferred tax provision expense by \$149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.



## 4. EXPENDITURES REVIEW

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

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

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

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

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





Insurance, licenses and filing fees are consistent with prior periods. During the fiscal year ended April 30, 2012, the Company graduated from the TSX Venture Exchange to the Toronto Stock Exchange.

Interest income was higher in 2012 compared to 2011. The increase was attributed to both the increased in the cash balances held during the year and better investment rates of return.

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

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

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

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

#### **IFRS impact on share based payments**

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

### **5. CASHFLOW AND LIQUIDITY REVIEW**

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

#### **5.1 Operating Activities**

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

#### **5.2 Financing Activities**

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

#### **5.3 Investing Activities**

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





**5.4 IFRS Impact**

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

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

**6. OTHER MATTERS**

For a full version of the risks and critical accounting estimates and policies reference should be made to the Company’s audited consolidated financial statements for the year ended April 30, 2012, which are available on the Company’s website at [www.canalaska.com](http://www.canalaska.com) and the risk factor section of the most recently filed Form 20-F on EDGAR.

**6.1 Related Party Transactions**

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

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

**Table 14: (\$000’s)**

**Compensations to Related Parties**

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

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

**Table 15: Share Option Issuance**

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

**6.2 Financing**

Management believes that the funds on hand at April 30, 2012 are sufficient to meet corporate, administrative, exploration activities for the next twelve months given the continuing funding from our joint venture partners. Due to increasingly difficult market conditions facing junior uranium exploration companies management is currently in the process of evaluating its priorities and taking steps to streamline non discretionary expenditures. Should management be successful in its coming exploration programs it may either need to dilute its ownership in its properties and/or secure additional financing to continue to advance the development of its projects.

**6.3 Critical Accounting Estimates**

**6.3.1 Share-Based Payment Plan**

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

**6.4 Disclosure Controls and Internal Control over Financial Reporting**

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance that such financial information is reliable and complete. As at the end of the period covered by this management's discussion and analysis, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's DC&P and ICFR as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the DC&P were effective to provide reasonable assurance that material



information relating to the Company was made known to senior management by others and information required to be disclosed by the Company in its annual filings, interim filings (as such terms are defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) or other reports filed or submitted by it under securities legislation were recorded, processed, summarized and reported within the time periods specified in securities legislation. The Chief Executive Officer and the Chief Financial Officer have also concluded that, as of the end of the period covered by this management's discussion and analysis, the ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To design its ICFR, the Company used the Internal Control –Integrated Framework (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission. There are no material weaknesses in the Company's ICFR. During the year ended April 30, 2012 there were no changes to the Company's ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

### **6.5 Forward Looking Statements**

Certain statements included in this “MD&A” constitute forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

### **6.6 Recently Adopted Standards and Future Accounting Changes**

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

#### **IFRS Transition**

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

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

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

#### **6.6.1 Transitional Financial Impact**

The tables below outline:

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



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

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

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

**Reconciliation of consolidated statement of comprehensive loss.**

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



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

## **6.7 Risk Factors**

The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

### **6.7.1 Commodity Prices**

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. At the current time, uranium prices have remained depressed following the Fukushima nuclear incident. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of mineral commodities.

### **6.7.2 Competition**

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. The Company has a large land position in the Athabasca Basin, and has carried out extensive exploration, but has not defined an economic deposit. Other exploration companies have been successful with the discovery of deposits in the Athabasca, and these companies tend to attract investors away from CanAlaska. CanAlaska relies on the ongoing support of its JV partners to fund their portion of exploration, however additional funding from the current partners is uncertain. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

### **6.7.3 Foreign Political Risk**

The Company's material property interests are currently located in Canada and New Zealand. Some of the Company's interests are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

### **6.7.4 Government Laws, Regulation and Permitting**

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. In Canada, the issuance of governmental licenses and permits are increasingly being influenced by land use consultations between the government and local First Nations communities. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

### **6.7.5 Title to Properties**

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or



other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn an increased economic interest in certain of its properties. To earn this increased interest, the Company is required to make certain exploration expenditures and payments of cash and/or Company shares. If the Company fails to make these expenditures and payments, the Company may lose its right to such properties and forfeit any funds expended up to such time.

#### **6.7.6 Estimates of Mineral Resources**

The mineral resource estimates used by the Company are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

#### **6.7.7 Cash Flows and Additional Funding Requirements**

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects. Without further financing and exploration work on its properties the Company expects its current 884,364 ha of property to reduce to 864,407 ha by December 31 2012, and 582,776 ha by December 31 2014. The Company's Fond Du Lac property reaches its last anniversary on February 13 2013, following which time a new lease will be required by the Fond Du Lac community from Aboriginal and Northern Affairs Canada. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 15 years from the current date.

#### **6.7.8 Key Management**

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has terminated all long term employment contracts with senior management and is in the process of completing the negotiation of reduced contracts with the CEO, CFO, VP Corporate Development and VP Exploration. Non essential technical staff have been terminated and remaining technical staff are currently occupied on third party contracts, and projects which require minimal funding. This status is being monitored and adjusted on a monthly basis.

#### **6.7.9 Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares and the amount of financing that can be raised by the Company.

#### **6.7.10 Foreign Currency Exchange**

A small portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for the Company's products or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

**6.7.11 Conflict of Interest**

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

**7. QUARTERLY AND ANNUAL FINANCIAL INFORMATION**

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

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





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





## **CANALASKA URANIUM LTD.**

### **AUDIT COMMITTEE CHARTER**

The audit committee is elected annually by the board of directors to assist the board in fulfilling its oversight responsibilities. The committee is primarily responsible to the board for the overseeing of managements process of reporting of the financial statements, management discussion and analysis (“MD&A”) and other financial reports provided by the Canalaska Uranium Ltd., (the “Company”) to any regulatory authority or to the public. Secondly, the committee is required to review the system of internal controls for finance, accounting, and legal compliance. Performance of other duties as may be required from time to time by the board of directors or as required by the amendment of this charter.

#### **COMPOSITION OF AUDIT COMMITTEE**

The audit committee is composed of three independent directors. A quorum shall be a majority of members. The chair of the audit committee will be elected by the board of directors.. The term for the members will be for one year at which time they may be re-nominated.

#### **RELEVANT EDUCATION AND EXPERIENCE**

All of the members of the audit committee shall be financially literate. Financially literate is the ability to read and understand a set of financial statements that present a level of complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. Members will have relevant education or experience to sufficiently execute their duties and responsibilities.

The audit committee is required to name the financial expert who should have a strong financial ability to understand and assess accounting principles relating to estimates, accruals and reserves and financial statements, an understanding of internal controls and the financial reporting process, and experience in the preparation and auditing or evaluating issuers of a similar level of accounting complexity.

#### **ROLE OF THE AUDIT COMMITTEE**

The primary purpose of the audit committee is to:

- Oversee the selecting and appointment of an auditor
- Oversee the conducting of the audit
- Review and appraise the performance of the auditors, and recommend replacement if warranted
- Set the remuneration to be paid to the auditors for the audit
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer’s external auditor
- Oversee the process by which management identifies and manages principle risks that could impact the financial reporting process
- Monitor the integrity of the financial reporting process and system of internal controls regarding the reporting process and ensure implementation of such controls and procedures
- Oversee the Company’s compliance with legal and regulatory reporting
- Where appropriate, engage independent counsel and or other advisors as may be necessary to carry out its duties
- Review and update this Audit Committee Charter on an annual basis or as required
- Assist the CEO in reviewing the performance of the Chief Financial Officer (“CFO”)
- On an annual basis the Committee shall report to the Board that they are compliant with the duties and responsibilities of this Charter

## **RELATIONSHIP WITH AUDITORS**

The audit committee members shall:

- Review and discuss any disclosed relationships or services that may impact the objectivity and independence of the auditors
- Consult with auditors independent of management
- Review any significant judgements made by management in the preparation of the financial statements
- Review and significant disagreements or difficulties during the audit
- Review and approve any non-audit services to be provided to the Company

## **INTERNAL CONTROL OVERSIGHT**

The Audit Committee provides oversight of the internal control and disclosure procedures and systems that are designed by management to effectively in control the financial, monetary, operational, technical and administrative processes undertaken by the Company which may include:

- business functions
- accounting processes
- cash transactions
- information technology systems
- information management
- document and records handling
- personnel
- assets and liabilities
- disclosure and reporting
- authorization and management systems
- administration systems

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance that such financial information is reliable and complete.

The Chief Financial Officer is responsible for the preparation, presentation and integrity of the financial statements and any financial information filed with securities regulatory authorities or stock exchanges or otherwise publicly disseminated and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.

Due to its inherent limitations, no system of internal control over financial reporting, including those determined to be effective, may prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **MEETINGS OF THE AUDIT COMMITTEE**

The committee will meet at least four times per year and to discuss specific issues when necessary. These meetings will be either of in person or via teleconferencing. A quorum will be a minimum of two members, or the committee may delegate some of its duties to one or more members.

The minutes of the meetings should be recorded and approved as a true record of the decisions taken. A secretary should be appointed to set up the meetings, prepare the agendas, take minutes and prepare any necessary information for the members.

The committee is authorized to invite management or other specialists to meetings in order to provide expert opinion or information in respect of issues being discussed.

#### **PUBLIC DISCLOSURE OF FINANCIAL INFORMATION**

The audit committee must review and approve the Company's interim and annual financials statements and the associated MD&A before they are presented to the Board for full Board approval, prior to the information being disclosed to the regulatory authorities and for public distribution.

#### **SAFE HARBOUR**

The audit committee has established a procedure for the confidential, anonymous submission by employees of the Company of any concerns regarding questionable accounting or auditing issues. Any concerns can be reported to Whistle Blower Security Inc., by email to [canalaska@whistleblowersecurity.com](mailto:canalaska@whistleblowersecurity.com) or by calling 1-866-921-6714.

#### **AUTHORITIES**

In order to undertake its activities, the committee is authorized to study and investigate any activity within the organization or its subsidiaries, and shall require all employees to co-operate fully with such investigations. The committee is also authorized to appoint any additional experts that it considers necessary in the completion of its duties.

#### **ANNUAL REVIEW OF CHARTER AND REPORT TO THE BOARD**

The Audit committee members will review this Charter on an annually basis, or as needed and will report to the Board on an annual basis that the Committee has executed it's duties in compliance with this Charter.



## **CANALASKA URANIUM LTD.**

### **CORPORATE GOVERNANCE POLICY**

#### **CORPORATE GOVERNANCE OBJECTIVES**

The objective of this corporate governance policy is to set out an effective, transparent system of guidelines establishing the accountability for the supervising and managing of the affairs of CanAlaska Uranium Ltd. (the “Company”). These guidelines have been implemented to insure that adequate information is made available so that management decisions can be independently monitored and reviewed.

It is management’s belief that through the implementation of these practices, the overall stewardship of the Company will be affected in a positive way, by strengthening the effectiveness of its Board of Directors and by empowering the independent action of its special committees.

Within the framework of ongoing development and implementation of these policy’s and procedures, the Company will realize a more comprehensive system of communicating and reporting which in turn will insure a high level of confidence from all of its shareholders and business partners.

#### **CORPORATE GOVERNANCE PRACTICES**

##### **Corporate Governance Committee**

A Corporate Governance Committee (CGC) has been established for the Company. The Committee is to consist of three independent directors. The Chairperson will be elected by the Board of Directors on an annual basis. The term for the members of the CGC will be for one year at which time they may be re-nominated.

The duties of the committee are to oversee and recommend to the board appropriate governance processes including:

- suitable corporate governance policies
- board organization and other committee structures
- potential candidates for nomination to the board
- evaluation of the performance of the board
- selection and appointment of the CEO
- Evaluation of the CEO’s management succession plans
- board composition and qualifications

##### **Code of Ethics**

The CGC shall have the responsibility to develop and maintain a *Code of Ethics* (“COE”) for the Company to be used as principle guidelines of conduct for all of its directors, officers, contractors, consultants, advisors and employees. The COE will be included in the orientation of all new employees, directors, officers, contractors, consultants, advisors and committee members.

These guidelines shall include accountability to adherence to the COE and a system for the reporting of unethical conduct. This COE will be reviewed and amended by the CGC at a minimum of an annual basis.

All directors will be required to acknowledge in writing on an annual basis that they have read and understood the COE and that they are compliant with the requirements.

### **Board Mandate**

The CGC will have the responsibility to see that the board adopts a written mandate which outlines and acknowledges the responsibility of the members. This mandate will include, among other things, establishing a culture of integrity throughout the organization, strategic planning, succession planning, the handling of any conflicts of interest and disclosure policies. This mandate must include a process where any breach of the directives of this mandate can effectively be reported and dealt with.

### **Board Composition**

The Board is currently comprised of 7 members. This is considered to be the optimal size at this time. The Board will reconsider its actual size from time to time.

The Board believes that the majority of its members should be independent. On an annual basis the Board will determine which of its directors is independent based on the rules of applicable securities regulators and will publish its determination in the management proxy circular for the Company's annual meeting of shareholders.

### **Director Expectations**

The CGC shall be responsible to develop a comprehensive list of expectations of its directors. The CGC members have the responsibility to ensure that the existing directors have an orientation including an overview of the roll of the board of directors. Any new incoming directors shall be made familiar with these expectations and understand that they must be willing to comply with the duties and responsibilities of the directorship. The directors will receive a copy, read, and be familiar with the Company's *Code of Ethics*, and *Disclosure Policy*. The CGC will review these guidelines at least on an annual basis for any changing requirements of its board.

### **Advisory Board Guidelines**

The CGC has developed set of guidelines for the members of its advisory board. Each of the Company's advisors will receive a copy of the guidelines along with a copy of the *COE* and *Disclosure Policy*. The guidelines will be reviewed and amended as required on an annual basis.

### **Nomination Committee**

The CGC will also act as the Company's Nominating Committee and as such will have the responsibility of identifying individuals qualified to become members of the board, or to sit on any of its committees. The CGC will recommend changes in the composition of the board or any of its committees when deficiencies have been identified, and will carry out a complete assessment of the performance of the board on an annual basis.

### **Compensation Committee**

The Company's compensation committee is comprised of three independent directors. This committee must review the compensation of senior management on an annual basis and assist in the administration of the Company's share option plan.

The Compensation Committee is responsible for ensuring that the remuneration and incentive packages of Executive Management are fair and suitable to attract, motivate and retain personnel of the right calibre to meet the organizations needs. The Compensation Committee should establish a framework for all remuneration packages within the Company.

Compensation policies established by the committee should be in line with the Company's overall strategic goals and objectives and should be linked to the achievement of these goals. The policies should be constructed to avoid creating conflict of interest situations thereby ensuring that the executive management and other employees are encouraged to always act in the best interest of the Company.

The committee should consider the issues of compensation differentials within the organization to ensure that there is parity between the compensation of executives and the value of their contribution to the organization. There should be particular consideration given to CEO remuneration levels to ensure that performance and reward are linked in accordance with usual practice within that industry, relative values at other similar organizations and previous awards given in prior years.

The CGC will review and approve the Compensation Committee Charter on an annual basis.

### **Audit Committee**

The CGC has the responsible to see that the Company is in compliance with the requirement to appoint the audit committee at the first board meeting held after each annual shareholders meeting. The audit committee is to be comprised of 3 independent directors. A Chairperson will be elected on an annual basis by the Board of Directors. The term will be for one year at which time they may be re-nominated.

The audit committee is among other things charged with the responsibility of establishing auditor independence, to access the effectiveness of internal control system and for reviewing and approving the annual and interim financial statements of the Company before they are forwarded for full board approval and then distributed to the public.

The CGC will review and approve the *Audit Committee Charter* on an annual basis.

### **Disclosure Policy**

The Company has developed a Disclosure Policy to ensure that the communication of material information to the investing public is reported on a timely basis and that the information reported is balanced, accurate, and broadly disseminated in accordance with all applicable legal, regulatory and stock exchange requirements.

This policy provides guidelines for the handling of material information, maintaining confidentiality, designated spokespersons, media releases, dealing with media, rumours and forward looking information. The policy sets out requirements for blackout periods, electronic communications, communicating and enforcing this policy.

The CGC will review and approve the Disclosure Policy on an annual basis.

### **Public Disclosure of Corporate Governance**

The Company will disclose on its website, SEDAR and EDGAR the current version of these guidelines, the *Code of Ethics, Audit Committee Charter, Disclosure Policy* and other policies that are developed in the future that may require public disclosure.