CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Consolidated Financial Statements

April 30, 2010 and 2009

(Prepared under Canadian GAAP and expressed in Canadian dollars, except where indicated)

Report of Independent Registered Chartered Accountants

To the Shareholders of
CanAlaska Uranium Ltd.

We have audited the accompanying consolidated balance sheet of CanAlaska Uranium Ltd. and subsidiaries (the "Company") as of April 30, 2010, and the related consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of the Company as of April 30, 2009 and for the years ended April 30, 2009 and 2008 were audited by other auditors whose report, dated July 31, 2009 (except for the effects of the restatement discussed in Note 4 for which the date is August 19, 2010), expressed an unqualified opinion on those statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CanAlaska Uranium Ltd. and subsidiaries as at April 30, 2010, and the results of their operations and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit 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 purposes of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
August 19, 2010

Comments by Independent Registered Chartered Accountants on Canada-United States of America Reporting Differences

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 of the consolidated financial statements. Although we conducted our audit in accordance with both Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), our report to the Shareholders, dated August 19, 2010, is expressed in accordance with Canadian reporting standards which do not permit a reference to such conditions and events in the auditor's report when these are adequately disclosed in the financial statements.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
August 19, 2010

JAMES STAFFORD

James Stafford, Inc.
Chartered Accountants
Suite 350 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Telephone +1 604 669 0711
Facsimile +1 604 669 0754

Report of Independent Registered Chartered Accountants

To the Shareholders of
CanAlaska Uranium Ltd.

We have audited the consolidated balance sheet of **CanAlaska Uranium Ltd.** (the "Company") (an exploration stage company) as at 30 April 2009 and the related consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for each of the years in the two-year period ended 30 April 2009. These consolidated financial statements are the responsibility of the Company's management. 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 with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 30 April 2009 and the results of its operations and its cash flows for each of the years in the two-year period ended 30 April 2009 in accordance with Canadian generally accepted accounting principles.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit 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 purposes of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

As discussed in Note 4, the consolidated financial statements as at 30 April 2009 and for the years ended 30 April 2009 and 2008 have been restated.

"James Stafford"
Chartered Accountants

Vancouver, Canada

31 July 2009, except for Note 4, as to which the date is 19 August 2010.

Comments by Independent Registered Chartered Accountants for United States of America Readers on Canada – United States of America Reporting Differences

The standards of the Public Company Accounting Oversight Board (United States of America) require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in Note 1 to the financial statements. Although we conducted our audits in accordance with both Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States of America), our report to the Shareholders dated 31 July 2009, except for Note 4, as to which the date is 19 August 2010 is expressed in accordance with Canadian reporting standards, which do not permit a reference to such conditions and events in the report when these are adequately disclosed in the financial statements.

"James Stafford"
Chartered Accountants

Vancouver, Canada

31 July 2009, except for Note 4, as to which the date is 19 August 2010.

CanAlaska Uranium Ltd.
(An Exploration Stage Company)
Consolidated Balance Sheets
As at April 30, 2010 and 2009

(Expressed in Canadian dollars, except where indicated)

	April 30 2010 $000's	April 30 2009 $000's (restated)
Assets		
Current assets		
Cash and cash equivalents (note 7)	8,722	6,339
Accounts receivable and prepaid expenses	1,148	996
Available-for-sale securities (note 8)	261	276
	10,131	7,611
Reclamation bonds	391	317
Property and equipment (note 9)	743	827
Mineral property interests (note 10)	46,245	39,133
	57,510	47,888
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,626	1,194
Future income tax liability (note 16)	3,399	2,654
	5,025	3,848
Non-controlling interest (note 5)	12,600	7,600
Shareholders' equity		
Common shares (note 13)	60,878	56,183
Contributed surplus (note 13)	9,665	7,940
Accumulated other comprehensive income	10	9
Deficit	(30,668)	(27,692)
	39,885	36,440
	57,510	47,888

Nature of operations (note 1)
Commitments (notes 10 and 17)
Subsequent events (note 22)

Approved by the Board of Directors

(Signed) Peter Dasler
Director

(Signed) Emil Fung
Director

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

CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended April 30, 2010, 2009 and 2008

(Expressed in Canadian dollars, except where indicated)

	2010	2009	2008
	($000's)	($000's)	($000's)
		(restated)	(restated)
EXPENSED EXPLORATION COSTS			
Net indirect exploration expenditures	320	1,017	915
Mineral property write-offs	349	494	550
Equipment rental income	(267)	(316)	(429)
Net option payments	75	(187)	(137)
	477	1,008	899
OTHER EXPENSES			
Consulting, labour and professional fees	1,438	1,049	1,474
Depreciation and amortization (note 9)	211	232	188
Foreign exchange loss (gain)	16	(193)	(28)
Insurance, licenses and filing fees	103	61	212
Interest income	(88)	(167)	(280)
Other corporate costs	236	218	180
Investor relations and presentations	90	60	343
Rent	167	200	95
Stock-based compensation (note 14)	1,052	1,509	1,095
Travel and accommodation	85	80	212
Impairment and loss (gain) on disposal of available-for-sale securities (note 8)	89	394	(149)
Management fees	(439)	(628)	(895)
	2,960	2,815	2,447
Loss before income taxes	(3,437)	(3,823)	(3,346)
Future income tax recovery (note 16)	461	268	298
Net loss for the year	(2,976)	(3,555)	(3,048)
Other comprehensive (loss) income			
Unrealized (gain)/loss on available-for-sale securities	(1)	157	360
Comprehensive loss for the year	(2,975)	(3,712)	(3,408)
Basic and diluted loss per share ($ per share)	($0.02)	($0.03)	($0.03)
Basis and diluted weighted average common shares outstanding (000's)	153,766	137,160	117,043

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

CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Consolidated Statements of Shareholders' Equity

For the years ended April 30, 2010 and 2009

(Expressed in Canadian dollars except where indicated)

	Common Shares Shares 000's	Amount $000's	Contributed Surplus $000's	Accumulated Other Comprehensive Income $000's	Accumulated Deficit $000's (restated)	Total Shareholders' Equity $000's (restated)
Balance-May 1, 2007	107,698	48,864	3,153	-	(21,089)	30,928
Issued on private placement for cash	16,402	7,000	-	-	-	7,000
Issued on the exercise of warrants	890	107	-	-	-	107
Issued on the exercise of stock options	870	168	-	-	-	168
Subscription received		102	-	-	-	102
Issued to acquire mineral property interest	10	4	-	-	-	4
Warrants issued on private placement	-	(766)	766	-	-	-
Share issuance costs		(238)	20	-	-	(218)
Stock based compensation expense	-	-	1,562	-	-	1,562
Transfer on stock option exercise	-	109	(109)	-	-	-
Transition adjustment to opening balance	-	-	-	526	-	526
Unrealized loss on available-for-sale securities	-	-	-	(360)	-	(360)
Flow through share issuance	-	(1,271)	-	-	-	(1,271)
Net loss for the year	-	-	-	-	(3,048)	(3,048)
Balance-April 30, 2008	125,870	54,079	5,392	166	(24,137)	35,500
Issued on private placement for cash	10,923	3,682	-	-	-	3,682
Issued on private placement for non cash	441	150	-	-	-	150
Issued on the exercise of stock options	300	30	-	-	-	30
Issued to acquire mineral property interest	250	44	-	-	-	44
Warrants issued on private placement	-	(371)	371	-	-	-
Warrants issued to acquire mineral property interest	-	-	13	-	-	13
Share issuance costs	-	(453)	29	-	-	(424)
Stock based compensation expense	-	-	2,160	-	-	2,160
Transfer on stock option exercise	-	25	(25)	-	-	-
Unrealized loss on available-for-sale securities	-	-	-	(157)	-	(157)
Flow through share issuance	-	(1,003)	-	-	-	(1,003)
Net loss for the year	-	-	-	-	(3,555)	(3,555)
Balance-April 30, 2009	137,784	56,183	7,940	9	(27,692)	36,440
Issued on private placement for cash	32,505	6,212	-	-	-	6,212
Issued on the exercise of stock options	227	27	-	-	-	27
Issued to acquire mineral property interest	1,350	216	-	-	-	216
Warrants issued on private placement	-	(268)	268	-	-	-
Share issuance costs	-	(297)	-	-	-	(297)
Stock based compensation expense	-	-	1,467	-	-	1,467
Transfer on stock option exercise	-	10	(10)	-	-	-
Unrealized loss on available-for-sale securities	-	-	-	(88)	-	(88)
Reversal of unrealized loss upon permanent impairment on available-for-sale securities	-	-	-	89	-	89
Flow through share issuance	-	(1,205)	-	-	-	(1,205)
Net loss for the year	-	-	-	-	(2,976)	(2,976)
Balance-April 30, 2010	171,866	60,878	9,665	10	(30,668)	39,885

CanAlaska Uranium Ltd.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended April 30, 2010, 2009 and 2008

(Expressed in Canadian dollars except where indicated)

	2010 $000's	2009 $000's (restated)	2008 $000's (restated)
Cash flows from operating activities			
Net loss for the year	(2,976)	(3,555)	(3,048)
Items not affecting cash			
Impairment and loss (gain) on available-for-sale securities (note 8)	89	394	(149)
Depreciation and amortization (note 9)	211	232	188
Future income tax expense (recovery) (note 16)	(461)	(268)	(298)
Mineral property write-offs	349	494	550
Net option payments	75	(187)	(137)
Other	54	59	(17)
Stock-based compensation (note 14)	1,052	1,509	1,095
	(1,607)	(1,322)	(1,816)
Change in non-cash operating working capital			
(Increase) decrease in accounts receivable and prepaid expenses	(281)	1,125	(139)
Increase (decrease) in accounts payable and accrued liabilities	433	(1,425)	(26)
	(1,455)	(1,622)	(1,981)
Cash flows from financing activities			
Issuance of common shares (net of share issue costs)	5,918	3,437	7,158
Proceeds from stock option exercise	27	-	-
Funding from non-controlling interest	5,000	5,278	2,322
	10,945	8,715	9,480
Cash flows from investing activities			
Deferred exploration costs	(9,726)	(12,363)	(16,606)
Proceeds from available-for-sale securities	-	59	198
Property and equipment	(127)	(172)	(746)
Option payments received	1,001	118	350
Other	-	343	(33)
Reclamation bond	(77)	-	-
Reimbursed exploration costs	1,822	3,885	6,638
	(7,107)	(8,130)	(10,199)
Increase (decrease) in cash and cash equivalents	2,383	(1,037)	(2,700)
Cash and cash equivalents - beginning of year	6,339	7,376	10,076
Cash and cash equivalents - end of year	8,722	6,339	7,376

Supplemental cash flow information (note 19)

1 Nature of Operations

CanAlaska Uranium Ltd. (the "Company" or "CanAlaska") and its subsidiaries are principally engaged in the exploration of uranium properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. CanAlaska has incurred losses since inception and as at April 30, 2010 has cumulative losses of $30.7 million (2009: $27.7 million). The Company has never paid dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. At April 30, 2010, the Company has cash and cash equivalents of $8.7 million (2009: $6.3 million) (note 7) and working capital of $8.5 million (2009: $6.4 million). Management believes that the cash on hand at April 30, 2010 is sufficient to meet corporate, administrative and exploration activities for the coming twelve months. However, the continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. Although CanAlaska has been successful in raising funds in the past, there can be no assurance that CanAlaska will be able to raise sufficient funds in the future. Should CanAlaska be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the balance sheet.

2 Recently Adopted Standards and Future Accounting Changes

Section 3064 - Goodwill and Intangible Assets

Effective May 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") new Handbook Section 3064 "Goodwill and Intangible Assets". This Section replaced Section 3062 "Goodwill and Intangible Assets" and Section 3450 "Research and Development Costs", and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. On adoption of this new Standard, EIC 27 "Revenues and Expenditures during the Pre-operating Period" was withdrawn, and so various pre-production and start-up costs are required to be expensed as incurred. No material adjustments were required upon adoption of this new Standard.

EIC – 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year ending April 30, 2010, with retroactive application. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

2 Recently Adopted Standards and Future Accounting Changes

EIC – 174 - Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee issued EIC-174 “Mining Exploration Costs”. The EIC provides additional guidance in light of the potential adverse impact of the current economic and financial turmoil on the carrying value of the deferred exploration costs. The EIC is effective for financial statements issued on or after the date of the date of the EIC. This EIC did not have a material impact on the Company's financial statements as it had previously recognized a significant impairment charge with respect to its exploration projects in the prior financial statements.

Section 3862 - Financial Instruments - Disclosures

In June 2009, the CICA amended Section 3862, Financial Instruments - Disclosures (“Section 3862”), to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ended after September 30, 2009. The three levels of fair value hierarchy under Section 3862 are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The disclosures required as a result of adopting the new section are presented in note 20.

Future Accounting Changes

Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-Controlling Interests

In January 2009, the CICA issued new accounting standards, Handbook Section 1582 “Business Combinations”, Handbook Section 1602 “Non-Controlling Interests”, and Handbook Section 1601 “Consolidated Financial Statements”, which are based on the International Accounting Standards Board’s (“IASB”) International Financial Reporting Standard 3, “Business Combinations”. The new standards replace the existing guidance on business combinations and consolidated financial statements. The objective of the new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards shall not be adjusted upon application of these new standards. Section 1602 should be applied retrospectively except for certain items. The Company has not adopted these new standards but continues to evaluate the attributes and effect of early adoption of these standards if a business combination were to occur.

2 Recently Adopted Standards and Future Accounting Changes (continued)

Section 3855 – Financial Instruments – Recognition and Measurement

On April 29, 2009, the CICA amended Section 3855, "Financial Instruments – Recognition and Measurement", adding/amending paragraphs regarding the application of effective interest method to previously impaired financial assets and embedded prepayment options. The amendments are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 with early adoption permitted. These amendments are not expected to have a significant impact on the Company's financial statements.

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.

3 Significant Accounting Policies

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of all entities controlled by the Company. The effects of transactions between entities on the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

Basis of consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, CanAlaska Resources Ltd. USA (a Nevada company), CanAlaska West McArthur Uranium Ltd. (a B.C. company), Golden Fern Resources Limited (a New Zealand company) and Poplar Uranium Limited. (a B.C. company).

The Company consolidates the assets, liabilities, revenues and expenses of Canada-Korea Uranium Limited Partnership ("CKU Partnership") and CanAlaska Korea Uranium Limited ("CKUL") in accordance with the guidance of Accounting Guideline 15 - Consolidation of Variable Interest Entities ("AcG-15"). It recognizes the other Partners' ownership as non-controlling interest. The Company also proportionately consolidates its interest in the Rise and Shine joint venture (a New Zealand joint venture).

3 Significant Accounting Policies (continued)

Measurement uncertainties

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

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

Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks, cash on hand and other short term investments with a maturity of less than 90 days.

Financial assets and liabilities

Financial assets and liabilities are initially recognized at fair value and are subsequently measured based on their classification as held-to-maturity, loans and receivables, available-for-sale or held-for-trading. The classification is not changed subsequent to initial recognition.

Held-for-trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the year term are classified as held-for-trading. These instruments are measured at fair value with the change in the fair value recognized in income.

Available-for-sale securities

Available-for-sale securities are reported at fair value based on quoted market prices. Unrealized gains and losses on available-for-sale securities are included in shareholders' equity as a component of other comprehensive income.

Comprehensive income

Comprehensive income is composed of the Company's earnings and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the net investment in self-sustaining operations and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of income taxes. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented as a category in shareholders' equity.

3 Significant Accounting Policies (continued)

Mineral properties and deferred exploration expenditures

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is determined by management to be impaired or abandoned. Amounts received for the sale of resource properties, for option payments for exploration advances and for recovery of mineral property expenditures are treated as reductions of the cost of the property and payments in excess of capitalized costs are recognized in income.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Management of the Company regularly reviews the net carrying value of each mineral property. Where events or changes in circumstances suggest impairment, estimated future cash flows are calculated using estimated future prices, proven and probable reserves, value beyond proven and probable reserves, probability weighted outcomes and operating capital and reclamation costs on an undiscounted basis. If it is determined that the future cash flows are less than the carrying value, a write-down to the estimated fair value is expensed for the period. The Company presently has no proven or probable reserves. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if carrying values can be recovered. If the carrying values exceed estimated recoverable values, then the project is written-down to estimated fair values with the write-down expensed in the period.

Management’s estimates of future mineral prices, recoverable resources, initial and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur that could adversely affect management’s estimate of the net cash flows to be generated from its properties.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, all of its properties are in good standing.

Mineral exploration tax credits (“METC”)

The Company recognizes METC amounts when the Company’s METC application is approved by the relevant taxation authorities or when the amount to be received can be reasonably estimated and collection is reasonably assured.

3 Significant Accounting Policies (continued)

Asset retirement obligations

The Company recognizes the legal liability for obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement cost are recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the related asset, and amortized into income on a systematic basis over the related assets useful life. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted to full value over time through periodic charges to earnings.

There are no asset retirement obligations as at April 30, 2010 and 2009.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. The Company provides for depreciation on the following basis: Office equipment - 20% declining balance method; Automotive equipment - 30% declining balance method; Mining equipment - 30% declining balance method; and Leasehold improvements - straight-line method over the life of the lease.

Income taxes

The Company uses the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years at the substantively enacted income tax rates expected to be in effect when the temporary differences are likely to be reversed. The amount of future tax assets recognized is limited to the amount that is more likely than not to be realized.

Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

3 Significant Accounting Policies (continued)

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method whereby all "in the money" options and warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. Basic and diluted loss per share is the same as the effect of the exercise of outstanding options and warrants would be anti-dilutive.

Foreign currency translation

The accounts of the Company's foreign operations have been translated into Canadian dollars as follows:

Monetary assets and liabilities are converted at the year-end rates and all other assets and liabilities at historical rates. Revenue and expense and exploration and development items at the average rate of exchange prevailing during the year.

Exchange gains and losses arising from these translations are reflected in income or expense in the year that they occur.

Flow-through shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. Under Canadian GAAP, when resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized with a corresponding reduction in share capital.

If a Company has sufficient unused tax losses and deductions (“losses”) to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

The Company follows 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 exploration expenditures, provided there is reasonable assurance that the expenditures will be made.

4 Restatement of Previously Issued Financial Statements

The consolidated financial statements of the Company for the years ended April 30, 2009 and 2008 have been restated to reflect the income tax losses and other carry forward balances as reported by the Company on its formal Canadian income tax filings and as ultimately assessed by Canada Revenue Agency. The differences between the previously reported amounts and the restated amounts are due to changes in taxation estimates, the expiration of Canadian non-capital loss balances in 2009 and 2008, and accounting for the income tax effect of flow-through shares issued in 2009. The restatement is summarized as follows:

(in '000s)	2009		2008	
	As reported	As restated	As reported	As restated
Balance sheet				
Future income tax liability	$ 1,341	$ 2,654	$ 1,445	$ 1,919
Deficit	(26,379)	(27,692)	(23,663)	(24,137)
Statement of loss				
Future income tax recovery	(1,107)	(268)	(772)	(298)
Loss for the year	2,716	3,555	2,574	3,048
Basic and diluted loss per share	$ 0.02	$ 0.03	$ 0.02	$ 0.03

The consolidated financial statements of the Company for the years ended April 30, 2009 and 2008 as reported under accounting principles generally accepted in the United States of America ("US GAAP") have been restated to reflect the accounting for non-controlling interest related to the write-off of mineral exploration costs. As a result of the restatement, the net loss attributable to common shareholders and the non-controlling interest for the years 2009 and 2008 as presented under US GAAP each decreased by $1,097,000 and $532,000, respectively. Basic and diluted loss per share under US GAAP decreased from $0.08 to $0.07 for 2009 as a result of the restatement.

5 Interests in Variable Interest Entities

CanAlaska Korean Uranium Joint Venture

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

Under the terms of agreements, the Korean Consortium will invest $19 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a 4-year period. As of April 30, 2010, the Korean Consortium has contributed $12.6 million (April 30, 2009: $7.6 million) and has a 40.6% interest (April 30, 2009: 29.6%) in the CKU Partnership.

5 Interests in Variable Interest Entities (continued)

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

CKU Partnership	April 30, 2010 $000's	April 30, 2009 $000's
Cash (note 7)	2,059	410
Mineral property (note 11 (a))	11,429	7,936
Non-controlling interest	12,600	7,600

6 Rise and Shine Joint Venture

Rise and Shine, New Zealand

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

In June 2009, the Company announced an agreement with Glass Earth Gold Ltd. ("Glass Earth") which was subsequently terminated in June 2010 (note 22). The option agreement with Glass Earth was for the sale of a 70% ownership interest in the claim.

CanAlaska currently proportionately consolidates its 72% interest in Rise and Shine as at April 30, 2010 (note 12 (a)):

	April 30, 2010 $000's	April 30, 2009 $000's
Mineral property	317	324

7 Cash and Cash Equivalents

	April 30, 2010 $000's	April 30, 2009 $000's
CKU Partnership funds	2,059	410
Option-in advances	276	194
Cash in bank and other short term deposits	6,387	5,735
Total	**8,722**	**6,339**

The Company consolidates the cash held by CKU Partnership whose funds are held to fund the Cree East property (note 5). Option-in advances are advance cash funding by joint venture partners on various exploration properties to be used for current operating expenditures on the property.

8 Available-for-Sale Securities

		April 30, 2010		April 30, 2009	
	Number of Shares	Adjusted Cost $000's	Market Value $000's	Adjusted Cost $000's	Market Value $000's
Pacific North West Capital Corp.	846,800	53	110	34	89
Westcan Uranium Corp.	500,000	15	5	49	18
Mega Uranium Ltd.	50,000	48	28	104	99
Other available-for-sale securities	5,646,993	135	118	80	70
Total	**7,043,793**	**251**	**261**	**267**	**276**

During the fiscal year, the Company reviewed the carrying values of its available-for-sale securities, and in light of the economic circumstances considered that the decreases in market values were significant and provided evidence that the decline in the market value were other-than-temporary losses in value and recorded total write-downs on available-for-sale securities of $88,889 (2009: $353,283).

An unrealized gain on available-for-sale securities of $1,000 (2009: loss of $157,000) was recorded in other comprehensive income for the year ended April 30, 2010.

9 Property and Equipment

	April 30, 2010 Cost $000's	April 30, 2010 Accumulated amortization $000's	April 30, 2010 Net $000's	April 30, 2009 Cost $000's	April 30, 2009 Accumulated amortization $000's	April 30, 2009 Net $000's
Office equipment	476	(306)	170	417	(261)	156
Leasehold improvements	270	(62)	208	266	(39)	227
Mining equipment	987	(661)	326	923	(535)	388
Automotive	111	(72)	39	111	(55)	56
Total	**1,844**	**(1,101)**	**743**	**1,717**	**(890)**	**827**

During the fiscal year ended April 30, 2010, the Company had additions of $126,934 (2009: $172,430) and disposals of $nil (2009: $nil).

10 Mineral Property Interests

	2010 Fiscal Expenditures				Life to Date - April 30, 2010			
Project ($000's)	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**
Athabasca (note 11)	111	9,142	(2,170)	7,083	1,305	64,879	(20,477)	45,707
Other interests (note 12)	-	30	(1)	29	398	1,364	(1,224)	538
Total	**111**	**9,172**	**(2,171)**	**7,112**	**1,703**	**66,243**	**(21,701)**	**46,245**

	2009 Fiscal Expenditures				Life to Date - April 30, 2009			
Project ($000's)	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**
Athabasca (note 11)	132	11,486	(3,885)	7,733	1,194	55,737	(18,307)	38,624
Other interests (note 12)	20	240	(521)	(261)	398	1,334	(1,223)	509
Total	**152**	**11,726**	**(4,406)**	**7,472**	**1,592**	**57,071**	**(19,530)**	**39,133**

The Company holds approximately 1,095,000 hectares of mining claims in the Athabasca Basin located across the provinces of Alberta, Saskatchewan, and Manitoba in Canada. The holdings are comprised of 21 projects which are in various stages of exploration and discovery.

10 Mineral Property Interests (continued)

Summary of option payments due As at April 30, 2010 Fiscal Year Ended	Cash $000's	Total Spend[2] $000's	Shares
April 2011	40	1,400	100,000
April 2012	68	2,800	100,000
Thereafter	-	9,400	1,200,000
Total due[1]	**108**	**9,400**	**1,400,000**

[1] Only considers payments remaining to be paid during the fiscal year and not previous year's payments and issuances
[2] Represents cumulative spend required not the spend per fiscal year

Summary of option payments receivable As at April 30, 2010[1] Fiscal Year Ended	Cash $000's	Total Spend[3] $000's	Shares
April 2010	2	2,650	-
April 2011	-	3,250	150,000
April 2012	-	4,050	50,000
April 2013	-	5,250	50,000
Thereafter	500	7,650	1,300,000
Total due[2]	502	7,650	1,550,000

[1] Excludes expenditures and payments on West McArthur (note 11 (b)) and Cree East (notes 5 and 11 (a))
[2] Only considers payments remaining to be received during the fiscal year and not previous year's payments and issuances. Excludes expenditures and payments on Rise and Shine and Misty as these option agreements were terminated subsequent to year end.
[3] Represents cumulative spend required not the spend per fiscal year.

11 Athabasca Mineral Property Interests

	2010 Fiscal Expenditures				Life to Date-April 30, 2010			
Project ($000's)	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**
Cree East (a)	-	3,493	-	3,493	-	11,429	-	11,429
West McArthur (b)	-	1,814	(1,551)	263	65	13,952	(11,294)	2,723
Poplar (c)	-	453	(270)	183	166	3,486	(3,210)	442
Fond du Lac (d)	-	916	-	916	120	2,653	-	2,773
Black Lake (e)	4	438	-	442	147	1,487	-	1,634
Grease River (f)	-	49	-	49	118	2,643	(1,909)	852
Cree West (g)	-	39	-	39	40	1,109	(1,110)	39
Key Lake (h)	-	12	-	12	24	1,024	(1,035)	13
NE Wollaston (i)	-	40	-	40	16	6,611	-	6,627
Helmer (j)	43	344	-	387	107	5,000	-	5,107
Lake Athabasca (k)	-	129	-	129	112	5,901	-	6,013
Alberta (l)	-	28	-	28	11	2,329	-	2,340
Hodgson (m)	-	20	-	20	44	1,220	-	1,264
Arnold (n)	-	2	-	2	35	1,239	-	1,274
Collins Bay (o)	-	886	-	886		886	-	886
McTavish (p)	-	(62)	-	(62)	74	654	-	728
Carswell (q)	64	388	-	452	173	416	-	589
Other (r)	-	153	(349)	(196)	53	2,840	(1,919)	974
Total	**111**	**9,142**	**(2,170)**	**7,083**	**1,305**	**64,879**	**(20,477)**	**45,707**

11 Athabasca Mineral Property Interests (continued)

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

a) Cree East, Saskatchewan – Korean Consortium (note 5)

Cree East consists of approximately 56,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium to develop Cree East. Under the terms of agreements, the Korean Consortium will invest $19 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period. As of April 30, 2010, the Korean Consortium has contributed $12.6 million (April 30, 2009: $7.6 million) and holds a 40.6% interest (April 30, 2009: 29.6%) in the CKU Partnership. The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred.

During the fiscal year ended April 30, 2010, the Company spent $655,000 on camp cost and operations (Life to Date ("LTD"): $2,085,000); drilling $900,000 (LTD: $3,563,000); general and administration ("G&A") $123,000 (LTD: $311,000); geochemistry $40,000 (LTD: $407,000); geology $247,000 (LTD: $768,000); geophysics $963,000 (LTD: $2,484,000); management fees $308,000 (LTD: $902,000); and other expenses $257,000 (LTD: $909,000).

11 Athabasca Mineral Property Interests (continued)

b) West McArthur, Saskatchewan - Mitsubishi

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca, Saskatchewan. In April 2007, the Company optioned the claims to Mitsubishi Development Pty Ltd. ("Mitsubishi") whereby Mitsubishi could exercise an option to earn a 50% interest in the property by funding expenditures of $10 million and by making a $1 million payment upon completion of the $10 million funding requirement. In February 2010, Mitsubishi exercised their option with a payment to the Company of $1 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee (between 5% and 10%) based on the expenditures incurred.

During the fiscal year ended April 30, 2010, the Company spent $490,000 on camp cost and operations (LTD: $2,594,000); drilling $785,000 (LTD: $5,474,000); G&A $88,000 (LTD: $1,782,000); geochemistry $33,000 (LTD: $263,000); geology $239,000 (LTD: $550,000); geophysics $698,000 (LTD: $3,093,000); and other expenses $481,000 (LTD: $1,261,000). During the fiscal year ended April 30, 2010, the Company received an option payment of $1,000,000 from Mitsubishi (LTD: $1,000,000) and reimbursements of $1,551,000 (LTD: $11,294,000).

c) Poplar, Saskatchewan – East Resources Inc.

Poplar consists of approximately 71,000 hectares of mineral claims in the Athabasca. In October 2007, the Company optioned the claims to Mega Uranium Ltd. ("Mega"). The Mega option agreement was subsequently terminated in December 2008, after Mega had issued 50,000 shares to the Company and funded $2.8 million in expenditures on the Poplar project. In June, 2009, the Company announced that East Resources Inc. ("ERI") had executed a Memorandum of Understanding ("MOU") in respect of the Poplar property which had a 60 day term. During the fiscal year ended April 30, 2010, the Company received expenditure reimbursements of $270,000 related to the Poplar project. The Company and ERI continue negotiations on a definitive agreement regarding the Poplar property.

During the fiscal year ended April 30, 2010, the Company spent $166,000 on camp cost and operations (LTD: $806,000); G&A $47,000 (LTD: $340,000); geochemistry $12,000 (LTD: $139,000); geology $91,000 (LTD: $384,000); geophysics $18,000 (LTD: $1,678,000); and other expenses $119,000 (LTD: $305,000). During the fiscal year ended April 30, 2010, the Company received reimbursements of $270,000 (LTD: $3,210,000).

d) Fond Du Lac, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008, the Company acquired from the Fond Du Lac Denesuline First Nation an option to earn a 49% interest in the Fond Du Lac property (comprising approximately 36,000 hectares in the Athabasca) for total payments of $130,000 ($50,000 paid; June 2010 – $40,000; June 2011 – $40,000), the issuance of 300,000 shares (200,000 issued (note 13); June 2010 – 50,000 shares and; June 2011 – 50,000 shares) 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, 2010, the Company had incurred $2.8 million in exploration expenditures on the property. Upon exercising its 49% option, a joint venture may be formed.

11 Athabasca Mineral Property Interests (continued)

d) Fond Du Lac, Saskatchewan (continued)

During the fiscal year ended April 30, 2010, the Company spent $171,000 on camp cost and operations (LTD: $520,000); drilling $276,000 (LTD: $661,000); G&A $70,000 (LTD: $173,000); geochemistry $37,000 (LTD: $118,000); geology $184,000 (LTD: $365,000); geophysics $32,000 (LTD: $484,000); option payments $nil (LTD: $117,000); and other expenses $146,000 (LTD: $335,000).

e) Black Lake, Saskatchewan

In December 2006, the Company optioned the Black Lake property in the Athabasca (comprising approximately 36,000 hectares) located from the Black Lake Denesuline First Nation. To earn a 49% interest in the property, the Company must make payments of $130,000 ($102,000 paid; July 2011 – $28,000), issue 300,000 shares (200,000 issued (see note 13); July 2010 – 50,000; July 2011 50,000), and incur exploration expenditures of $2 million ($700,000 by July 2010 and an additional $500,000 by July 2011 and by July 2012 a further $800,000). As of April 30, 2010 the Company had incurred $1.6 million in exploration expenditures on the property. Upon exercising its 49% option, a joint venture may be formed.

During the fiscal year ended April 30, 2010, the Company spent $40,000 on camp cost and operations (LTD: $199,000); drilling $194,000 (LTD: $366,000); G&A $10,000 (LTD: $99,000); geochemistry $9,000 (LTD: $50,000); geology $40,000 (LTD: $234,000); geophysics $44,000 (LTD: $327,000); option payments $52,000 (LTD: $175,000); and other expenses $53,000 (LTD: $184,000).

f) Grease River, Saskatchewan

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

During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $565,000); drilling $nil (LTD: $46,000); G&A $19,000 (LTD: $358,000); geochemistry $nil (LTD: $111,000); geology $23,000 (LTD: $1,127,000); geophysics $nil (LTD: $244,000); and other expenses $7,000 (LTD: $310,000). During the fiscal year ended April 30, 2010, the Company had reimbursements of $nil (LTD: $1,909,000).

g) Cree West, Saskatchewan – Westcan Uranium

Cree West is comprised of approximately 13,000 hectares of mineral claims located in the south-east of the Athabasca. In April 2006, the Company optioned the claims to Westcan Uranium Corp. (“Westcan”) (formerly International Arimex Resources Inc.). Westcan may earn a 50% interest in the property by making payments of $150,000 (received), issuing 600,000 shares (issued) and making exploration expenditures of $3.6 million before May 2009 ($0.8 million completed). The Company has granted Westcan an extension to meet its exploration expenditures obligations.

11 Athabasca Mineral Property Interests (continued)

g) Cree West, Saskatchewan – Westcan Uranium (continued)

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

During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $158,000); G&A $39,000 (LTD: $326,000); geochemistry $nil (LTD: $102,000); geology $nil (LTD: $117,000); geophysics $nil (LTD: $290,000); and other expenses $nil (LTD: $156,000). During the fiscal year ended April 30, 2010, the Company received reimbursements of $nil (LTD: $1,110,000).

h) Key Lake, Saskatchewan – Westcan Uranium

Key Lake is comprised of approximately 6,000 hectares of mineral claims located in the south-east of the Athabasca. In March 2006, the Company optioned the claims to Westcan. Westcan can earn a 50% interest by making payments of $150,000 (received), issuing 300,000 shares (received) and completing work commitments of $2 million by May 2009 ($0.9 million completed). The Company has granted Westcan an extension to meet its exploration expenditures obligations.

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

During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $252,000); drilling $nil (LTD: $427,000); G&A $4,000 (LTD: $118,000); geochemistry $nil (LTD: $8,000); geology $7,000 (LTD: $54,000); geophysics $1,000 (LTD: $140,000); and other expenses $nil (LTD: $49,000). During the fiscal year ended April 30, 2010, the Company received reimbursements of $nil (LTD: $1,035,000).

i) NE Wollaston, Saskatchewan-Manitoba

This property straddles the Saskatchewan-Manitoba border and consists of approximately 144,000 hectares. In December 2008, the Company announced the execution of an memorandum of understanding ("MOU") with East Resource Inc. ("ERI") for a significant amount of exploration across the property. In June 2009, this MOU lapsed following continued delays arising from Manitoba Government aboriginal consultations. The Company and ERI are discussing further work on a similar size project in Saskatchewan under a similar MOU (note 11 (c)). Further work on this project was delayed pending receipt of the government work permits and on March 13, 2010, the Manitoba Government issued an initial permit to the Company.

During the fiscal year ended April 30, 2010, the Company spent $1,000 on camp cost and operations (LTD: 1,363,000); drilling $nil (LTD: $373,000); G&A $11,000 (LTD: $707,000); geochemistry $nil (LTD: $797,000); geology $10,000 (LTD: $2,313,000); geophysics $nil (LTD: $905,000); and other $18,000 (LTD: $169,000).

11 Athabasca Mineral Property Interests (continued)

j) Helmer, Saskatchewan

Helmer is comprised of approximately 57,000 hectares of mineral claims located in the north-central part of the Athabasca Basin, southeast of Uranium City and to the west of Fond Du Lac.

During the fiscal year ended April 30, 2010, the Company spent $122,000 on camp cost and operations (LTD: $1,102,000); drilling $114,000 (LTD: $1,289,000); G&A $17,000 (LTD: $752,000); geochemistry $1,000 (LTD: $102,000); geology $30,000 (LTD: $363,000); geophysics $24,000 (LTD: $902,000); and other expenses $79,000 (LTD: $597,000).

k) Lake Athabasca, Saskatchewan

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

During the fiscal year ended April 30, 2010, the Company spent $3,000 on camp cost and operations (LTD: $1,823,000); drilling $nil (LTD: $1,056,000); G&A $11,000 (LTD: $645,000); geochemistry $10,000 (LTD: $104,000); geology $65,000 (LTD: $392,000); geophysics $26,000 (LTD: $1,688,000); and other expenses $14,000 (LTD: $305,000).

l) Alberta, Alberta

Alberta comprises approximately 97,000 hectares of mineral claims covering most of the section of Lake Athabasca that lies within the Province of Alberta. During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $275,000); drilling $nil (LTD: $1,000); G&A $5,000 (LTD: $194,000); geochemistry $nil (LTD: $7,000); geology $5,000 (LTD: $17,000); geophysics $14,000 (LTD: $1,775,000); and other expenses $4,000 (LTD: $71,000).

m) Hodgson, Saskatchewan

Hodgson comprises approximately 4,000 hectares of mineral claims west of the Cigar Lake Mine, Saskatchewan. During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $111,000); G&A $2,000 (LTD: $369,000); geochemistry $nil (LTD: $159,000); geology $7,000 (LTD: $29,000); geophysics $3,000 (LTD: $461,000); and other expenses $8,000 (LTD: $135,000).

n) Arnold, Saskatchewan

Arnold comprises approximately 14,000 hectares of contiguous minerals claims located west of the producing McArthur River mine, Saskatchewan. During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $123,000); G&A $nil (LTD: $411,000); geochemistry $nil (LTD: $92,000); geology $nil (LTD: $25,000); geophysics $1,000 (LTD: $511,000); and other expenses $1,000 (LTD: $112,000).

11 Athabasca Mineral Property Interests (continued)

o) Collins Bay Extension, Saskatchewan

In July 2009, the Company executed an Option Agreement with Bayswater Uranium Corporation ("Bayswater") to commence exploration of the Collins Bay Extension project. The Collins Bay Extension comprises approximately 39,000 hectares situated directly adjacent to, and following the North-East strike of past-producing uranium mines at Rabbit Lake and Collins Bay, and adjacent to the current producing uranium mine at Eagle Point. This project contains a number of exploration targets within the Snowbird and Fife Island areas.

Under the terms of the option agreement, CanAlaska will act as the operator and may earn a 51% participating interest in the project by undertaking a minimum of $4 million ($886,000 spent) in exploration expenditures within 5 years and issuing a total of 500,000 (100,000 issued (note 13)) shares of the Company to Bayswater over this period. The Company may increase its participating interest in the project to 70% by successfully undertaking a further $2 million in exploration expenditures over a period of 3 years.

During the fiscal year ended April 30, 2010, the Company spent $195,000 on camp cost and operations (LTD: $195,000); drilling $279,000 (LTD: $279,000); G&A $8,000 (LTD $8,000); geochemistry $2,000 (LTD $ 2,000); geology $76,000 (LTD $76,000); geophysics $142,000 (LTD $142,000); option share issuance $8,000 (LTD $8,000); and other expenses $176,000 (LTD $176,000).

p) McTavish, Saskatchewan – Kodiak Exploration Limited

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

Kodiak may earn a further 10% interest in the project by expending $3 million in exploration/pre-feasibility work over an additional three year period, issuing an additional 550,000 Kodiak shares and producing a 43-101 compliant resource estimate containing at least 35 million pounds U_3O_8 in the measured and indicated categories. By defining a resource of 50 million pounds U_3O_8 during the same period, Kodiak's interest may increase to 70%.

During the fiscal year ended April 30, 2010, the Company spent $nil on camp cost and operations (LTD: $14,000); G&A $3,000 (LTD: $525,000); geochemistry $nil (LTD: $12,000); geology $nil (LTD: $1,000); geophysics $2,000 (LTD: $186,000); and other expenses $nil (LTD: $57,000). During the fiscal year ended April 30, 2010, the Company received option payments in the form of shares with a fair value of $(67,000) (LTD: ($67,000)).

11 Athabasca Mineral Property Interests (continued)

q) Carswell, 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 1,250,000 shares and made a $62,500 cash payment under a purchase agreement with Hawk Uranium Inc. to acquire mineral claims in the Cluff Lake area (note 13). 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.

During the fiscal year ended April 30, 2010, the Company spent $4,000 on G&A (LTD: $5,000); geology $20,000 (LTD: $20,000); geophysics $130,000 (LTD: $130,000); and other expenses $98,000 (LTD: $234,000). During the fiscal year ended April 30, 2010, the Company made options payments in the form of shares with a fair value of $200,000 (LTD: $200,000) to Hawk Uranium Inc.

r) Other Properties

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

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

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

The Company has written down its Camsell and Ford claim ($0.3 million) as it does not plan to renew its prospecting permits on these properties subsequently to year end.

12 Other Mineral Property Interests

	2010 Fiscal Expenditures				Life to Date - April 30, 2010			
Project ($000's)	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**	**Acquisition Costs**	**Deferred Exploration**	**Writeoffs/ Reimburse**	**Total**
Rise and Shine, NZ (a)	-	(6)	(1)	(7)	301	416	(400)	317
Reefton and Other NZ Projects (b)	-	14	-	14	24	602	(481)	145
Other Projects, Various (c)		22		22	73	346	(343)	76
Total	**-**	**30**	**(1)**	**29**	**398**	**1,364**	**(1,224)**	**538**

12 Other Mineral Property Interests (continued)

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

(a) Rise and Shine, New Zealand

In June 2009, the Company announced an agreement with Glass Earth Gold Ltd. ("Glass Earth") which was subsequently terminated in June 2010 (note 22). The option agreement with Glass Earth was for the sale of a 70% ownership interest in the claim.

(b) Reefton and Other New Zealand Projects

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

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

(c) Other Projects, Various

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

Kasmere comprises approximately 267,000 hectares under license application adjacent to NE Wollaston in the Province of Manitoba. The Company acquired an adjacent claim block (Mineral Lease 209B) from Santoy Resources Ltd. on December 11, 2008 for 40,000 in common shares, 500,000 warrants exercisable over one year at an exercise price of $0.50, and a 2% NSR. Mineral Lease 209B is situated in the middle of the Company's Kasmere claim block.

The Misty project covers approximately 53,000 hectares and is located in Manitoba adjacent to the southern boundary of the NE Wollaston project. On May 23, 2008, the Company optioned the Misty property to Great Western Minerals Group Ltd. ("Great Western"). Great Western may have earned a 51% interest in the property by making payments of $100,000, issuing 200,000 shares and making exploration expenditures of $6 million. In June 2010, Great Western terminated the agreement. The Company is currently awaiting the grant of exploration permits by the Government of Manitoba, which have been delayed due to aboriginal consultations.

12 Other Mineral Property Interests (continued)

(c) Other Projects, Various (continued)

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

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

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

13 Share Capital

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

Share issuances

In April 2010, the Company issued 25,000 common shares from the exercise of stock options for gross proceeds of $3,000.

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

In December 2009, the Company issued 50,000 common shares under the option agreement with Baywater Uranium for the Collins Bay Extension uranium project (note 11 (o)).

In December 2009, the Company issued 10,897,571 ordinary units for gross proceeds of $1,907,075. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of twenty four months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $119,760 using the Black Scholes model (note 14). A finder's fee of $12,500 in cash and 71,429 warrants were issued in connection with the financing.

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

13 Share Capital (continued)

In December 2009, the Company issued 3,876,300 flow-through units for gross proceeds of $814,023. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $18,289 using the Black Scholes model (note 14). A finder's fee of $31,185 in cash and 148,500 warrants were issued in connection with the financing.

In November 2009, the Company issued 10,714,428 flow-through units for gross proceeds of $2,250,030. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $69,885 using the Black Scholes model (note 14). A finder's fee of $112,502 in cash and 535,722 warrants were issued in connection with the financing.

In October 2009, the Company issued 1,190,000 flow-through units for gross proceeds of $249,900. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $7,755 using the Black Scholes model (note 14). A finder's fee of $12,495 in cash and 59,500 warrants were issued in connection with the financing.

In August 2009, the Company issued 5,826,764 flow-through units for gross proceeds of $990,550. Each unit consists of one flow-through common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of twenty-four months from the closing date, at a price of $0.24 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $52,404 using the Black Scholes model (note 14). A finder's fee of $49,528 in cash, 145,667 warrants and 291,337 compensation options were issued in connection with the financing. Each compensation option entitled the holder thereof to acquire one unit at a price of $0.17 per unit for a period of 24 months. Each unit will consist of one common share or one flow-through common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitles the holder thereof to purchase one additional common share of the Company for a period of twenty-four months from the closing date at a price of $0.24 per warrant share.

In July 2009, the Company issued 50,000 common shares under the option agreement with Baywater Uranium for the Collins Bay Extension uranium project (note 11 (o)).

During the 2010 fiscal year, the Company renounced its expenditures in respect of the flow-through units and recognized the future income tax liability and decreased share capital by $1.2 million.

During the 2009 fiscal year, 300,000 options were exercised (note 14). In February 2009, the Company issued 10,000 shares for property access rights in New Zealand (note 12 (b)). In February 2009, the Company renounced its expenditures in respect of the flow-through units (renounced on May 29, 2008) and as required under Canadian GAAP, recognized the future income tax liability and decreased share capital by $1.0 million.

13 Share Capital (continued)

In December 2008, the Company issued 40,000 common shares under the Kasmere option agreement (note 12 (c)). In September 2008, the Company issued 100,000 common shares respectively for the Black Lake and Fond du Lac properties (notes 11 (d) and (e)).

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

14 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 27,500,000 common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options 000's	**Weighted average exercise price $**
Outstanding - May 1, 2009	21,372	0.36
Granted	6,375	0.18
Exercised (note 13)	(228)	0.12
Expired	(955)	0.39
Forfeited	(5,621)	0.30
Outstanding – April 30, 2010	**20,943**	**0.32**

	Number of options 000's	**Weighted average exercise price $**
Outstanding - May 1, 2008	16,899	0.46
Granted	7,230	0.16
Exercised	(300)	0.10
Expired	(172)	0.25
Forfeited	(2,285)	0.45
Outstanding – April 30, 2009	**21,372**	**0.36**

14 Share Stock Options and Warrants (continued)

As at April 30, 2010, the following stock options were outstanding:

	Number of options outstanding 000's	Exercise price $	Expiry date (April 30)
	1,923	$0.35 - $0.45	2011
	2,547	$0.50 - $0.74	2012
	7,888	$0.15 - $0.70	2013
	6,810	$0.12 - $0.40	2014
	1,775	$0.17 - $0.18	2015
Total	**20,943**		

Stock options vest over various time periods. As at April 30, 2010, 17,396,250 stock options were exercisable with a weighted average exercise price of $0.36.

For the year ended April 30, 2010, total stock-based compensation expense was $1.5 million (2009: $2.2 million; 2008: $1.6 million) of which $0.4 million was capitalized (2009: $0.7 million; 2008: $0.5 million).

Warrants

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2009	6,307	0.50
Granted (note 12)	22,662	0.27
Expired	(500)	0.50
Outstanding – April 30, 2010	**28,469**	**0.32**

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2008	12,380	0.57
Granted	6,307	0.50
Expired	(12,380)	0.57
Outstanding – April 30, 2009	**6,307**	**0.50**

14 Share Stock Options and Warrants (continued)

At April 30, 2010, the following warrants were outstanding:

	Number of warrants outstanding 000's	Exercise price $	Expiry date Fiscal year end
	6,461	$0.48	2011
	22,008	$0.27	2012
Total	**28,469**		

The fair value of the share purchase warrants issued during the year was calculated using the following weighted average assumptions:

	Warrants
Risk-free interest rate	1.15% to 1.36%
Options expected life	1.5 to 2.0 years
Applied volatility	40%
Expected dividend	0%

The fair value of the share purchase options issued during the year was calculated using the following weighted average assumptions:

	Options
Risk-free interest rate	1.10%-1.81%
Options expected life	1.5 to 3.1 years
Expected volatility	80% to 102%
Expected dividend	0%

15 Related Party Transactions

	2010 $000's	2009 $000's	2008 $000's
Management fees to a company controlled by the former Chairman	-	-	171
Consulting fees to the Vice-President Corporate Development and director	-	-	115
Consulting fees to a company controlled by the former Corporate Secretary	-	-	16
Engineering and consulting fee to the Vice-President Exploration	237	185	194
Accounting fees to a company controlled by the former Chief Financial Officer	4	60	39
Accounting fees to a company controlled by the former Chief Financial Officer	135	-	-
Consulting fees to a company controlled by the Chief Financial Officer	7	-	-

The Company had an office lease agreement from the former Chairman of the Company, this lease agreement was terminated in March 2009.

The Company had previously paid consulting fees to the Vice-President Corporate Development and a former Corporate Secretary. Consulting fees are no longer charged by the Vice-President Corporate Development as his is now a salaried employee.

The Vice-President Exploration currently provides his services through a consulting company.

Two former Chief Financial Officers had billed their time through consulting companies and the current Chief Financial Officer provides his service through a consulting company as well and is disclosed above.

All transactions are recorded at the amounts agreed upon by the two parties.

Effective February 2005, each outside director is entitled to receive $500 per month, $500 per directors meeting and $500 per committee meeting. During the year, $70,980 (2009: $71,572) has been paid/accrued to directors. At year end, $8,465 (2009: $10,326) is owing to directors. This is due on demand and non-interest bearing.

16 Income Tax

	2010		2009		2008	
	$000's	%	$000's (restated)	%	$000's (restated)	%
Loss before tax	3,437	100%	3,823	100%	3,346	100%
Income tax recovery at statutory rates	1,019	30%	1,132	30%	1,075	32%
Non-deductible expenses	(239)	(7%)	(676)	(18%)	(513)	(15%)
Unrecognized tax losses	(319)	(10%)	(188)	(5%)	(264)	(8%)
Tax recovery	**461**	**13%**	**268**	**7%**	**298**	**9%**

16 Income Tax (continued)

The significant components of the Company's future income tax liability are as follows:

	2010 $000's	2009 $000's (restated)
Mineral property interest	11,755	9,783
Operating losses carried forward, net of valuation allowance	(1,941)	(1,539)
Canadian development expenditures	(462)	(280)
Canadian exploration expenditure	(5,212)	(4,395)
Foreign resource pools	(295)	(509)
Share issuance costs	(184)	(201)
Capital assets	(262)	(205)
Net future income tax liability	3,399	2,654

The Company has incurred non-capital losses of approximately $9,856,000. They may be carried forward and used to reduce taxable income of future years in the countries indicated. These losses will expire as follows:

($000's)	Canada	New Zealand	United States	Total
Expiry Date- Fiscal Year End				
2013	-	-	10	10
2014	422	-	46	468
2015	979	-	1	980
Thereafter	6,235	929	1,234	8,398
Total	7,636	929	1,291	9,856

During the year, flow-through shares totalling $4.3 million (2009 - $3.7 million) were issued, which funds are required to be spent on certain Qualifying Canadian Exploration Expenditures (note 13). As the Company no longer has the ability to use the expenditures for tax purposes, the Company is required to record a future tax liability which is equal to the renunciation at the corporate tax rate when expenditures are renounced. This amounted to $1.2 million (2009 - $1.0 million). However, the Company can utilize previously unrecognized future income tax assets to offset the liability to the extent available. The excess future income tax liability of $3.4 million (2009: $2.7 million) has been recorded in the consolidated financial statements.

17 Commitments

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

Fiscal Year Ending	**Total $000's**
2011	234
2012	94
2013	14
2014	7
Thereafter	15
Total	**364**

The Company has outstanding and future commitments under mineral properties option agreements to pay cash and/ or issue common shares of the Company (note 10).

18 Geographic Segmented Information

April 30, 2010 ($000's)	**Canada**	**U.S.A.**	**New Zealand**	**Total**
Non-current Assets	46,908	7	464	47,379
Assets	56,982	7	521	57,510
Loss for the Year	2,975	-	1	2,976

April 30, 2009 (restated) ($000's)	**Canada**	**U.S.A.**	**New Zealand**	**Total**
Non-current Assets	39,816	3	458	40,277
Assets	47,359	4	525	47,888
Loss for the Year	3,289	2	264	3,555

April 30, 2008 (restated) ($000's)	**Canada**	**U.S.A.**	**New Zealand**	**Total**
Non-current Assets	32,537	-	722	33,259
Assets	42,790	-	848	43,638
Loss for the Year	2,637	5	406	3,048

19 Supplemental Cash Flow Information

During the year the Company had the following non-cash investing and financing activities.

	2010 $000's	**2009 $000's**	**2008 $000's**
Shares issued for mineral properties	216	44	4
Shares received for mineral properties	(73)	(27)	(154)
Capitalized stock-based compensation	414	651	467
Fair value of agents warrants included in share issuance costs	-	(41)	19
Fair value of shares included in share issuance costs	-	132	-
Mineral property disposal for rent settlement	-	36	-
Available-for-sale disposal for non-cash consideration (notes 8 and 16)	-	24	-

Cash and cash equivalents comprise the following:

	2010 $000's	**2009 $000's**
Cash on hand and balances in bank	2,013	810
Short term deposits	6,709	5,529
Total	**8,722**	**6,339**

20 Financial Instruments

Fair Value Hierarchy

The fair value hierarchy establishes three levels to classify inputs to the valuation techniques used to measure fair value. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices). Level 3 inputs are unobservable (supported by little or no market activity), such as non-corroborative indicative prices for a particular instrument provided by a third party.

The Company has classified the financial assets as follows:

- Level 1
  - Cash and cash equivalents.
  - Available-for-sale securities.
- Level 2
  - No items are included in this category.
- Level 3
  - No items are included in this category.

There were no transfers between the above categories during the year.

20 Financial Instruments (continued)

Fair Values

As at April 30, 2010, the Company's carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Cash and cash equivalents are designated as held-for-trading. The Company has financial assets classified as available-for-sale. The Company has recorded its available-for-sale securities at current market value through either permanent impairment or revaluation through other comprehensive income.

Capital disclosure

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

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies.

Currency Risk

The Company maintains a majority of its cash and cash equivalents in Canadian dollars and also incurs a majority of its expenditures in Canadian dollars and therefore, has a minimal exposure to foreign currency fluctuation.

Interest Rate Risk

Included in the loss for the year in these financial statements is interest income on Canadian and U.S. dollar cash and cash equivalents. If interest rates throughout the year had been 10 basis points (0.1%) lower (higher) then net loss would have been $8,000 lower ($8,000 higher).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and funding from its strategic partners as its two sources 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 equivalents to capital and operating needs. The Company's accounts payable and accrued liabilities are all due within the year. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future (note 1).

21 Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP")

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). The United States Securities and Exchange Commission ("SEC") requires that financial statements of foreign companies contain a reconciliation presenting the statements on the basis of accounting principles generally accepted in the United States of America ("US GAAP"). Any differences in accounting principles as they pertain to the accompanying consolidated financial statements are not material, except as follows:

a) US GAAP requires that mineral property exploration and land use costs must be expensed as incurred, until commercially mineable deposits are determined to exist within a particular property. Accordingly, for US GAAP purposes, for all periods presented, the Company has expensed all land use costs for mineral properties and deferred exploration costs, which have been incurred by the Company, for which commercially mineable revenues do not exist. The expensing of these costs has a consequential impact on future income taxes. Under Canadian GAAP, such costs have been deferred. For Canadian GAAP, cash flows relating to mineral property exploration and land use costs are reported as investing activities. For US GAAP, these costs would be characterized as operating activities.

b) US GAAP requires that stock-based compensation expense is recorded for shares held in escrow which become eligible for release, at the market value of the shares at that time. Under Canadian GAAP, no value is attributed to such shares released and no compensation expense is recorded. Shares previously held in escrow were performance shares which were issued to certain directors who reorganized the Company's business affairs to fund the Company's business plan.

c) Under Canadian GAAP a premium to market on the issuance of flow-through shares would be recorded in share capital. For US GAAP purposes, Accounting Standards Codification ("ASC") 740, "Income Taxes", the proceeds should be allocated between the offering of the shares and the sale of tax benefits when the shares are issued. The allocation 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 future tax liability is recognized for the premium paid by the investors and is then recognized as a future income tax recovery in the period of renunciation.

For Canadian GAAP purposes, the Company records a future income tax liability and a corresponding reduction of share capital in respect of flow-through share financing. For US GAAP purposes no such entry is recorded.

d) Under Canadian GAAP, investments in joint ventures are accounted for using the proportionate consolidation method. Under US GAAP, investments in joint ventures are accounted for using the equity method. The different accounting treatment affects only the display and classification of financial statement items and not net earnings or shareholders' equity. As allowed under the SEC rules applicable to Form 20-F, no adjustment has been made for this difference.

e) Under US GAAP, funds raised from the issuance of flow-through shares, which have not yet been disbursed on qualifying exploration expenditures, would be disclosed as restricted cash. Accordingly, cash and cash equivalents under US GAAP would be reduced by $833,000 at April 30, 2010, $nil at April 30, 2009, and $nil at April 30, 2008.

21 Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)

f) Certain of the comparative numbers in this Canadian to US GAAP reconciliation have been restated to reflect the restatement of the consolidated financial statements for the years ended April 30, 2009 and 2008 (note 4).

g) The impact of the above differences between Canadian and US GAAP on the reported assets and liabilities of the Company is as follows:

Asset reconciliation	**2010 $000's**	**2009 $000's**
Total assets under Canadian GAAP	57,510	47,888
Write-off of mineral exploration costs (note a)	(45,202)	(38,550)
Total assets under US GAAP	**12,308**	**9,338**
Liabilities reconciliation		
Total liabilities under Canadian GAAP	5,025	3,848
Adjustment to future income tax liabilities related to adjustments (notes a and c)	(3,399)	(2,654)
Total liabilities under US GAAP	**1,626**	**1,194**

h) The impact of the above differences between Canadian and US GAAP on loss for the period is as follows:

Loss reconciliation		**2010 $000's**		**2009 $000's (restated)**		**2008 $000's (restated)**
Net loss under Canadian GAAP		2,976		3,555		3,048
Add (deduct)						
Mineral property exploration expenditures (note a)		6,652		7,418		13,247
Premium on flow-through shares (note c)		(464)		(135)		(158)
Future income tax adjustment (notes a and c)		461		268		298
Net loss under US GAAP	**$**	**9,625**	**$**	**11,106**	**$**	**16,435**
Net loss attributable to non-controlling interests (note k)		1,418		1,097		532
Net loss attributable to common shareholders		8,207		10,009		15,903
Net loss per share under US GAAP	**$**	**0.05**	**$**	**0.07**	**$**	**0.14**
Other comprehensive loss (gain)		(1)		157		360
Comprehensive loss under US GAAP		**9,624**		**11,263**		**16,795**

21 Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)

i) The impact of the above differences between Canadian and US GAAP on the deficit, common shares and contributed surplus and non-controlling interest, as reported, is as follows:

Deficit reconciliation	**2010 $000's**	**2009 $000's (restated)**	**2008 $000's (restated)**
Deficit under Canadian GAAP	30,668	27,692	24,137
Performance share adjustment (note b)	443	443	443
Cumulative mineral property write-offs (note a), net of amount attributable to non-controlling interest (note k)	42,124	36,922	30,600
Cumulative premium on flow-through shares (note c)	(792)	(328)	(193)
Future income tax on adjustments (notes a and c)	4,170	3,710	3,442
Deficit under US GAAP	**76,613**	**68,439**	**58,429**

Contributed surplus reconciliation	**2010 $000's**	**2009 $000's**	**2008 $000's**
Contributed surplus under Canadian GAAP	9,665	7,940	5,392
Performance shares adjustment (note b)	443	443	443
Contributed surplus under US GAAP	**10,108**	**8,383**	**5,835**

Common shares reconciliation	**2010 $000's**	**2009 $000's**	**2008 $000's**
Common shares under Canadian GAAP	60,878	56,183	54,079
Premium on flow-through shares (note c)	(792)	(328)	(193)
Flow-through shares future income tax adjustment (note c)	7,569	6,364	5,361
Common shares under US GAAP	**67,655**	**62,219**	**59,247**

Non-controlling interest reconciliation	**2010 $000's**	**2009 $000's**	**2008 $000's**
Non-controlling interest under Canadian GAAP	12,600	7,600	3,600
Loss attributable to non-controlling interest under US GAAP	(3,046)	(1,628)	(532)
Non-controlling interest under US GAAP	**9,554**	**5,972**	**3,068**

There are no material measurement differences between Canadian and US GAAP for Accumulated Other Comprehensive Income.

21 Differences between Canadian and United States Generally Accepted Accounting Principles (“GAAP”) (continued)

j) The impact of the above differences between Canadian and US GAAP on the consolidated statements of cash flows, as reported, is as follows:

Cash flow reconciliation	2010 $000’s	2009 $000’s	2008 $000’s
Operating cash flow under Canadian GAAP	(1,455)	(1,622)	(1,981)
Mineral property exploration expenditures (note a)	(7,790)	(7,081)	(10,028)
Operating cash flow under US GAAP	**(9,245)**	**(8,703)**	**(12,009)**
Investing cash flow under Canadian GAAP	(7,107)	(8,130)	(10,199)
Mineral property exploration expenditures (note a)	7,790	7,081	10,028
Investing cash flow under US GAAP (note)	**683**	**(1,049)**	**(171)**
Financing cash flow under Canadian GAAP	10,945	8,715	9,480
Reclassification of cash held from flow-through shares (note e)	(833)	-	-
Financing cash flow under US GAAP	**10,112**	**8,715**	**9,480**
Cash and cash equivalents under Canadian GAAP	8,722	6,339	7,376
Reclassification of cash held from flow-through shares (note e)	(833)	-	-
Cash and cash equivalents under US GAAP	**7,889**	**6,339**	**7,376**

k) New Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 160 (ASC Subtopic 805-20), “Non-controlling Interests in Consolidated Financial Statements” (“SFAS No. 160”), which specifies that non-controlling interests are to be treated as a separate component of equity, not as a liability or other item outside of equity. Because non-controlling interests are an element of equity, increases and decreases in the parent’s ownership interest that leave control intact are accounted for as capital transactions. The statement is effective for business combinations entered into on or after December 15, 2008, and, except for the changes to presentation and disclosure, is to be applied prospectively to all non-controlling interests, including any that arose before the effective date. The Company adopted this standard effective May 1, 2009 and, except for presentation changes above, did not have a material impact on the Company’s consolidated financial statements.

In June 2008, FASB Task Force reached a consensus on EITF Issue No. 07-5 (ASC Topic 815), “Determining Whether an Instrument (or Embedded Feature) is Indexed to an Entity’s Own Stock” (EITF 07-5”). The standard provides that an equity-linked financial instrument (or embedded feature) would not be considered indexed to the entity’s own stock if the strike price is denominated in a currency other than the issuer’s functional currency. EITF 07-5 is effective for periods beginning on or after December 15, 2008. The Company adopted this standard effective May 1, 2009 and determined that the adoption had no impact on the Company’s financial statements.

21 Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)

k) New Accounting Pronouncements (continued)

FASB Accounting Standard Codification ("ASC") No. 805 Business Combinations ("ASC 805") establishes principles and requirements for how the acquirer recognizes and measures the identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this standard had no impact on the Company's financial statements.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165 (ASC Subtopic 855−10), Subsequent Events, ("SFAS 165"). The statement is effective for financial statements ending after June 15, 2009. SFAS 165 establishes general standards of accounting for and disclosure of subsequent events that occur after the balance sheet date. Entities are also required to disclose the date through which subsequent events have been evaluated and the basis for that date.

In January 2010, the FASB issued Accounting Standards Update No. 2010-06, "Fair Value Measurements Disclosures," which amends Subtopic 820-10 of the FASB Accounting Standards Codification to require new disclosures for fair value measurements and provides clarification for existing disclosures requirements. More specifically, this update will require (a) an entity to disclose separately the amounts of significant transfers in and out of Levels 1 and 2 fair value measurements and to describe the reasons for the transfers; and (b) information about purchases, sales, issuances and settlements to be presented separately (i.e. present the activity on a gross basis rather than net) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3 inputs). This update clarifies existing disclosure requirements for the level of disaggregation used for classes of assets and liabilities measured at fair value and requires disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements using Level 2 and Level 3 inputs. The Company does not anticipate that the adoption of this statement will materially expand its consolidated financial statement footnote disclosures.

In July 2009, U.S. GAAP switched to SFAS No. 168 (ASU 2009−1) "FASB Accounting Standards Codification", a completely new codification scheme aimed to simplify U.S. GAAP; however, it is not intended to change US GAAP. The statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009 and has been adopted by the Company in the annual consolidated financial statements for the year ended April 30, 2010.

21 Differences between Canadian and United States Generally Accepted Accounting Principles ("GAAP") (continued)

k) New Accounting Pronouncements (continued)

In June 2009, the FASB issued SFAS No. 167 (ASC Subtopic 855−10) "Amendments to FASB Interpretation No. 46 (R)", which are amended standards for determining whether to consolidate a variable interest entity. These new standards amend the evaluation criteria to identify the primary beneficiary of a variable interest entity and requires ongoing reassessment of whether an enterprise is the primary beneficiary of the variable interest entity. The provisions of the new standards are effective for annual reporting periods beginning after November 15, 2009 and interim periods within those fiscal years. These standards will be effective for the Company beginning in the first quarter of fiscal 2010. The adoption of the new standards will not have an impact on the Company's consolidated financial position, results of operations and cash flows.

22 Subsequent Events

Subsequent to the year ended April 30, 2010, the following events occurred:

Zeballos

In May 2010, the Company executed an option agreement with Ridgeback Global Resources Plc ("Ridgeback") to commence exploration of the Zeballos project. Under the terms of the option agreement, Ridgeback may earn a 50% interest in the property by making payments of $60,000 ($10,000 received), issuing up to 15% of the issued and outstanding shares of Ridgeback and making exploration expenditures of $2,500,000 by May 2014.

Ridgeback may acquire an additional 25% interest by completing a feasibility study, spending a minimum of $500,000 per year and issuing 1,000,000 additional shares. Upon commercial production, the Company will receive a 2% net smelter royalty.

Rise and Shine

In June 2010, Glass Earth terminated its option agreement with CanAlaska in respect of the Rise and Shine Project (note 6).

Cree East Funding

On July 2010, the Company received $1.72 million from the Korean Consortium for the 2010 Summer exploration program at Cree East.

Grease River

In August 2010, the Company executed an option agreement with Westcan to commence exploration of the Grease River project. Under the terms of the option agreement, Westcan may 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 $4,500,000 by December 2013. The Company will act as the operator for the exploration project and will earn a management fee of 10% of the exploration expenditures incurred.

August 30, 2010

To: All Applicable Securities Commissions
and;
TSX Venture Exchange

Dear Sirs/Mesdames:

Re: Amended management discussion & Analysis ("MD&A") for the fiscal year ended April 30, 2010.

The Company previously filed its MD&A for the fiscal year ended April 30, 2010 on SEDAR, EDGAR, and the Company's web site on August 23, 2010. The MD&A has been amended and is being re-filed on SEDAR and EDGAR and the Company's web site effective Monday August 30, 2010.

The MD&A issued on August 23, 2010 was amended in order to comply with Part 2 Item 1.3, Selected Annual Information as required by Form 51-102F1. The Company is required to provide financial data for the three most recently completed financial years. The original filing of August 23, 2010 provided this information for the two most recently completed financial years. The re-filed Amended MD&A now reflect the data for the three most recently completed financial years.

The specific areas that were amended are as follows:

1. The Index item # 8 on page 1 was changed to Annual Financial Information (Previously titled Summary of Financial Position and Performance).

2. Page 32, Table 25 of Quarterly and Annual Financial Information, financial data has been inserted for the Year End 2008.

3. Page 33, Table 26 Financial Position Summary, financial data has been inserted for the year ended April 30, 2008.

The copy of the amended MD&A for the fiscal year ended April 30, 2010 has been filed on SEDAR, EDGAR and the Company's web site on August 30, 2010 containing the above noted corrections.

Yours truly,
CANALASKA URANIUM LTD.

"Peter Dasler"

Peter Dasler,
CEO.

CanAlaska Uranium Ltd.

CVV - TSX.V CVVUF - OTCBB DH7 – Frankfurt

Amended Management Discussion and Analysis for the Fourth Quarter and Year Ended April 30, 2010

Dated August 30, 2010

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*. The following information is prepared in accordance with Canadian GAAP 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, 2010.

Table of Contents:

This MD&A contains forward-looking information. Refer to Section 7 "Forward-Looking Statements" and "Risks Factors" for a discussion of the risks, uncertainties and assumptions relating to such information.

1. OVERVIEW OF THE COMPANY

QUICK OVERVIEW

- ✓ Exploration expenditures of $9.2 million for 2010 in the Athabasca Basin
- ✓ Funding provided from Korean Partners for the Cree East project ($12.6 million funded of $19.0 million) (section 2.2.1)
- ✓ Mitsubishi completed $11.0 million of funding and entered into a 50/50 Joint Venture with CanAlaska. (section 2.2.2)
- ✓ Over 21 projects covering 1,095,000 hectares focused on Uranium (section 1.1)
- ✓ Cash resources of $8.7 million (as at April 30, 2010)
- ✓ MOU with East Resources Inc. on Poplar Project (section 2.1)
- ✓ Vancouver head office consolidation supported by Saskatoon Field Operations Office
- ✓ 171,916,213 common shares issued and outstanding (August 17, 2010)
- ✓ Over 18,000 metres drilled in fiscal 2010
  - Cree East (6,139 metres)
  - West McArthur (6,071metres)
  - Fond du Lac (2,814 metres)
  - Black Lake (1,272 metres)
  - Collins Bay (1,133 metres)
  - Helmer (621 metres)

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 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 is exploring for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan. As of August 17, 2010, the Company had 171,916,213 shares outstanding with a total market capitalization of $17 million. The Company's shares trade on the TSX Venture Exchange ("CVV"), are quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7").

Table 1: Canadian Land Position Summary

Property / Project Name	2010 Notes	Hectares
Alberta		97,000
Arnold		14,000
Black Lake	Option with Black Lake Denesuline	36,000
Collins Bay Extension	Option with Bayswater Uranium	39,000
Carswell		29,000
Cree East	Ventured with Korean Consortium	56,000
Cree West	Ventured with Westcan Uranium	13,000
Fond Du Lac	Option with Fond Du Lac Denesuline	36,000
Grease River		70,000
Helmer		57,000
Hodgson		4,000
Kasmere		267,000
Key	Ventured with Westcan Uranium	6,000
Lake Athabasca		41,000
McTavish	Ventured with Kodiak Exploration	16,000
Misty	Ventured with Great Western Minerals	53,000
Moon		4,000
NE Wollaston	MOU with East Resources Inc.	144,000
Poplar	MOU with East Resources Inc.	71,000
Waterbury		6,000
West McArthur	Ventured with Mitsubishi	36,000
TOTAL	**21 Projects**	**1,095,000**

In the Athabasca, the Company controls an exploration portfolio of 21 large projects totalling over 4,000 square miles (1.095 million hectares) and has a land position that rivals the combined holdings of established uranium producing giants Cameco Corporation and Areva. The Company has built a strong in-house exploration team and has established strategic exploration funding relationships with 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 Energy Co. Ltd. (on the Cree East property), and entered into a memorandum of understanding with Chinese-based East Resource Inc. ("ERI") (for its Poplar project). CanAlaska also has option arrangements with Westcan Uranium Corp. in respect of its Cree West and Key Lake properties and, Kodiak Exploration Limited is earning into the Company's McTavish property.

In addition, CanAlaska has entered into option agreements on the Black Lake, Fond Du Lac, and Collins Bay Extension projects with other third-parties 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 Black Lake and Fond Du Lac to undertake exploration on their reserve lands under the official sanction of Indian and Northern Affairs Canada ("INAC"). In achieving this, CanAlaska has the distinction of becoming the first company to undertake uranium exploration on First Nations' reserve territory in Saskatchewan in over twenty-five years. CanAlaska's record of operational safety and environmental compliance were recognized as key contributing factors during the lengthy review and approval process.

The Company's exploration activities are managed through CanAlaska offices maintained in Vancouver, BC (Head Office), Saskatoon, SK (Field Support Office), and La Ronge, SK (Equipment Warehouse).

The Company believes that the increasingly attractive fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels, will ensure the long-term future of global uranium markets and prices. Since 2004, CanAlaska has expended over $64 million on exploration and research towards the advancement of uranium discovery on our twenty one project areas.

1.2 Cash and Financing

As of April 30, 2010 the Company had cash and cash equivalents of $8.7 million (April 30, 2009: $6.3 million). The Company's working capital position as at April 30, 2010 was $8.5 million (April 30, 2009: $6.4 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, 2010, the Korean Consortium has funded $12.6 million out of a total of $19 million and 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 $1.6 million for the West McArthur project.

With the impact of the global credit crisis still being felt in the junior mining sector, CanAlaska views itself as fortunate to have strong strategic relationships with its partners. The long-term and strategic support from Mitsubishi and our Korean Consortium partners allows the Company to continue to advance two significant projects forward in these challenging economic times. CanAlaska has also been conscious to maintain a reasonable treasury and is continually evaluating all of its projects.

From August to December 2009, the Company closed four non-brokered flow-through private placements and one non-brokered private placement for gross proceeds of $6.2 million (section 3.3). 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 and work towards its strategic goal of discovering one or more high grade uranium deposits.

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.

2. MILESTONES AND PROJECT UPDATES

2.1 Overview – fiscal year 2010

- Closed private placements of $6.2 million (August, October, November and December 2009)
- Executed option agreement and formed 50/50 Joint Venture with Mitsubishi. (February 2010)
- West McArthur funding from MC Resources Canada of $1.6 million.
- Funding from our Korean Consortium ($0.9 million – July 2009, $3.0 million -December 2009 and $1.1 million – January 2010) for the exploration program at Cree East.

In July 2010, the Company commenced a property wide deep penetrating airborne ZTEM survey on the West McArthur project. The survey will cover the majority of the property, including current drill targets at Grid 1 and Grid 2, as well as the developing target at Grid 5. The ZTEM survey will provide additional information on these areas as well as look for additional similar targets for future exploration planning.

In June 2010, the Company commenced the summer operations for further intensive diamond drilling on the Cree East project. The twenty drill hole campaign, comprising approximately 9,000 metres, will be split between the targets at Zone A and Zone G on the property.

In June 2010, the Company reported results from the winter drill program at the West McArthur project and the commencement of additional summer 2010 exploration. Of particular note is uranium mineralization in two holes. Drill hole WMA022: (0.5 metres @ 0.013% U_3O_8 in the basement (888.1-888.6 metres) and drill hole WMA024: (0.5 metres @ 0.018% U_3O_8 in sandstone (729.4-729.9 metres)).

In May 2010, the Company reported on new gold mineralization of up to 24.36 grams per tonne ("g/t") identified on the Poplar project. Channel rock samples collected from mineralized zones during the summer of 2009 have provided new high gold values in addition to other mineralization previously found at Felix Bay of up to 47.94 g/t gold and 19.7 g/t platinum.

In April 2010, the Company reported preliminary drill results from its Collins Bay Extension project, a uranium property under option from Baywater Uranium. The winter drill program tested uranium mineralized targets on Fife Island, and then advanced to a second, large, well-defined conductivity and gravity anomaly located due east of the Collins Bay and Eagle Point mine areas. The Company intersected a new geological feature showing uranium mineralization and extensive breccia development.

In April 2010, the Company announced its preliminary drill results at the Cree East project, where drill data indicated four areas of basement faulting, hydrothermal alteration, and radioactivity, consistent with Athabasca uranium deposit models. Based on the preliminary results, Zone A on the property warrants additional drilling in the summer to precisely test the east-west structural trends, and the associated large fault uplifts (over 50 metres vertical). In addition, drill hole CRE043 at Zone G exhibited several zones of strong fracturation and bleaching in the sandstone over 97.5 metres (from 231 metres to the unconformity at 328.5 metres).

In March 2010, the Company reported that drilling was underway on its Helmer project, situated along the northern rim of the Athabasca Basin. Drilling will test a group of strong targets along the Grease River fault, which were modeled from airborne EM and gravity surveys.

In March 2010, the Company reported that after a 3 year hiatus, the Manitoba Government had completed consultation with local First Nations and has issued exploration permits for ground work and drilling on the NE Wollaston project. The permit now allows the Company to explore the property and entertain new partnerships for ongoing intensive exploration in an environment where local communities are supportive of the Company's efforts.

In March 2010, the Company reported that drilling was underway on the Fife Island target on the Collins Bay Extension project, and that additional drilling was planned for a second, large and well-defined conductivity/gravity anomaly target located due east of the Collins Bay and Eagle Point mines.

In February 2010, the Company announced that Mitsubishi completed the $11 million investment specified under the project's option agreement and formally earned a 50% ownership interest in the West McArthur uranium project. An unincorporated 50:50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company and Mitsubishi have outlined a future multi-year $20 million exploration program for the West McArthur property that will progressively test the current target areas and reach across the remainder of the property to evaluate other target areas.

In January 2010, the Company received funding of $3.0 million for planned winter 2010 geophysics and drilling programs, and a further $1.12 million for planned summer 2010 work from its Korean Consortium partners for its Cree East Project. During the third quarter, in late January, mobilization of the camp equipment was completed. To April 30, 2010, the Company's Korean partners had funded a total of $12.6 million of their $19.0 million commitment.

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

In December 2009, the Company closed a non-brokered flow-through private placement of 3,876,300 units at $0.21 per unit for gross proceeds of $0.8 million and an ordinary unit private placement of 10,897,571 units at $0.175 per unit for gross proceeds of $1.9 million.

In November 2009, the Company announced its purchase of mineral claims in the Cluff Lake area from Hawk Uranium Ltd., which CanAlaska plans to incorporate into its existing Carswell project. Consideration paid by CanAlaska to Hawk Uranium included 1,250,000 CanAlaska shares and cash of $62,500. Under the terms of the agreement, Hawk Uranium also retains a 2.5% net smelter royalty, of which 2% is purchasable by CanAlaska.

In November 2009, the Company closed a tranche of a non-brokered flow-through private placement of 10,714,428 units at $0.21 per unit for gross proceeds of $2.25 million.

In October 2009, the Company closed a tranche of a non-brokered flow-through private placement of 1,190,000 units at $0.21 per unit for gross proceeds of $0.25 million.

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

In September 2009, the Company reported assay results from its August 2009 drill program at Fond Du Lac. Hole FDL017 returned 40.4 metres averaging 0.32% U_3O_8, including 6 metres averaging 1.13% U_3O_8 and with individual values of half-metre samples grading up to 3.77% U_3O_8.

In August 2009, the Company closed two tranches of a non-brokered flow-through private placement of 5,826,764 units at $0.17 per unit for gross proceeds of $1.0 million.

In August 2009, the Company secured Kodiak Exploration as a funding exploration partner for its McTavish project. Kodiak has been granted an option to acquire up to a 70% interest. In order to earn an initial 50% interest, Kodiak must complete $4.0 million in exploration and issue 1,000,000 Kodiak shares to CanAlaska (100,000 issued) as follows: 100,000 on or before the date of acceptance of the transaction by the TSX Venture Exchange and then, on or before each anniversary date thereafter, make annual work expenditures and issue shares respectively of: first year – $0.6 million and 50,000 shares; second year – $0.8 million and 50,000 shares; third year – $1.2 million and 50,000 shares; fourth year – $1.4 million and 50,000 shares, and; fifth year – $ nil and the remaining balance of 700,000 shares.

In August 2009, the Company received $270,000 from East Resource Inc. for exploration work on the Poplar project. Accordingly, in Q210, six ERI geologists from China, along with CanAlaska personnel, commenced geological mapping and prospecting of 5 target zones in preparation for future drilling programs. The Company continues in discussions with ERI in respect of a definitive agreement.

In July 2009, the Company executed an option agreement with Bayswater Uranium Corporation ("Bayswater"). Under the agreement, the Company will undertake and fund an exploration program on the Collins Bay Extension project, which is directly adjacent to, and follows the North-East strike of past-producing uranium mines at Rabbit Lake and Collins Bay, and the current producing uranium mine at Eagle Point in the Province of Saskatchewan. The project hosts multiple zones of known uranium mineralization, and on Fife Island, at least one zone of ore-grade values. This project will investigate previous interesting drill intercepts.

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

2.2 Project Updates

Overview

The Company currently has over 21 projects and in fiscal 2010, the Company spent $9.3 million on exploration costs in the Athabasca Basin. Of these expenditures, over 38% ($3.5 million) was spent on the Cree East project that was funded through the Company's strategic relationship with the Korean Consortium. A further 19% ($1.8 million) of the exploration dollars were spent by Mitsubishi on the West McArthur project. $0.5 million (or 5% of total expenditures) was spent on the Poplar project, of which $0.3 million was reimbursed by ERI. The Company has spent $0.9 million, $0.4 million and $0.9 million of its own funds in advancing the Fond Du Lac, Black Lake and Collins Bay Extension projects respectively.

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.

Table 2: ($000's)				**Quarterly**					**Year Ended**	
Total Deferred Exploration	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**
Camp Cost & Operations	415	488	338	663	154	360	206	1,124	1,904	1,844
Drilling	157	1,239	58	1,759	418	52	94	1,983	3,213	2,547
General & Admin	185	745	113	442	117	89	126	135	1,485	467
Geochemistry	89	166	77	75	24	57	5	61	407	147
Geology	682	521	235	328	241	197	179	445	1,766	1,062
Geophysics	322	658	205	457	466	427	370	936	1,642	2,199
Other	145	146	568	342	317	226	743	(299)	1,201	987
Gross Expenditures	**1,995**	**3,963**	**1,594**	**4,066**	**1,737**	**1,408**	**1,723**	**4,385**	**11,618**	**9,253**
Reimbursement/Writeoffs	(1,474)	(1,233)	(468)	(710)	(91)	(328)	(398)	(1,353)	(3,885)	(2,170)
Net Expenditures	**521**	**2,730**	**1,126**	**3,356**	**1,646**	**1,080**	**1,325**	**3,032**	**7,733**	**7,083**

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 Energy Co. Ltd.), in December 2007 agreed to spend $19 million on the properties to earn into a 50% interest in the Cree East project.

As of April 30, 2010, the Korean Consortium has contributed $12.6 million towards exploration of the project and holds a 40.6% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership. The following table summarizes the Korean Consortium expenditures and advances by quarter, fiscal year ended, and life to date ("LTD") on the project. The table does not include a $0.6 million payment made directly to CanAlaska for intellectual property associated with the project.

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

Table 3: ($000's)				**Quarterly**					**Year Ended**		
Cree East Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	28	126	88	268	8	145	123	379	510	655	2,085
Drilling	9	983	20	908	-	-	58	842	1,920	900	3,563
General & Admin	5	13	33	69	37	39	33	14	120	123	311
Geochemistry	17	5	16	29	5	6	2	27	67	40	407
Geology	6	70	85	147	27	17	19	184	308	247	768
Geophysics	7	199	-	14	361	285	55	262	220	963	2,484
Management Fees	7	141	25	151	45	50	35	178	324	308	902
Other	1	17	97	122	40	30	88	99	237	257	909
Net Expenditures	**80**	**1,554**	**364**	**1,708**	**523**	**572**	**413**	**1,985**	**3,706**	**3,493**	**11,429**

In April 2010, the Company announced the preliminary results from the April 2010 (Q410) winter drilling program, where 14 holes were completed (6,139 metres). Initial information from the winter drill program indicates four areas of basement faulting, hydrothermal alteration, and radioactivity, consistent with Athabasca uranium deposit models. At the commencement of the program, ten separate target zones had been defined by airborne and ground geophysics, along a 5 kilometre trend. Locally, these features exhibited strong electromagnetic responses.

The Company is currently awaiting laboratory assay results from drill core zones with high radiometric counts, as well as the results of the trace element geochemistry for these and surrounding drill holes. Based on the preliminary Winter 2010 results, Zone A warrants additional drilling in the summer of 2010 to precisely test the East-West structural trends, and the associated large fault uplifts (over 50 metres vertical).

Drill hole CRE043 at Zone G exhibited several zones of strong fracturation and bleaching in the sandstone over 97.5 metres (from 231 metres to the unconformity at 328.5 metres). At this location, the basement rocks also gave indications of uranium mineralization at 402 metres (maximum of 2,224 counts per second on probe), this equates to a radiometric grade of 2.15 metres @ 0.024 eU1. CRE043 also exhibited hematite alteration to 431 metres depth. For a complete understanding of the drilling results reference should be made to the Company's press release of April 13, 2010.

In July 2009, the Company embarked on a $0.9 million program of geophysics investigation, comprising hi-resolution airborne magnetic, close-spaced airborne VTEM (4,368 kilometres) and ground TDEM surveys. The targeting data received from these surveys will be used to guide future drilling efforts. In Q110 and Q210 respectively, the Company also conducted 40 and 85 kilometres of induced polarization ("IP") resistivity surveys. In fiscal 2010, 28% and 26% of exploration expenditures were associated with geophysics and drilling respectively. 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.

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

The West McArthur project in the Athabasca Basin, Saskatchewan, was optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi could exercise an option to earn a 50% interest in the property by investing $11 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.

Table 4: ($000's)				Quarterly					Year Ended		
West McArthur Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	2	1	113	217	4	3	51	432	333	490	2,594
Drilling	-	-	22	675	-	-	36	749	697	785	5,474
General & Admin	11	355	49	140	25	11	18	34	555	88	1,782
Geochemistry	3	1	-	23	2	5	-	26	27	33	263
Geology	17	39	18	101	31	17	55	136	175	239	550
Geophysics	14	10	10	175	4	7	281	406	209	698	3,093
Option Payments	-	-	-	-	-	-	-	(1,000)	-	(1,000)	(1,000)
Other	8	12	78	129	30	24	230	197	227	481	1,261
Gross Expenditures	**55**	**418**	**290**	**1,460**	**96**	**67**	**671**	**980**	**2,223**	**1,814**	**14,017**
Reimbursement	(62)	(310)	(244)	(1,399)	(91)	(57)	(398)	(1,005)	(2,015)	(1,551)	(11,294)
Net Expenditures	**(7)**	**108**	**46**	**61**	**5**	**10**	**273**	**(25)**	**208**	**263**	**2,723**

During Q410, the Company carried out a 6,071 metre drilling program combined with ground geophysics. The six-hole drill program was focused on a large conductive zone in the Grid 1 area on the western portion of the project. Previous drill holes, located over an area 2.0 kilometres by 2.5 kilometres, have intersected separate zones of anomalous uranium mineralization, silicification, and sandstone alteration. The 2010 winter drilling was successful in intersecting graphitic horizons which follow the conductive trend. Of particular note is uranium mineralization in two holes. Drill hole WMA022: (0.5 metres @ 0.013% U_3O_8 in the basement (888.1-888.6 metres)) and drill hole WMA024: (0.5 metres @ 0.018% U_3O_8 in sandstone (729.4-729.9 metres)).

Where there was evidence of hydrothermal alteration, it extended well into the sandstone and matches the typical alteration model of Athabasca unconformity style uranium deposits. There is evidence of uranium mineralization 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.

Following discussion of the winter 2010 exploration results at a recent joint venture management meeting, the joint venture will now contract further geophysical surveys on a property-wide basis commencing this summer and extend the winter geophysical survey for Grid 5 (located 10 kilometres SSE of Grid 1), where a well-defined conductor and low resistivity geophysical zone has been identified. The plan for exploration is progressively to test the seven grids on the property with Phase 1 surveys to outline potential and to provide the basis for Phase 2 target definition. Drilling is planned on Grid 5 in Winter 2011 as part of the Phase 1 evaluation program. For a complete understanding of the drilling results reference should be made to the Company's press release of June 21, 2010.

In fiscal 2010, drilling costs comprised 43% of the total exploration costs at West McArthur from the 6,071 metre drill program completed in the fourth quarter. Included within Other expenses are management fees charged to and reimbursed by Mitsubishi for CanAlaska acting as project operator.

2.2.3 Poplar Project, Saskatchewan –MOU with East Resources Inc.

The Poplar project, comprising approximately 71,000 hectares, was staked by the Company in 2006 and covers all of the northern edge of the Athabasca Basin located between CanAlaska's Helmer and Lake Athabasca projects.

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

Table 5: ($000's)				Quarterly					Year Ended		
Poplar Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	213	179	28	5	2	152	11	1	425	166	806
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	63	67	(12)	(3)	16	9	5	17	115	47	340
Geochemistry	31	80	15	1	-	12	-		127	12	139
Geology	63	145	41	29	25	45	12	9	278	91	384
Geophysics	304	280	61	25	12	1	5	-	670	18	1,678
Other	2	3	112	12	20	97	2	-	129	119	305
Gross Expenditures	**676**	**754**	**245**	**69**	**75**	**316**	**35**	**27**	**1,744**	**453**	**3,652**
Reimbursement	(623)	(719)	(95)	(60)	-	(270)	-	-	(1,497)	(270)	(3,210)
Net Expenditures	**53**	**35**	**150**	**9**	**75**	**46**	**35**	**27**	**247**	**183**	**442**

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

Under the terms of the MOU, ERI may earn a 40% interest in the Poplar project by undertaking a minimum of 100,000 metres of diamond drilling within 5 years. ERI may earn a 70% interest by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 15 million pounds U_3O_8 and fully-financing the costs of mine construction. ERI may earn an 80% interest by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 35 million pounds U_3O_8 and fully-financing the costs of mine construction. ERI may also earn an additional 15% interest to hold a cumulative 95% ownership by granting to CanAlaska a 5% gross revenue royalty from the production and sale of minerals.

In August 2009, ERI funded $270,000 under their MOU for exploration work on the project. Accordingly, in Q210, six ERI geologists from China, along with CanAlaska personnel, commenced geological mapping and prospecting of 5 target zones in preparation for future drilling programs. In Q410, discussions on a definitive agreement between the Company and ERI in respect of the Poplar project continued.

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

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

Table 6: ($000's)				**Quarterly**					**Year Ended**		
Fond Du Lac Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	76	150	93	28	100	53	9	9	347	171	520
Drilling	122	242	16	5	224	52	-		385	276	661
General & Admin	6	18	7	6	6	23	39	2	37	70	173
Geochemistry	1	36	31	13	8	24	1	4	81	37	118
Geology	30	105	11	10	94	40	43	7	156	184	365
Geophysics	1	98	146	92	18	9	4	1	337	32	484
Option Payments	-	29	-	-	-	-	-	-	29	-	117
Other	18	46	99	18	47	65	23	11	181	146	335
Net Expenditures	**254**	**724**	**403**	**172**	**497**	**266**	**119**	**34**	**1,553**	**916**	**2,773**

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

In Q209 and Q309, the Company undertook over 2,500 kilometres of airborne geophysics and 63 line kilometres of prospecting. The results from the geophysics and drill program indicate the potential for further zones of uranium mineralization within the vicinity of the known mineral deposit. Additionally, the drill program intercepted fault structures and hematite alteration zones in the basement rocks underlying the target area, indicating the potential for basement hosted uranium mineralization.

During January, 2010, the Company completed 2,814 metres of drilling. In September 2009, CanAlaska reported assay results from its August 2009 drill program at Fond Du Lac which included the results from hole FDL017. Hole FDL017 returned 40.4 metres averaging 0.32% U_3O_8, including 6 metres averaging 1.13% U_3O_8 with individual values of half-metre samples grading up to 3.77% U_3O_8. For a complete understanding of the assays results from this drill program, reference should be made to the Company's press release of September 22, 2009. It also undertook surface trench sampling and mapping on the western portion of the Fond Du Lac project where significant surface, and near surface uranium mineralization, was discovered. For a full understanding of the results, reference should be made to the Company's press release of September 16, 2009.

In fiscal 2010, drilling comprised 30% and geology comprised 20% of the exploration expenditures at Fond Du Lac. The decrease in camp costs and operations for fiscal 2010 is consistent with the drill program that was being conducted at that time. The second half of the year was focused on interpretation of the drilling data.

2.2.5 Black Lake Project, Saskatchewan – Optioned from Black Lake Densuline First Nation

In December 2006, the Company acquired from the Black Lake Denesuline First Nation an option to earn a 49% interest in the project. To earn its interest the Company must make payments totalling $130,000 ($101,628 paid; July 2011: $28,372), issue 300,000 shares (200,000 issued; July 2010: 50,000 shares; July 2011: 50,000 shares), and incur exploration expenditures of $2 million ($1.0 million incurred; July 2010: $0.7 million; July 2011: $1.2 million; July 2012: $2.0 million).

Table 7: ($000's)				Quarterly					Year Ended		
Black Lake Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	2	16	16	121	39	1	-	-	155	40	199
Drilling	-	-	-	172	194	-	-		172	194	366
General & Admin	1	4	3	19	6	3	1	-	27	10	99
Geochemistry	-	23	7	8	9	-	-		38	9	50
Geology	27	78	17	26	30	1	8	1	148	40	234
Geophysics	-	-	-	141	43	1	-	-	141	44	327
Option Payments	-	29	-	-	52	-	-	-	29	52	175
Other	3	-	64	56	32	2	8	11	123	53	184
Net Expenditures	**33**	**150**	**107**	**543**	**405**	**8**	**17**	**12**	**833**	**442**	**1,634**

In Q110, the Company completed its 1,923 metre drill program, which comprised 649 metres in Q409 and 1,272 metres in Q110. In August 2009, the results of Q409 drill campaign at Black Lake were announced with elevated uranium values of 12 parts per million ("ppm") being intersected in the north and the eastern-most drill hole in the south intersecting 140 ppm of uranium. For full results of the winter-spring drill program, reference should be made to the Company's press release of August 5, 2009.

In Q110, the Company paid $51,628 to Indian and Northern Affairs Canada on behalf of the Black Lake Denesuline First Nations. These payments will be offset against future options payments. During the remainder of fiscal 2010, only limited activity was undertaken on the project as the Company was interpreting the drilling data.

In fiscal 2010, drilling costs comprised 44% of the total exploration costs at Black Lake from the 1,272 metre drill program completed in the first quarter.

2.2.6 Collins Bay Extension Project – Optioned from Bayswater Uranium

In July 2009, the Company executed an option agreement with Bayswater Uranium Corporation to commence exploration on the Collins Bay Extension uranium project ("CBX"), which is directly adjacent to, and following the North-East strike of the past-producing uranium mines at Rabbit Lake and Collins Bay, and the current producing uranium mine at Eagle Point in Saskatchewan. CBX contains a significant number of exploration targets within the Snowbird and Fife Island areas. Under the terms of the option agreement, CanAlaska shall act as the exploration operator and may earn a 51% participating interest in the project by undertaking a minimum of $4.0 million in exploration expenditures within 5 years, and issuing a total of 500,000 (100,000 issued) shares to Bayswater over the same period. The Company may increase its participating interest to a 70% level by successfully undertaking a further $2.0 million in exploration expenditures over a further period of 3 years.

Table 8: ($000's)				Quarterly					Year Ended		
Collins Bay Extension Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	-	-	-	-	1	5	9	180	-	195	195
Drilling	-	-	-	-	-	-	-	279	-	279	279
General & Admin	-	-	-	-	1	-	6	1	-	8	8
Geochemistry	-	-	-	-	-	-	-	2	-	2	2
Geology	-	-	-	-	6	13	6	51	-	76	76
Geophysics	-	-	-	-	1	-	2	139	-	142	142
Option Payments	-	-	-	-	8	-	-	-	-	8	8
Other	-	-	-	-	6	3	15	152	-	176	176
Net Expenditures	**-**	**-**	**-**	**-**	**23**	**21**	**38**	**804**	**-**	**886**	**886**

In Q110, the $8,000 option payment cost represents the fair value of the 50,000 CanAlaska shares issued to Bayswater.

In September 2009, field crews mapped and sampled mineralization in the Fife Island area north of the Eagle Point mine, and along the same geological trend in preparation for the winter drill program.

In Q410, CanAlaska carried out a two drill program on the property. One program concentrated on the vein mineralization on the northern part of Fife Island. This drilling intersected uranium mineralization in four drill holes. The second program southwest of Blue Island was identified from the VTEM airborne geophysical survey completed in 2007. In house inversion of the data defined two large zones (700 metres by 500 metres) of very high conductivity in basement rocks, located below conductive lake sediments, and straddling an east-west magnetic structural trend. Detailed gravity surveys across the target in January 2010 have confirmed a large gravity low associated with each of the deeper conductive zones. The drill program provided evidence of a large geological event with uranium, breccias and structured displacement.

In fiscal 2010, drilling costs comprised 31% of the total exploration costs at Collins Bay Extension from the 1,133 metre drill program completed in the fourth quarter.

2.2.7 Grease River Project, Saskatchewan - Optioned to Westcan Uranium

The Grease River project covers approximately 70,000 hectares in three separate claim blocks that extend from Bulyea River, north of Fond Du Lac, to Marytnuik Lake, north of Stony Rapids, and covers four geological domains.

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

Table 9: ($000's)				**Quarterly**					**Year Ended**		
Grease River Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	54	11	-	23	-	-	-	-	88	-	565
Drilling	33	13	-	-	-	-	-	-	46	-	46
General & Admin	88	17	9	11	8	-	2	9	125	19	358
Geochemistry	6	12	4	-	-	-	-	-	22	-	111
Geology	444	63	49	11	15	6	2	-	567	23	1,127
Geophysics	-	-	-	-	-	-	-	-	-	-	244
Other	60	1	67	2	5	2	-	-	130	7	310
Gross Expenditures	**685**	**117**	**129**	**47**	**28**	**8**	**4**	**9**	**978**	**49**	**2,761**
Reimbursement	(781)	(114)	(131)	755	-	-	-	-	(271)	-	(1,909)
Net Expenditures	**(96)**	**3**	**(2)**	**802**	**28**	**8**	**4**	**9**	**707**	**49**	**852**

In Q109, the Company undertook detailed prospecting and mapping on the Grease River property. The Company had recorded accruals for the reimbursement of costs from Uranium Prospects. This receivable was reversed and written-off in Q409, as no cash had been received. The option was subsequently terminated in June 2009. Only minimal activity occurred on the property during the fiscal year ended April 30, 2010.

In August 2010, the Company executed an option agreement with Westcan Uranium Ltd. ("Westcan") (formerly International Arimex Resources Inc.) to commence exploration of the Grease River project. Under the terms of the option agreement, Westcan may 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 $4,500,000 by December 2013. The Company will act as the operator for the exploration project and will earn a management fee of 10% of the exploration expenditures incurred.

2.2.8 Cree West Project, Saskatchewan – Optioned to Westcan Uranium

The Cree West project comprises a 100% interest in 4 mineral claims (approximately 13,000 hectares) located 70 kilometres northwest of the Key Lake uranium mine and between 25 and 57 kilometres north of the south rim of the Athabasca Basin. On April 24, 2006, the Company granted to Westcan an option to earn up to a 75% interest in the Cree West project. Westcan can earn a 50% interest in the property by making cash payments of $150,000 (received), issuing 600,000 shares (received) and making $3.6 million of exploration expenditures. Westcan may elect to acquire an additional 10% interest by expending an additional $4 million on exploration within 2 years of vesting its 50% interest. Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 400,000 additional common shares, and expending a minimum of $1 million on the project.

The Company will act as the operator of the project until Westcan has a vested 60% interest. Upon attaining commercial production, the Company will receive a 3% net smelter royalty. As of April 30, 2010, Westcan had contributed $0.8 million towards exploration expenditures. The Company has granted an extension to Westcan in respect of its exploration commitments under the agreement and expects Westcan to continue the exploration of the project in 2010.

Table 10: ($000's)	**Quarterly**								**Year Ended**		
Cree West Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	-	-	-	-	-	-	-	-	-	-	158
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	-	50	(3)	-	-	-	-	39	47	39	326
Geochemistry	-	-	-	-	-	-	-	-	-	-	102
Geology	3	1	-	-	-	-	-	-	4	-	117
Geophysics	-	-	-	-	-	-	-	-	-	-	290
Other	-	-	1	-	-	-	-	-	1	-	156
Gross Expenditures	**3**	**51**	**(2)**	**-**	**-**	**-**	**-**	**39**	**52**	**39**	**1,149**
Reimbursement	(3)	(51)	4	(2)	-	-	-	-	(52)	-	(1,110)
Net Expenditures	**-**	**-**	**2**	**(2)**	**-**	**-**	**-**	**39**	**-**	**39**	**39**

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.

2.2.9 Key Lake Project, Saskatchewan – Optioned to Westcan Uranium

The Key Lake project comprises four mineral claims in three separate blocks totalling approximately 6,000 hectares located within 15 kilometres of the formerly producing Key Lake uranium mine. On March 2, 2006, the Company optioned to Westcan up to a 75% interest in the Key Lake project. Westcan may, at its option, earn a 50% interest in the property by making cash payments of $150,000 (received), issuing 300,000 shares (received), and making exploration expenditures of $2 million. Westcan may elect to acquire an additional 10% interest by expending an additional $2 million on exploration, and may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 200,000 additional common shares, and expending a minimum of $500,000 per year on the Project. The Company will act as the operator of the project until Westcan has a vested 60 % interest. Upon commercial production, the Company will receive a 3% net smelter royalty. As of April 30, 2010, Westcan had contributed $ 0.9 million towards exploration expenditures. The Company granted an extension to Westcan in respect of its exploration commitments under the agreement and expects Westcan to continue exploration of the project in 2010.

Table 11: ($000's)	**Quarterly**								**Year Ended**		
Key Lake Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	1	-	-	-	-	-	-	-	1	-	252
Drilling	(8)	1	-	-	-	-	-	-	(7)	-	427
General & Admin	-	39	-	1	-	-	-	4	40	4	118
Geochemistry	3	-	-	-	-	-	-	-	3	-	8
Geology	9	-	2	-	-	-	4	3	11	7	54
Geophysics	-	-	-	-	-	-	1	-	-	1	140
Other	-	-	3	-	-	-	-	-	3	-	49
Gross Expenditures	**5**	**40**	**5**	**1**	**-**	**-**	**5**	**7**	**51**	**12**	**1,048**
Reimbursement	(5)	(40)	(2)	(3)	-	-	-	-	(50)	-	(1,035)
Net Expenditures	**-**	**-**	**3**	**(2)**	**-**	**-**	**5**	**7**	**1**	**12**	**13**

In winter 2007, three holes costing $150,868 were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U_3O_8 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.

2.2.10 Helmer Project, Saskatchewan

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

In Q410, the Company drill tested a group of targets along the Grease River fault, which were modeled from airborne EM and gravity surveys. The target area is just south of CanAlaska's Fond Du Lac project, and is located on the eastern part of the Helmer project. Previous airborne surveys provided strong evidence of conductive targets in the lower levels of the Athabasca sandstone, immediately above a strong zone of dislocation in the Grease River fault system. The drilling was completed in March 2010, and the Company is reviewing results and interpreting the drill data.

In fiscal 2010, drilling costs comprised 29% and camp cost & operations comprised 32% of the total exploration costs at Helmer.

Table 12: $000's				**Quarterly**					**Year Ended**		
Helmer Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	8	2	-	-	-	-	-	122	10	122	1,102
Drilling	-	-	-	-	-	-	-	114	-	114	1,289
General & Admin	2	7	1	45	-	-	6	11	55	17	752
Geochemistry	1	-	-	-	-	-	-	1	1	1	102
Geology	23	(5)	7	-	-	-	3	27	25	30	363
Geophysics	4	24	6	-	1	2	7	14	34	24	902
Other	1	-	10	-	3	-	46	30	11	79	597
Net Expenditures	**39**	**28**	**24**	**45**	**4**	**2**	**62**	**319**	**136**	**387**	**5,107**

2.2.11 Lake Athabasca Project, Saskatchewan

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

Table 13: ($000's)				**Quarterly**					**Year Ended**		
Lake Athabasca Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	21	6	(9)	-	-	3	-	-	18	3	1,823
Drilling	1	-	-	-	-	-	-	-	1	-	1,056
General & Admin	1	17	-	-	5	2	3	1	18	11	645
Geochemistry	19	1	3	-	-	7	2	1	23	10	104
Geology	30	4	-	-	1	33	23	8	34	65	392
Geophysics	6	19	(18)	-	12	7	7	-	7	26	1,688
Other	1	8	10	-	-	8	4	2	19	14	305
Net Expenditures	**79**	**55**	**(14)**	**-**	**18**	**60**	**39**	**12**	**120**	**129**	**6,013**

Drilling began in winter 2007. These holes confirmed the existence of uranium mineralizing events over a considerable area of the unconformity in this area and at Grouse Island, 3.5 kilometres to the south-east. In early winter 2008, the Company completed five more drill holes at three new targets near Johnston Island. Two holes targeted uranium mineralization in basement intrusive rocks. Holes near Johnston Island focused on known mineralized zones. The third target south of Johnston Island defined a very prominent geophysical target that has now been shown as related to a large local uplift in the unconformity. Additional drilling is currently being considered.

2.2.12 NE Wollaston Project, Manitoba

NE Wollaston comprises mineral claims of approximately 144,000 hectares which straddle the Saskatchewan-Manitoba border and lie between 90 and 170 kilometres northeast along the Wollaston trend of basement formations hosting uranium deposits, which include Rabbit Lake, Collins Bay and Eagle Point Uranium Mines. The geological targets across the NE Wollaston project match the styles of mineralization reported from basement-hosted mineral deposits further south in the Athabasca Basin. There is clear observation of late replacement pitchblende mineralization in vein zones, fractures, and as disseminations in host rocks. There is also evidence of more-disseminated mineralization across stratigraphic horizons, and multitudes of pegmatitic intrusive events, many of them containing primary uranium mineralization, or with brecciation and later uranium mineralization.

In 2004, CanAlaska acquired the mineral leases in the area and began systematic prospecting and lake sediment sampling. With encouraging results, this continued in 2006 with airborne surveys, systematic prospecting, geochemical and geophysical surveys. The highlight was the discovery of extensive uranium-mineralized belts, either within, or cutting across all rock types in the area. The Company aborted drill testing of initial targets in early 2007 due to drill contractor difficulties. However, further detailed work was carried out in the summer of 2007 on each of the current targets as well as on additional preliminary targets for a total cost of $1.6 million. In early 2008, the Company released details of 1,620 higher-grade uranium samples, taken from 47 separate zones with extensive boulder dispersion trains and surface uranium mineralization.

Table 14: ($000's)				**Quarterly**					**Year Ended**		
NE Wollaston Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	(6)	(4)	9	-	-	-	1	-	(1)	1	1,363
Drilling	-	-	-	-	-	-	-	-	-	-	373
General & Admin	1	9	-	1	8	-	2	1	11	11	707
Geochemistry	-	-	-	-	-	-	-	-	-	-	797
Geology	19	21	4	1	-	8	1	1	45	10	2,313
Geophysics	3	1	-	-	-	-	-	-	4	-	905
Other	2	1	13	-	2	7	5	4	16	18	169
Net Expenditures	**19**	**28**	**26**	**2**	**10**	**15**	**9**	**6**	**75**	**40**	**6,627**

Further exploration on the project awaited the conclusion of land use consultations between the Province of Manitoba and local First Nations communities and on March 13, 2010, the Manitoba Government issued exploration permits for ground work and drilling on the property. Community consultation is ongoing.

2.2.13 McTavish Project, Saskatchewan

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

Table 15: ($000's)				**Quarterly**					**Year Ended**		
McTavish Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	-	-	-	-	-	-	-	-	-	-	14
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	-	-	1	-	-	-	3	-	1	3	525
Geochemistry	-	-	-	-	-	-	-	-	-	-	12
Geology	-	-	-	-	-	-	-	-	-	-	1
Geophysics	-	-	-	-	1	-	1	-	-	2	186
Option Payment	-	-	-	-	-	(67)	-	-	-	(67)	(67)
Other	-	-	-	-	-	-	-	-	-	-	57
Net Expenditures	**-**	**-**	**1**	**-**	**1**	**(67)**	**4**	**-**	**1**	**(62)**	**728**

In August 2009, the Company announced that it had entered into an option agreement with Kodiak Exploration Limited ("Kodiak") on the McTavish project. Kodiak has been granted an option to acquire up to a 70% interest in the project. In order to earn an initial 50% interest, Kodiak must complete $4.0 million in exploration and issue 1,000,000 Kodiak shares to CanAlaska (100,000 issued) as follows: 100,000 on or before the date of acceptance of the transaction by the TSX Venture Exchange and then, on or before each anniversary date thereafter, make annual work expenditures and issue shares respectively of: first year – $0.6 million and 50,000 shares; second year – $0.8 million and 50,000 shares; third year – $1.2 million and 50,000 shares; fourth year – $1.4 million and 50,000 shares, and; fifth year – $nil and the remaining balance of 700,000 shares.

Kodiak may earn a further 10% interest in the project (60% total), by: (1) expending a further $3 million, over an additional three year period; (2) issuing an additional 550,000 Kodiak shares, and; (3) producing a 43-101 compliant resource estimate containing at least 35 million pounds of U_3O_8 in the measured and indicated categories. By defining a resource of 50 million pounds or more of U_3O_8 during the same period, Kodiak's interest may increase to 70%.

Kodiak carried out ZTEM airborne geophysical surveys across the property in September 2009 and carried out a drill program consisting of two holes in March and April 2010.

The negative option payment amount of $67,000 in Q210 represents the fair value of the 100,000 Kodiak common shares received as part of our option agreement.

2.2.14 Carswell Project, Saskatchewan

Table 16: ($000's)				**Quarterly**					**Year Ended**		
Carswell Project	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**Apr-09**	**Apr-10**	**LTD**
Camp Cost & Operations	-	-	-	-	-	-	-	-	-	-	-
Drilling	-	-	-	-	-	-	-	-	-	-	-
General & Admin	-	-	-	-	-	-	2	2	-	4	5
Geochemistry	-	-	-	-	-	-	-	-	-	-	-
Geology	-	-	-	-	1	-	3	16	-	20	20
Geophysics	-	-	-	-	-	114	2	14	-	130	130
Option Payment	-	-	-	-	-	-	200	-	-	200	200
Other	25	-	7	2	-	1	82	15	34	98	234
Net Expenditures	**25**	**-**	**7**	**2**	**1**	**115**	**289**	**47**	**34**	**452**	**589**

Carswell is comprised of approximately 29,000 hectares of mineral claims in the vicinity of Cluff Lake, Saskatchewan. In December 2009, the Company issued 1,250,000 shares and made a $62,500 cash payment under a purchase agreement with Hawk Uranium Inc. to acquire mineral claims in the Cluff Lake area adjacent to its Carswell property. Hawk Uranium Inc. will retain a 2.5% Net Smelter Return ("NSR"), 2% of which will be purchasable by the Company for payment of $2.0 million. The Company is currently completing a comprehensive project report.

The option payment amount of $200,000 in Q310 represents the fair value of the 1,250,000 CanAlaska common shares issued to Hawk Uranium Inc. as part of our option agreement.

2.2.15 Other Projects

A full description of the Company's other projects can be found on the Company's website at www.canalaska.com.

Table 17

Other projects update	Status	Recent work undertaken
Waterbury	High priority - Seeking Venture Partner	3 drill targets identified on these claims
Hodgson	High priority - Seeking Venture Partner	Further detailed work planned
Moon	Seeking Venture Partner	Follow-up ground geophysics planned
Alberta	Seeking Venture Partner	Viable drill targets identified
Arnold	Seeking Venture Partner	Initial airborne and ground surveys completed
Kasmere		Exploration permits pending
Misty	Optioned to Great Western Minerals Group terminated June 2010	Land use consultations ongoing with local First Nations Communities
Rainbow Hill AK	Option to District Gold terminated in December 2009	No significant work undertaken
Voisey's Bay East "VB2"	JV With Columbia Yukon	
Voisey's Bay South "VB1"	Disposed	Geophysics surveys undertaken
Zeballos	Ridgeback Global Resources Plc	43-101 report completed
Glitter Lake	Disposed, NSR retained	Field work carried out
Rise and Shine, NZ	Under Joint Venture with Oceana Gold	Recent mapping and geophysics
Reefton Property, NZ	Seeking Venture Partner	Ground survey and mapping completed

On February 9, 2009, the Company announced that Kent Exploration Inc. entered into a 5-year option agreement to acquire a 70% interest in the Reefton Project. The agreement was terminated by Kent in August 2009.

CanAlaska's New Zealand subsidiary, Golden Fern Resources Ltd., the pending holder under joint venture of the mineral license covering the Rise and Shine shear zone, located north of Cromwell, New Zealand, has entered into an option agreement for the sale of a 70% ownership interest in Golden Fern. The funding for Golden Fern will allow detailed project evaluation and exploration on the Rise and Shine project, including 4,000 metres of drill testing on favourable gold targets. Additional terms of the agreement include progressive cash payments of $13,000 and the issuance of 200,000 shares in Glass Earth Gold Ltd. to the Company over the course of the program. This agreement was terminated by Glass Earth in June 2010.

3. FINANCIAL POSITION

3.1 Cash and Working Capital

Table 18: ($000's) Cash and Working Capital	Apr-09	Apr-10
Cash and cash equivalents	6,339	8,722
Accounts receivable and prepaids	996	1,148
Available-for-sale securities	276	261
Accounts payable and accruals	(1,194)	(1,626)
Working capital	**6,417**	**8,505**

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 $2.0 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.

Included within accounts receivable and prepaids is approximately $1.0 million in GST refunds. The increase from April 30, 2009 is due primarily to an increase in the GST receivable account.

During the fourth quarter (April 2010), the Company recorded a permanent impairment on a number of its investments and wrote the balances down to their markets values due to the significant decline in market value that was viewed as other than a temporary impairment.

The increase in accounts payable can be attributed to the drill program and geophysics program that was undertaken in the fourth quarter that remained unpaid at April 30, 2010.

3.2 Other Assets and Liabilities

Table 19: ($000's) Other Assets and Liabilities	Apr-09 (restated)	Apr-10
Property and equipment	827	743
Mineral property interests (section 2.2)	39,133	46,245
Reclamation bonds	317	391
Future income tax liability	(2,654)	(3,399)
Non-controlling interest	(7,600)	(12,600)

Reclamation bonds increased principally as a result of additional bonds being posted (Key Lake, Moon, Helmer, Arnold and Carswell claims) with the Saskatchewan Government.

Future income tax liability and future income recovery have been restated for the year ended April 30, 2009 and 2008 to reflect the income tax losses and other carry forward balances as reported by the Company on its formal Canadian income tax filings and as ultimately assessed by Canada Revenue Agency. The differences between the previously reported amounts and the restated amounts are due to changes in taxation estimates, the expiration of Canadian non-capital loss balances in 2009 and 2008 and accounting for the income tax effect of flow-through shares issued in 2009.

The non-controlling interest represents the total funding from our Korean partners for their contributions towards the partnership. It also includes $0.6 million that was contributed for Intellectual Property during the formation of the Partnership that was purchased from CanAlaska. During the year, the Koreans have committed $5.0 million in funding for the Cree East project.

3.3 Equity and Financings

Table 20: ($000's) Shareholders' Equity	Apr-09 (restated)	Apr-10
Common shares	56,183	60,878
Contributed surplus	7,940	9,665
Accumulated other comprehensive income	9	10
Deficit	(27,692)	(31,150)
Total shareholders equity	**36,440**	**39,403**

Table 21: (000's) Equity Instruments	Apr-09	Apr-10
Common shares outstanding	137,784	171,866
Options outstanding		
Number	21,372	20,943
Weighted average price	$0.36	$0.32
Warrants outstanding		
Number	6,307	28,469
Weighted average price	$0.50	$0.32

Equity instruments

The Company has an unlimited amount of authorized common shares without par value. As of April 30, 2010 the Company had 171,866,213 common shares outstanding.

During the 2010 fiscal year, 227,500 options (2009: 300,000) were exercised for gross proceeds of $27,300. During fiscal 2010, the Company issued 100,000 common shares under the option agreement to Baywater Uranium for the Collins Bay Extension uranium project.

In December 2009, the Company issued 10,897,571 ordinary units for gross proceeds of $1,907,075. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of twenty four months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $119,760 using the Black Scholes model. A finder's fee of $12,500 in cash and 71,429 warrants were issued in connection with the financing.

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

In December 2009, the Company issued 3,876,300 flow-through units for gross proceeds of $814,023. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $18,289 using the Black Scholes model. A finder's fee of $31,185 in cash and 148,500 warrants were issued in connection with the financing.

In November 2009, the Company issued 10,714,428 flow-through units for gross proceeds of $2,250,030. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $69,885 using the Black Scholes model. A finder's fee of $112,502 in cash and 535,722 warrants were issued in connection with the financing.

In October 2009, the Company issued 1,190,000 flow-through units for gross proceeds of $249,900. Each unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of eighteen months from the closing date, at a price of $0.28 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $7,755 using the Black Scholes model. A finder's fee of $12,495 in cash and 59,500 warrants were issued in connection with the financing.

In August 2009, the Company issued 5,826,764 flow-through units for gross proceeds of $990,550. Each unit consists of one flow-through common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of twenty-four months from the closing date, at a price of $0.24 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $52,404 using the Black Scholes model. A finder's fee of $49,528 in cash, 145,667 warrants and 291,337 compensation options were issued in connection with the financing. Each compensation option entitled the holder thereof to acquire one unit at a price of $0.17 per unit for a period of 24 months. Each unit will consist of one common share or one flow-through common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitles the holder thereof to purchase one additional common share of the Company for a period of twenty-four months from the closing date at a price of $0.24 per warrant share.

During the 2010 fiscal year, the Company renounced its expenditures in respect of the flow-through units and recognized the future income tax liability and decreased share capital by $1.2 million.

Table 22: Proceeds from Financings

Date	**Type**	**Intended Use**	**Actual Use**
December 2009	$1.90 million – 10,897,571 ordinary units	Uranium exploration in Saskatchewan	As Intended
December 2009	$0.81 million – 3,876,300 flow-through units	Uranium exploration in Saskatchewan	As Intended
November 2009	$2.25 million - 10,714,428 flow-through units	Uranium exploration in Saskatchewan	As Intended
October 2009	$0.25 million - 1,190,000 flow-through units	Uranium exploration in Saskatchewan	As Intended
August 2009	$1.0 million - 5,826,764 flow-through units	Uranium exploration in Saskatchewan	As Intended

4. EXPENDITURES REVIEW

Certain comparative figures in this table have been reclassified to conform to current period's presentation. As required under NI 51-102, CanAlaska as a venture issuer without significant revenue is required to provide a breakdown of its material components of capitalized or expensed exploration costs (refer to section 2 of this MD&A and note 10 of the audited consolidated financial statements) and a breakdown of the material components of general and administration expenses (refer below).

Table 23: ($000's)				**Quarterly**					**Year End**	
Quarterly Loss and Expense Summary	**Q109**	**Q209**	**Q309**	**Q409** (restated)	**Q110**	**Q210**	**Q310**	**Q410**	**2009** (restated)	**2010**
Revenue	-	-	-	-	-	-	-	-	-	-
Expensed Exploration Cost										
Net indirect exploration expenditures	28	14	21	954	126	69	201	(76)	1,017	320
Mineral property write-offs	-	-	10	484	-	-	-	349	494	349
Equipment rental income	-	-	-	(316)	(16)	(74)	(22)	(155)	(316)	(267)
Net option payments	(112)	(29)	(15)	(31)	75	-	-	-	(187)	75
	(84)	(15)	16	1,091	185	(5)	179	118	1,008	477
Other Expenses										
Consulting, labour and professional fees	150	294	327	278	297	263	477	401	1,049	1,438
Depreciation and amortization	53	54	57	68	48	49	59	55	232	211
Foreign exchange loss (gain)	(27)	(120)	49	(95)	2	7	2	5	(193)	16
Insurance, licenses and filing fees	20	65	(45)	21	65	15	21	2	61	103
Interest income	(50)	(44)	(28)	(45)	(30)	(30)	(13)	(15)	(167)	(88)
Other corporate cost	39	40	23	116	33	87	44	72	218	236
Investor relations and presentations	16	17	21	6	10	35	28	17	60	90
Rent	22	39	92	47	50	47	34	36	200	167
Stock-based compensation	373	382	346	408	350	371	222	109	1,509	1,052
Travel and accommodation	9	41	19	11	6	24	33	22	80	85
Impairment and loss on disposal of available-for-sale securities	-	327	41	26	-	-	-	89	394	89
Management fee	(145)	(65)	210	(628)	(54)	(63)	(70)	(252)	(628)	(439)
	460	1,030	1,112	213	777	805	837	541	2,815	2,960
Net loss before taxes	**(376)**	**(1,015)**	**(1,128)**	**(1,304)**	**(962)**	**(800)**	**(1,016)**	**(659)**	**(3,823)**	**(3,437)**
Future income tax recovery	-	-	-	268	138	107	198	18	268	461
Net loss after tax	**(376)**	**(1,015)**	**(1,128)**	**(1,036)**	**(824)**	**(693)**	**(818)**	**(641)**	**(3,555)**	**(2,976)**
Unrealized (gain) loss on available-for-sale securities	147	125	(58)	(57)	48	6	(22)	(33)	157	(1)
Comprehensive loss	**(523)**	**(1,140)**	**(1,070)**	**(979)**	**(872)**	**(699)**	**(796)**	**(608)**	**(3,712)**	**(2,975)**
Loss per share	0.00	(0.01)	(0.01)	(0.01)	(0.01)	0.00	(0.01)	0.00	(0.03)	(0.02)

As the Company is in a loss position the basic loss per share and diluted loss per share are equivalent and therefore only loss per share is presented in the above table.

Net indirect exploration expenses are the costs associated with running CanAlaska's field operation office in Saskatoon, SK and our warehouse in La Ronge, SK and payroll and related costs of our exploration teams where they are not directly chargeable to an exploration project. Prior to Q409, these costs had been deferred on the balance sheet, and management fees and rental income were applied against them, thus reducing these deferred costs. For better clarity on the Company's actual expenditures and to reflect the indirect nature of these costs, the Company changed its accounting disclosure regarding these accounts in Q409. Therefore, the charges in the Q409 represent these expenses for the full fiscal year rather than simply for the quarter then ended. The negative net indirect exploration expense in Q410 is a result of a reallocation of exploration costs which were directly allocated to specific projects.

In Q410, the Company recorded property write-downs on two of its projects (Ford Lake and Camsell) where it chose not to renew its permits. No mineral property write downs occurred in Q110, Q210, or Q310.

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. The equipment rental income in Q410 is consistent with the winter drilling program.

Net option payments in Q110 is an expense as a result of the Company writing-off the option payments from District Gold on the Rainbow Hill property in Alaska, USA. The Company had previously accrued for these receivables.

Consulting, labour, and professional fees were higher in fiscal 2010 compared to fiscal 2009. The increase was primarily attributed to increases in salaried expenses, consulting service and audit related fees.

Other corporate costs are up in Q210 primarily as a result of a $54,000 provision for doubtful accounts. The remaining difference is consistent with prior period results.

5. CASHFLOW REVIEW

As of April 30, 2010, the Company had $8.7 million in cash and cash equivalents and working capital of $8.5 million and as of April 30, 2009, the Company had $6.3 million in cash and cash equivalents and working capital of $6.4 million.

5.1 Operating Activities

The Company's operating activities resulted in net cash outflows of $1.5 million and $1.6 million for the fiscal years ended April 30, 2010 and 2009 respectively which is consistent with the net loss for the periods.

5.2 Financing Activities

Financing activities resulted in net cash inflows of $10.9 million for the fiscal year ended April 30, 2010. During the fiscal year ended 2010, the Company received net proceeds of $5.9 million from flow-through and ordinary unit financings completed between August and December 2009 and cash contributions of $5 million from our Korean joint venture partners.

5.3 Investing Activities

Investing activities resulted in net cash outflows of $7.1 million for the fiscal year ended April 30, 2010 as the Company continued to invest in the exploration of its Athabasca Basin properties.

6. OUTLOOK

CanAlaska remains focused on its corporate mission of exploration for the discovery of one or more significant uranium deposits in the Athabasca region of Northern Saskatchewan, and believes that it has the projects, strategic partners, people & knowledge base, corporate treasury and fund raising ability to deliver on this mission.

Our winter drill programs at the Cree East and West McArthur projects have further defined our target zones and identified new targets for future drill programs. At Cree East, our Korean Partners have approved a $3.58 million summer drill program. The twenty drill holes program, comprising approximately 9,000 metres, will be split between two target zones on the property. As at April 30, 2010, our Korean partners have contributed $12.6 million of their 19.0 million funding commitment.

At the West McArthur project, exploration is being carried out under a 50/50 joint venture with MC Resources Canada, a wholly owned subsidiary of Mitsubishi Corporation, and CanAlaska. In February 2010, after the start of the winter season, MCRC earned a 50% interest in the Project by completing the Cdn$11 million investment specified under the Project's option agreement. Over the next five years, the joint venture is planning to expend between Cdn$3.5-$4.2 million annually to progressively test the 7 targets which exist on the property.

At the Collins Bay Extension project, results from the Company's winter drill program provided strong exploration targets for the 2011 winter season. The Company's summer exploration program will consist of seismic profiling of the large breccia targets on the property.

At the Fond Du Lac project, the Company will be continuing to test for the extension of the higher grade uranium mineralization intersected in the August 2009 drill program (40.2 metres @0.32% U_3O_8).

CanAlaska is also actively marketing other projects to potential partners.

7. 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, 2010, which are available on the Company's website at www.canalaska.com.

7.1 Related Party Transactions

Table 24: Proceeds from Financing $000's	2010	2009	2008
Management fees to a company controlled by the former Chairman	-	-	171
Consulting fees to the Vice-President Corporate Development and director	-	-	115
Consulting fees to a company controlled by the former Corporate Secretary	-	-	16
Engineering and consulting fee to the Vice-President Exploration	237	185	194
Accounting fees to a company controlled by the former Chief Financial Officer	4	60	39
Accounting fees to a company controlled by the former Chief Financial Officer	135	-	-
Consulting fees to a company controlled by the Chief Financial Officer	7	-	-

The Company had an office lease agreement from the former Chairman of the Company, this lease agreement was terminated in March 2009.

The Company had previously paid consulting fees to the Vice-President Corporate Development and a former Corporate Secretary. Consulting fees are no longer charged by the Vice-President Corporate Development as his is now a salaried employee.

The Vice-President Exploration currently provides his services through a consulting company.

Two former Chief Financial Officers had billed their time through consulting companies and the current Chief Financial Officer provides his service through a consulting company as well and is disclosed above.

All transactions are recorded at the amounts agreed upon by the two parties.

Effective February 2005, each outside director is entitled to receive $500 per month, $500 per directors meeting and $500 per committee meeting. During the year, $70,980 (2009: $71,572) has been paid/accrued to directors. At year end, $8,465 (2009: $10,326) is owing to directors. This is due on demand and non-interest bearing.

7.2 Financing

Management believes that the funds on hand at April 30, 2010 are sufficient to meet corporate, administrative, exploration activities for the next twelve months given the continuing funding from our joint venture partners. Should management be successful in its coming 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 projects.

7.3 Critical Accounting Estimates

7.3.1 Mining Properties and Deferred Exploration Expenditures

Mining property acquisition costs and related direct exploration and development expenditures, net of recoveries, are deferred until the properties are placed into production. These net costs will be amortized against income using the unit-of-production method based on estimated recoverable reserves if the properties are brought into commercial production, or written off if the properties are abandoned, or sold, or the carrying value is determined to be in excess of possible recoverable amounts. The recoverability of amounts shown for mining properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain financing to complete development of the properties, and on profitability of future production or proceeds from the disposition of the properties.

Mineral properties are reviewed for possible impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When events or changes in circumstances suggest possible impairment, estimated future net cash flows for a mine or development project are calculated using estimated future prices, mineral resources and operating and capital costs on an undiscounted basis. When estimated future undiscounted cash flows are less than the carrying value, the asset is considered impaired. Reductions in carrying values are recorded to the extent the book values exceed the fair values of the mining properties. Recoverable value is estimated based upon current exploration results and upon management's assessment of the future probability of positive cash flows from the property or from the sale of the property.

7.3.2 Stock-Based Compensation 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.

7.4 Disclosure Controls and Internal Control Financial Reporting

The Company's disclosure controls and procedures ("DCP") are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure. Management has concluded, and the audit committee has agreed that taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to address all the requirements of internal controls over financial reporting. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's consolidated financial statements.

7.5 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.

7.6 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, 2010, except as noted below and noted in the Company's audited financial statements.

Section 3064 - Goodwill and Intangible Assets

Effective May 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") new Handbook Section 3064 "Goodwill and Intangible Assets". This Section replaced Section 3062 "Goodwill and Intangible Assets" and Section 3450 "Research and Development Costs", and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. On adoption of this new Standard, EIC 27 "Revenues and Expenditures during the Pre-operating Period" was withdrawn, and so various pre-production and start-up costs are required to be expensed as incurred. No material adjustments were required upon adoption of this new Standard.

EIC – 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year ending April 30, 2010, with retroactive application. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

EIC – 174 - Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee issued EIC-174 "Mining Exploration Costs". The EIC provides additional guidance in light of the potential adverse impact of the current economic and financial turmoil on the carrying value of the deferred exploration costs. The EIC is effective for financial statements issued on or after the date of the date of the EIC. This EIC did not have a material impact on the Company's financial statements as it had previously recognized a significant impairment charge with respect to its exploration projects in the prior financial statements.

Section 3862, Financial Instruments - Disclosures
In June 2009, the CICA amended Section 3862, Financial Instruments - Disclosures ("Section 3862"), to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ended after September 30, 2009. The three levels of fair value hierarchy under Section 3862 are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The effects of adopting the new section are presented in note 20 to the financial statements.

Future Accounting Changes

Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-Controlling Interests
In January 2009, the CICA issued new accounting standards, Handbook Section 1582 "Business Combinations", Handbook Section 1602 "Non-Controlling Interests", and Handbook Section 1601 "Consolidated Financial Statements", which are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". The new standards replace the existing guidance on business combinations and consolidated financial statements. The objective of the new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards shall not be adjusted upon application of these new standards. Section 1602 should be applied retrospectively except for certain items. The Company has not adopted these new standards but continues to evaluate the attributes and effect of early adoption of these standards if a business combination were to occur.

Section 3855 – Financial Instruments – Recognition and Measurement
On April 29, 2009, the CICA amended Section 3855, "Financial Instruments – Recognition and Measurement", adding/amending paragraphs regarding the application of effective interest method to previously impaired financial assets and embedded prepayment options. The amendments are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 with early adoption permitted. These amendments are not expected to have a significant impact on the Company's financial statements.

IFRS Assessment and Conversion Plan
In February 2008, the CICA announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 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, 2012 and apply them to its opening May 1, 2010 balance sheet.

The Company's IFRS implementation project consists of three primary phases which will be completed by a combination of in-house resources and external consultants.

- Initial diagnostic phase ("Phase I") – Involves preparing a preliminary impact assessment to identify key areas that may be impacted by the transition to IFRS. Each potential impact identified during this phase is ranked as having a high, moderate or low impact on our financial reporting and the overall difficulty of the conversion effort.
- Impact analysis, evaluation and solution development phase ("Phase II") – Involves the selection of IFRS accounting policies by senior management and the review by the audit committee, the quantification of the impact of changes on our existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
- Implementation and review phase ("Phase III") – Involves training key finance and other personnel and implementation of the required changes to our information systems and business policies and procedures. It will enable the Corporation to

collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

Financial reporting expertise and communication to stakeholders
The Company's senior finance staff has obtained sufficient knowledge of IFRS to implement conversion without any external assistance. The Company has also provided Audit Committee members with detailed project scoping, timelines and deliverables. Based on matters brought to their attention the Audit Committee members will review the Audit Committee Charter and make changes to reflect the requirements for IFRS financial expertise if deemed to be necessary. The Audit Committee will continue to receive periodic presentations and project status updates from management.

The Company has completed the preliminary diagnostic phase and will continue to update its disclosures throughout 2010 to reflect specific actions taken to facilitate adoption of IFRS effective May 1, 2011. The Company will also continue to review and update its preliminary conclusions from the diagnostic phase during 2010 and 2011 as new facts emerge. The differences that have been identified in the diagnostic phase are summarized below.

a) Transitional Impact on Financial statement presentation and classification
The Company's financial statements will have a different format upon transition to IFRS.

The components of a complete set of IFRS financial statements are: statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes including accounting policies. Income statement will be presented as a component of the statement of comprehensive income. Balance sheet may be presented in ascending or descending order of liquidity. Income statement is classified by each major functional area – marketing, distribution, etc.

The Company will reformat the financial statements in compliance with IAS 1.

b) IFRS 1 Transitional policy choices and exceptions for retrospective application
IFRS 1 contains the following policy choices with respect to first-time adoption that are applicable to the Company.

Property, plant & equipment:
IFRS 1 provides a choice between measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost basis under Canadian GAAP.

The Company will elect to use the historical cost carrying values as determined under Canadian GAAP as for transitional purposes.

c) Mandatorily applicable standards with retrospective application (i.e., not specifically exempt under IFRS 1)

Mineral resource properties and deferred exploration costs
Upon adoption of IFRS the Company will have a choice between retaining its existing policy of capitalizing all pre feasibility evaluation and exploration ("E&E") expenditures and electing to change its policy retrospectively to expense all pre feasibility E&E costs.

The Company will make a final determination of its policy in this area during Phase II.

Investment in Rise and Shine Joint Venture
The Company accounts for its interests in the joint venture using the proportionate consolidation method.

In terms of IFRS, IAS 31 requires either the equity method or the proportionate consolidation method to be applied to interests in jointly controlled entities.

In terms of Canadian GAAP, section 3055 of the CICA Handbook requires the proportionate consolidation method. It does not permit the equity method for interests in joint ventures.

The Company will make a final determination of its policy in this area during Phase II.

Property, plant and equipment - cost
In terms of IFRS, IAS 16 contains more extensive guidance with respect to components within PP&E. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting).

In terms of Canadian GAAP, section 3061 essentially contains similar guidance but is less extensive.

The Company does not expect any transitional impact.

Future income taxes recognized in connection with Flow-through shares
In terms of IFRS, there is no specific standard under IFRS that directly addresses flow-through shares.

In Terms of Canadian GAAP, The Company reduces the net proceeds of the flow through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow though share subscribers.

During Phase II the Company will review (i) the general principles in IAS 12, (ii) additional guidance from the CICA Accounting Standards Board and (iii) the FASB model that has been endorsed by the SEC through the SEC International Practices Task Force in determining the adjustments that might be required as at May 1, 2010 and for the annual and interim periods ended April 30, 2011.

Provision for environmental rehabilitation
In terms of IFRS, IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In terms of Canadian GAAP, CICA Section 3110 applies to legal obligations associated with the retirement of a tangible long-lived asset. Such an obligation is to be initially measured at fair value in the period in which the obligation is incurred, unless it cannot be reliably measured at that date.

During Phase II the Company will recalculate the ARO liability to determine whether there is a material impact upon transition. The Company does not expect a material transitional impact.

Functional currency
The Company uses the Canadian dollar as both its functional and reporting currency. IAS 21 contains a more comprehensive framework for the determination of functional currency.

During Phase II the Company will review the IAS 21 criteria to determine whether there is a material impact upon transition at May 1, 2010 or at April 30, 2011 and for the interim periods and the year then ended. At the present time the Company does expect a material impact.

Share based compensation

The Company accounts for all stock-based payments granted to employees and non-employees using the fair value based method as per the amendment by the CICA Accounting Standards Boards to the CICA Handbook Section 3870, "*Stock-Based Compensation and Other Stock-Based Payments*" which requires entities to account for employee stock options using the fair value based method.

In terms of IFRS, under IFRS 2, graded vesting awards must be 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.

In terms of Canadian GAAP, Straight line basis is permissible under Canadian GAAP.

The Company has recognized option expense on a straight line basis as permitted by Canadian GAAP. During Phase II the Company will review the IFRS 2 amortization methodology to determine transitional impact. For new graded vesting grants during 2010 the Company will calculate the aggregate fair value as though each instalment is a separate award and will amortize the value on a graded basis.

Investment in Canada-Korea Uranium Limited Partnership (CKULP)

Under GAAP, the Company accounted for its interest in CKULP as a variable interest entity with the Company as the primary beneficiary. Accordingly, the Company consolidated 100% of CKULP 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 has determined that it has joint control of CKULP and can elect to use either the equity method or proportionate consolidation method to account for its interest.

The Company will make a final determination during Phase II.

Impact on the Company's systems and processes

Based on findings from the diagnostic phase of the project the Company does not expect that adoption of International Accounting Standards will have a pervasive impact on its present systems and processes. The Company expects to implement certain minor changes to the general ledger account descriptions as well as the calculation methodologies currently in use for certain specific financial statement areas such as asset impairment, share based compensation etc. As the accounting policies are selected, appropriate changes to ensure the integrity of disclosure controls and procedures will be made. For example, any changes in accounting policies could result in additional controls or procedures being required to address reporting of first time adoption as well as ongoing IFRS reporting requirements. At this point, the Company has not determined its final accounting policy choices. The certifying officers plan to complete the design, and initially evaluate the effectiveness of, any significant changes to controls in the third quarter of 2010 to prepare for certification under IFRS in 2011.

7.7 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.

7.7.1 Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. 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.

7.7.2 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. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

7.7.3 Foreign Political Risk
The Company's material property interests are currently located in Canada and New Zealand. An insignificant portion 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.

7.7.4 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.

7.7.5 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.

7.7.6 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.

7.7.7 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, 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.

7.7.8 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.

7.7.9 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.

7.7.10 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.

7.7.11 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.

8 QUARTERLY AND ANNUAL FINANCIAL INFORMATION

The following tables sets out a summary of the Company's results:

Table 25: ($000's)				**Quarterly**						**Year End**	
Loss & Comprehensive Loss Summary	**Q109**	**Q209**	**Q309**	**Q409** (restated)	**Q110**	**Q210**	**Q310**	**Q410**	**2008** (restated)	**2009** (restated)	**2010**
Revenue	-	-		-	-	-	-	-	-	-	-
Expensed Exploration Cost											
Net indirect exploration expenditures	28	14	21	954	126	69	201	(76)	915	1,017	320
Mineral property write-offs	-	-	10	484	-	-	-	349	550	494	349
Equipment rental income	-	-	-	(316)	(16)	(74)	(22)	(155)	(429)	(316)	(267)
Net option payments	(112)	(29)	(15)	(31)	75	-	-	-	(137)	(187)	75
	(84)	(15)	16	1,091	185	(5)	179	118	899	1,008	477
Other Expenses											
Consulting, labour and professional fees	150	294	327	278	297	263	477	401	1,474	1,049	1,438
Depreciation and amortization	53	54	57	68	48	49	59	55	188	232	211
Foreign exchange loss (gain)	(27)	(120)	49	(95)	2	7	2	5	(28)	(193)	16
Insurance, licenses and filing fees	20	65	(45)	21	65	15	21	2	212	61	103
Interest income	(50)	(44)	(28)	(45)	(30)	(30)	(13)	(15)	(280)	(167)	(88)
Other corporate cost	39	40	23	116	33	87	44	72	180	218	236
Investor relations and presentations	16	17	21	6	10	35	28	17	343	60	90
Rent	22	39	92	47	50	47	34	36	95	200	167
Stock-based compensation	373	382	346	408	350	371	222	109	1,095	1,509	1,052
Travel and accommodation	9	41	19	11	6	24	33	22	212	80	85
Impairment and loss on disposal of available-for-sale securities	-	327	41	26	-	-	-	89	(149)	394	89
Management fee	(145)	(65)	210	(628)	(54)	(63)	(70)	(252)	(895)	(628)	(439)
	460	1,030	1,112	213	777	805	837	541	2,447	2,815	2,960
Net loss before taxes	**(376)**	**(1,015)**	**(1,128)**	**(1,304)**	**(962)**	**(800)**	**(1,016)**	**(659)**	**(3,346)**	**(3,823)**	**(3,437)**
Future income tax recovery	-	-	-		198			18	298	268	461
Net loss after tax	**(376)**	**(1,015)**	**(1,128)**	**(1,036)**	**(824)**	**(693)**	**(818)**	**(641)**	**(3,048)**	**(3,555)**	**(2,976)**
Unrealized (gain) loss on available-for-sale securities	147	125	(58)	(57)	48	6	(22)	(33)	360	157	(1)
Comprehensive loss	**(523)**	**(1,140)**	**(1,070)**	**(979)**	**(872)**	**(699)**	**(796)**	**(608)**	**(3,408)**	**(3,712)**	**(2,975)**
Loss per share	0.00	(0.01)	(0.01)	(0.01)	(0.01)	0.00	(0.01)	0.00	(0.03)	(0.03)	(0.02)

	As at								
Table 26: ($000's) Financial Position Summary	**Apr 30, 2008** (restated)	**Jul 31, 2008** (restated)	**Oct 31, 2008** (restated)	**Jan 31, 2009** (restated)	**Apr 30, 2009** (restated)	**Jul 31, 2009** (restated)	**Oct 31, 2009** (restated)	**Jan 31, 2010** (restated)	**Apr 30, 2010**
Financial Position									
Assets									
Cash and cash equivalents	7,376	10,546	7,702	7,990	6,339	5,061	4,119	11,326	8,722
Accounts receivable and prepaids	2,121	2,040	1,307	2,010	996	951	908	1,223	1,148
Available-for-sale securities	882	676	251	245	276	228	289	316	261
Total Current Assets	**10,379**	**13,262**	**9,260**	**10,245**	**7,611**	**6,240**	**5,316**	**12,865**	**10,131**
Reclamation bond	711	711	280	281	317	308	308	354	391
Property and equipment	887	860	837	823	827	792	755	774	743
Mineral property interests	31,661	32,822	35,854	36,590	39,133	40,780	41,874	43,198	46,245
Total Assets	**43,638**	**47,655**	**46,231**	**47,939**	**47,888**	**48,120**	**48,253**	**57,191**	**57,510**
Liabilities									
Accounts payable and accrued liabilities	2,619	1,499	630	590	1,194	1,057	345	856	1,626
Future income tax liability	1,919	1,919	1,919	1,919	2,654	2,516	2,409	2,211	3,399
Total Liabilities	**4,538**	**3,418**	**2,549**	**2,509**	**3,848**	**3,573**	**2,754**	**3,067**	**5,025**
Non-Controlling Interest	3,600	5,280	5,280	7,600	7,600	8,480	8,480	12,600	12,600
Shareholders' Equity									
Common shares	54,079	57,000	57,114	57,114	56,183	56,190	57,327	62,070	60,878
Contributed surplus	5,392	6,451	6,922	7,420	7,940	8,432	8,946	9,504	9,665
Accumulated other comprehensive income	166	19	(106)	(48)	9	(39)	(45)	(23)	10
Deficit	(24,137)	(24,513)	(25,528)	(26,656)	(27,692)	(28,516)	(29,209)	(30,027)	(30,668)
Total Shareholders' Equity	**35,500**	**38,957**	**38,402**	**37,830**	**36,440**	**36,067**	**37,019**	**41,524**	**39,885**
Total Liabilities and Equity	**43,638**	**47,655**	**46,231**	**47,939**	**47,888**	**48,120**	**48,253**	**57,191**	**57,510**
Weighted average common shares outstanding (000's)	125,870	135,636	137,642	137,734	137,160	137,793	140,289	148,005	153,766
Working Capital	7,760	11,763	8,630	9,655	6,417	5,183	4,971	11,693	8,505
Cash flows from:									
Operating activities	(1,981)	(903)	1,612	(1,658)	(673)	(507)	(559)	(537)	148
Financing activities	9,480	3,291	3,109	2,320	(5)	879	1,146	8,861	59
Investing activities	(10,199)	617	(7,400)	(374)	(973)	(1,650)	(1,529)	(1,116)	(2,812)
Net increase (decrease) in cash	(2,700)	3,005	(2,679)	288	(1,651)	(1,278)	(942)	7,208	(2,605)