CanAlaska Uranium Ltd.

CVV - TSX CVVUF - OTCBB DH7N – Frankfurt

Management Discussion and Analysis For the Fourth Quarter and Year Ended April 30, 2014

Dated August 7, 2014

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 International Financial Reporting Standards as issued by the IASB (IFRS) 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, 2014.

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

1. OVERVIEW OF THE COMPANY

- ✓ Exploration expenditures of $0.3 million ($0.5 million net of $0.2 million from reimbursements from partners) for year ended April 30, 2014 in the Athabasca Basin
- ✓ Over 18 projects covering 742,000 hectares focused on Uranium
- ✓ Cash resources of $1.0 million (as at April 30, 2014)
- ✓ 22,068,136 common shares issued and outstanding (July 29, 2014)

The Company has responded to the drop in market activity and values since the Fukushima nuclear incident by actively marketing its expertise and uranium exploration projects to industry and end users for project financings or sales. There has been a slow resurgence in interest, and at the end of the fourth quarter of our 2014 fiscal year, some renewed interest from North American and Chinese industry groups in response to the Canada-China nuclear accord. Management has continued with evaluating its priorities, taken steps to streamline non-discretionary expenditures, continued its efforts to raise funds and continue to explore all opportunities to sell and/or joint venture its properties. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to the difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. From time to time, the Company will evaluate new properties and direct activities to these based on the Board of Director’s evaluation of financial and market considerations at the time.

1.1 Profile and Strategy

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties, principally in Canada. The Company aims to acquire and advance its projects to a stage where they can be exploited at a profit or it can arrange joint ventures, whereby other companies provide funding for development and exploitation. The Company’s principal focus for the past nine years has been the exploration for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan. There are four projects on which the Company has expended most of its recent efforts. Three of these projects, West McArthur, Cree East and Fond Du Lac are 50% joint ventures, and the fourth, NW Manitoba, is 100% owned by the Company. Going forward it is expected that the Company will focus its effort on two of the projects, West McArthur and Cree East. The Company is actively marketing the remainder of its projects for option, joint venture or sale.

Table 1: Canadian Strategic Property Summary

Property / Project Name	Notes	Hectares	Life-to Date ("LTD") Expenditures
West McArthur	Ventured with Mitsubishi	36,000	**$19,644**
Cree East	Ventured with Korean Consortium	58,000	**$19,149**
NW Manitoba	Option with MPVC Inc.	144,000	**$7,327**
Fond Du Lac	Option with Fond Du Lac Denesuline	10,000	**$4,546**
TOTAL			**$50,667**

In the Athabasca Basin, the Company’s most advanced projects are those which the Company has under joint venture with Japanese and Korean entities. The Company has a strong in-house exploration team along with outside consultants which it can access 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 project. On the Cree East project, the Company is the Operator of a 50% joint venture with a Korean Consortium comprised of Hanwha Corp., Korea Resources Corp. (“KORES”), Korea Electric Power Corporation (“KEPCO”), and SK Networks Co. Ltd.

Throughout the region, the Company controls an exploration portfolio of 18 projects totalling over 2,864 square miles (742,000 hectares) and has a land position that rivals the combined holdings of established uranium producing giants Cameco Corporation and Areva The largest of these projects is the NW Manitoba Project, located just east of the Saskatchewan-Manitoba provincial border. In 2012, the Company re-started exploration at the NW Manitoba project, after waiting since 2007 for the Manitoba government approvals related to community consultation. In early 2012, the Company completed an operating MOU with the local community and geophysics work and target definition started in March 2012. At the current time, the Company has optioned the project to MPVC Inc. MPVC Inc. may earn an 80% interest in the project by carrying out a three stage $11.6 million exploration program (see section 2.2.3).

In addition, CanAlaska is the operator of a joint venture with the Fond Du Lac Denesuline community over an area which covers the historic Fond Du Lac uranium deposit, and where the Company has extended the target area to the east, with a drill intercept of 40.4 metres grading 0.32% uranium.

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

The Company believes that the fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels will ensure the long-term future of global uranium markets and prices. Since 2004, CanAlaska has expended over $78 million on exploration and research towards the advancement of uranium discovery on our current project areas. The information gained from this work has provided the Company with significant evidence regarding the nature and location of mineral rich hydrothermal systems in areas of the Athabasca where previous information was lacking. The increase in understanding of the geology of the target areas, and the integration of modern geophysical methods with data processing to get more precise target definition at depth gives management the confidence to continue exploration for large scale uranium deposits on our projects.

As of July 28, 2014, the Company had 22,068,136 shares outstanding with a total market capitalization of $3.3 million. The Company's shares trade on the TSX Venture Exchange ("CVV") and are quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N"). On December 30, 2013, the Company's shares commenced trading on the TSX Venture Exchange and ceased trading on the Toronto Stock Exchange.

The financial statements and the Management Discussion and Analysis have been prepared under IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the year ended April 30, 2014, the Company reported a loss of $0.7 million and as at that date had cash and cash equivalents of $1.0 million, net working capital balance of $1.1 million and an accumulated deficit of $81.6 million. The Company is pursuing a number of financing alternatives including selling and or joint venturing some of its properties.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from debt, equity or through other arrangements. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management has taken steps to streamline non-discretionary expenditures and financial overheads and is working to option, joint venture or sell its individual exploration projects. The above factors cast doubt regarding the Company's ability to continue as a going concern.

1.2 Strategic and Operating Intent

- Targeted marketing of uranium projects for financing
- Restriction of uranium exploration activity until financial markets recover in this sector
- Strong commitment to option, joint venture or sale of individual exploration projects
- Evaluate alternate commodities and projects suitable for market financing, or acquisition and sale
- Company believes that it has the projects, strategic partners, people and knowledge base, corporate treasury and fund raising ability to maintain a position in the uranium exploration sector, but, due to increasingly difficult market conditions facing junior mining and junior uranium exploration companies, management has taken steps to streamline non-discretionary expenditures and financial overheads
- The Company has tax loss carry-forwards of approximately $9 million and cumulative Canadian exploration expenses of approximately $18 million
- Our Korean partners have contributed all of their $19.0 million funding commitment towards the Cree East project, but have requested a slow-down in expenditures, or the introduction of an incoming partner
- At the West McArthur project, exploration is being carried out under a 50/50 joint venture with MC Resources Canada ("MCRC"), a wholly owned subsidiary of Mitsubishi Corporation, and CanAlaska which has been deferred in 2013/2014 to await better market conditions

2. MILESTONES AND PROJECT UPDATES

2.1 Overview– May 1, 2013 to July 29, 2014

- Kasmere south uranium project sale completed (June 2014)
- Strongly anomalous radon results received from MPVC NW Manitoba project (April 2014)
- Kasmere sales agreement (April 2014)
- Reefton purchase agreement (March 2014)
- Listed on the TSX Venture Exchange (December 2013)
- Application to list on the TSX Venture Exchange (November 2013)
- NI43-101 report filed for the Cree East project (November 2013)
- Entered into option agreement with MPVC Inc. on NW Manitoba project (September 2013)
- Entered into optioned agreement with Makena on Patterson project (August 2013)
- Reefton option agreement terminated (August 2013)
- Hanson project - staked twelve claim blocks (July, August and November 2013)
- BC Copper option agreement terminated (July 2013)
- Reduced project activities and marketing non-core assets (June 2013)

In June 2014, the sale of the Kasmere South uranium project in Northern Manitoba to East Resource for a total cash payment of $1.8 million and a 2.5% net smelter royalty was completed.

In April 2014, the Company announced that MPVC Inc. had received highly anomalous radon results of a recently completed, land-based survey over the Maguire Lake area. This is located within MPVC's Northwest Manitoba uranium project which was recently optioned from CanAlaska. MPVC reports that its geologic team is most encouraged by the distribution of radon, resistivity, magnetic and gravity anomalies which are prime drill targets for uranium mineralization.

In April 2014, the Company announced that it had entered into a binding agreement to sell its interest in its Kasmere South project in northwestern Manitoba to private company, East Resources Ltd., for cash payments totalling $1.8 million.

In March 2014, the Company entered into a purchase agreement for the exploration permit for the Reefton project to Stevenson Mining Ltd. ("Stevenson") for aggregate purchase consideration of $20,000. Subsequent to year end, the Company began liquidation proceedings on its New Zealand subsidiary as there are no significant assets or liabilities remaining in the entity.

On December 30, 2013, the Company's common shares were listed and commenced trading on the TSX Venture Exchange.

On November 5, 2013, the Company announced it had made application to list its shares on the TSX Venture Exchange. The application has been made in response to the Toronto Stock Exchange's (“TSX”) announcement on November 1, 2013 that the Company no longer met the market capital requirements of the TSX.

In November 2013, the Company filed a NI43-101 report for the Cree East Project. The report details the programs of work funded by the Korean Consortium partners, Hanwha, KORES, KEPCO and SK, and the multiple zones of uranium mineralization recognized from the first and second pass drill programs.

In September 2013, the Company entered into an option agreement with NEX-listed MPVC Inc. ("MPVC") for an interest in the NW Manitoba project. The project covers 143,603 hectares along the Saskatchewan/Manitoba border. In January 2014, the option agreement was revised whereby MPVC may earn an 80% interest in the project by carrying out a three stage $11.6 million exploration program, make a further cash payment of $35,000, issue 12 million common shares and issue 6 million common share purchase warrants. In February 2014, the option agreement with MPVC was amended to extend the date of certain provisions of the agreement from February 28, 2014 to March 14, 2014. In consideration for amending the agreement, MPVC paid a non-refundable cash deposit in the amount of $50,000 on March 14, 2014.

On August 28, 2013, the Company entered into an option agreement with Makena Resources Inc. (“Makena”). Makena may earn a 50% interest in the Patterson property by making cash payments totalling $100,000 by June 1, 2015, issuing 2,500,000 common share by June 1, 2015 and incurring exploration expenditures totalling $1.4 million by September 30, 2016.

On August 21, 2013, the option agreement with Atlantic Industrial Minerals Inc. for the Reefton project was terminated.

In July, August and November 2013, the Company staked the Hanson project which consists of fourteen blocks of claims in the area of the Pikoo kimberlite discovery, totalling 17.272 hectares located in Saskatchewan for $10,374.

On July 2, 2013, the option agreement with Tyrone Docherty and Discovery Ventures Ltd. for the BC Copper (Big Creek) project was terminated.

In June 2013, the Company announced that it had in the past 15 months, reduced project exploration activities to preserve a modest treasury such that there is a minimum of dilution to existing shareholders during a time of depressed market prices. The Company has been active in the presentation and marketing of its joint ventures and non-core assets. The marketing of the non-core assets had attracted a number of industry investors and supporters who have entered into confidentiality agreements to review potential purchase or earn-in joint ventures with the Company.

2.2 Project Updates

Overview

The Company currently has 18 projects within the Athabasca basin area and has carried out exploration programs on four of these in the past year. In fiscal 2014, the Company spent $0.3 million ($0.5 million net of $0.2 million from reimbursements from partners) on exploration costs in the Athabasca Basin area. The two largest exploration projects were at West McArthur and at Cree East.

Exploration spending in the fourth quarter of 2014 is significantly down from the same comparative quarter of 2013, as the Company has reduced its exploration spend to conserve cash relative to the prior period. In the fourth quarter, the Company historically spent this time drilling in the winter season in the Athabasca Basin at our various projects.

The following table summarizes the Company’s expenditures for twelve months ended April 30, 2014.

Table 2: ($000's) Total Exploration	Cree East	West McArthur	Fond Du Lac	NW Manitoba	Other Athabasca Basin Projects	New Zealand	Other and Generative Projects	Total
Camp Cost & Operations	(12)	-	4	-	-	-	-	(8)
Drilling	27	-	6	-	1	-	-	34
General & Admin	26	36	1	11	14	25	55	168
Geochemistry	-	-	-	-	-	-	1	1
Geology	1	-	-	-	8	-	-	9
Geophysics	151	-	-	-	32	-	-	183
Other	28	2	-	76	3	-	(12)	97
Gross Expenditures	**221**	**38**	**11**	**87**	**58**	**25**	**44**	**484**
Reimbursements	(111)	(19)	-	(83)	-	-	-	(213)
Net Expenditures	**110**	**19**	**11**	**4**	**58**	**25**	**44**	**271**

The following section contains a comparative breakdown of project expenditures for the Company’s significant projects. Reimbursements represents the amounts received from our joint venture partners and option partners to be applied against the expenditures for the project.

2.2.1 West McArthur Project, Saskatchewan – Mitsubishi

The West McArthur project in the Athabasca Basin, Saskatchewan, was optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi could exercise an option to earn a 50% interest in the property by investing $11.0 million. In February 2010, Mitsubishi exercised its 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. As at April 30, 2014, the Company holds a 50% interest in the West McArthur project. Mitsubishi holds the remaining 50% interest in the property. The Company acts as project operator under the supervision and guidance of Dr. Karl Schimann, P. Geo. and Mr. Peter Dasler, P. Geo. and earns a fee between 5% and 10%, based on expenditures incurred. Included within Other expenses are management fees charged to and reimbursed by Mitsubishi for CanAlaska acting as the project operator.

Table 3: ($000's)				**Quarterly**					**Year Ended**		
West McArthur Project	**Q113**	**Q213**	**Q313**	**Q413**	**Q114**	**Q214**	**Q314**	**Q414**	**Apr-13**	**Apr-14**	**LTD**
Camp Cost & Operations	-	-	-	(8)	-	-	-	-	(8)	-	2,976
Drilling	-	-	-	-	-	-	-	-	-	-	6,745
General & Admin	31	26	12	8	6	8	10	11	77	35	2,132
Geochemistry	15	1	-	-	-	-	-	-	16	-	339
Geology	48	16	1	-	-	-	-	-	65	-	1,000
Geophysics	211	12	4	-	-	-	-	-	227	-	5,775
Other	20	3	6	-	1	2	-	-	29	3	677
Gross Expenditures	**325**	**58**	**23**	**-**	**7**	**10**	**10**	**11**	**406**	**38**	**19,644**
Reimbursement	(171)	(30)	(12)	-	(4)	(5)	(5)	(6)	(213)	(19)	(14,227)
Net Expenditures	**154**	**28**	**11**	**-**	**3**	**5**	**5**	**5**	**193**	**19**	**5,417**

The West McArthur project is located between 6 and 30 kilometres west of the producing McArthur River uranium mine operated by Cameco Corp, and covers approximately 36,000 hectares. On the property there is evidence of hydrothermal alteration extending well into the sandstone, matching the typical alteration model of Athabasca unconformity style uranium deposits. There is evidence of uranium mineralization from drill testing in multiple areas, either as enrichment at the unconformity or in basement stringers. The most compelling features for further exploration are the uranium values in sandstone higher in the stratigraphy, the hematized and broken rock in the sandstone, and the pattern of basement offsets and geophysical conductivity.

The project is accessible during the winter drill season by seasonal winter ice roads and winter trails and during the summer exploration season by air and water. There is no physical plant or permanent infrastructure on the property and no source of power. There are multiple extensive lakes which can provide a source of water for the project.

The mineral rights for West McArthur were acquired between October 2004 and February 2009 from the Ministry of Energy and Resources in the province of Saskatchewan, Canada. The claim numbers are as follows, S-107561, S-107562, S-107563, S-107565, S-107773, S-108010, S-108011, S-108012, S-111412 S-111413, S-111511 and S-111512. The mineral rights to West McArthur are valid and in good standing with the earliest claim requiring renewal in October 2029 with no further exploration expenditures required. An annual assessment report is required to be filed by the Company with the Ministry of Energy and Resources to disclose the exploration activities on this claim. There is no fee for filing the annual assessment report.

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

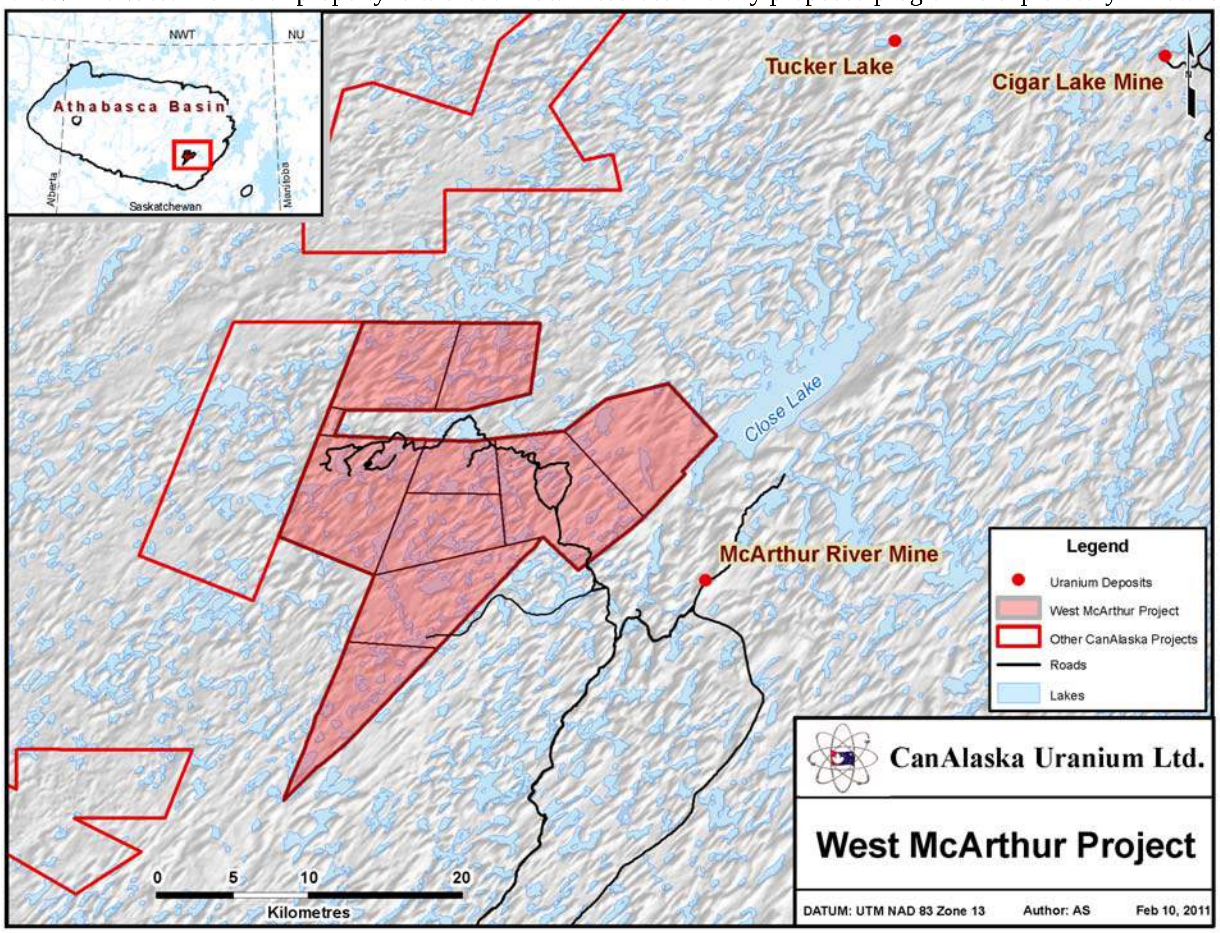
In June 2012, the Company reported the results of drill core geochemistry on the West McArthur property. Drill holes WMA028 and WMA034 produced very positive results for uranium. Both intersected parts of a highly-altered graphitic pelite unit and are thought to be within 50 metres of the targeted conductor, which was identified from the down-hole geophysical surveys. The targets generated at the eastern end of Grid 5 matched and extended a historical conductor, which was drill-tested by Uranerz in 1989. Neither of the two historical drill holes intersected their targeted basement conductor, but, significantly, contained dravite clay and pyrite along with narrow, steep, clay rich fault gouges/breccia in the top 350-400 metres of the sandstone column. In one historical hole, the upper 400 metres of sandstone showed anomalous uranium and trace elements. Drill holes WMA028 and WMA034 are located in this area. Both show deep alteration into the basement rocks, indicating and confirming a substantial hydrothermal alteration system.

The potential of this project is for unconformity style uranium mineralization of both the Simple (Low REE, basement hosted) and the Complex (High REE, Sandstone hosted) types of uranium. Previous exploration was hampered by the depths to the basement, however, recent advances with airborne geophysical survey technology has enabled penetration to those depths. Multiple exploration programs since 2005 have identified targets with strong geophysical feature, similar to those near existing uranium mines. Limited drill testing in several of these areas have shown the basement offsets, hydrothermal clay alteration, and elevated uranium geochemistry consistent with the Athabasca unconformity deposit model. The project, has four target areas which are being evaluated for further drill testing.

The property has undergone a series of exploration programs, including extensive geophysics and drilling of over 35 drill holes since 2005. Approximately $19.6 million has been spent by the joint venture.

The next drill programs are dependent on financing. The project does not have a drill program planned for 2014. Active full season programs of 6-9 drill holes are generally budgeted at $3 to $4 million, including drill geophysics, camp and logistics. The project currently has a maintenance budget of approximately $100,000 for 2014 which will be funded 50% by CanAlaska and 50% by Mitsubishi.

As at April 30, 2014, the total exploration costs incurred for the West McArthur project was $19.6 million. Further exploration expenditures for this project have been deferred in 2013/2014 to await better capital market conditions in order to raise exploration funds. The West McArthur property is without known reserves and any proposed program is exploratory in nature.



2.2.2 Cree East Project, Saskatchewan – Korean Consortium

The Cree East project is 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 17 contiguous mineral claims totalling approximately 58,000 hectares. In December 2007 a Korean Consortium (Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Networks Co. Ltd.), agreed to spend $19.0 million on the properties to earn into a 50% interest in the Cree East project.

As of April 30, 2014, the Korean Consortium has contributed its $19.0 million towards exploration of the project and holds a 50% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership. The remaining 50% interest is held by CanAlaska. The following table summarizes the Korean Consortium expenditures and advances by quarter and life to date ("LTD") on the project. The table does not include a $1.0 million payment made directly to CanAlaska in 2007 ($0.6 million) and 2010 ($0.4 million) for intellectual property associated with the project. As at April 30, 2014, the Company is holding approximately $176,000 of joint venture funds.

Table 4: ($000's)				**Quarterly**					**Year Ended**		
Cree East Project	**Q113**	**Q213**	**Q313**	**Q413**	**Q114**	**Q214**	**Q314**	**Q414**	**Apr-13**	**Apr-14**	**LTD**
Camp Cost & Operations	4	-	-	-	-	1	(13)	-	4	(12)	3,332
Drilling	-	-	-	-	-	27	-	-	-	27	6,740
General & Admin	5	-	14	18	-	13	5	9	37	26	502
Geochemistry	5	1	-	-	-	-	-	-	6	-	537
Geology	49	2	2	20	-	1	-	-	73	1	1,583
Geophysics	1	-	1	-	-	-	-	151	2	151	3,410
Management Fees	10	1	3	6	1	4	-	17	20	22	1,574
Other	30	4	5	3	-	-	-	7	42	7	1,471
Net Expenditures	**104**	**8**	**25**	**47**	**1**	**46**	**(8)**	**184**	**184**	**222**	**19,149**

The project is accessible during the winter drill season by seasonal winter ice roads and winter trails and during the summer exploration season by air and water. There is no physical plant or permanent infrastructure on the property and no source of power. There are multiple extensive lakes which can provide a source of water for the project.

The mineral rights for Cree East were acquired between November 2004 and June 2010 from the Ministry of Energy and Resources in the province of Saskatchewan, Canada. The claim numbers are as follows, S-107757, S-107774, S-107775, S-107776, S-107777, S-107778, S-107779, S-107780, S-108357, S-108358, S-108382, S-108383, S-108384, S-108385, S-108386, S-108387 and S-111809. The mineral rights to Cree East are valid and in good standing with the earliest claim requiring renewal in November 2020 with no further exploration expenditures required. An annual assessment report is required to be filed by the Company with the Ministry of Energy and Resources to disclose the exploration activities on this claim. There is no fee for filing the annual assessment report.

The project area covers Athabasca group conglomerates and sandstones. Sandstone unconformity overlies basement at depths in the order of 200 to 300 metres in the south. Structural breaks which trend across the across the property further drop the basement to estimated depths of 800 to 900 metres across the northern edge of the property The basement is composed of the Lower Proterozoic, (Trans Hudson) Mudjatik domain, granitoids and associated minor supercrustals (psammites, pelites and metavolcanics) A significant portion of the property is considered to be underlain by rocks of the highly prospective Wollaston Domain.

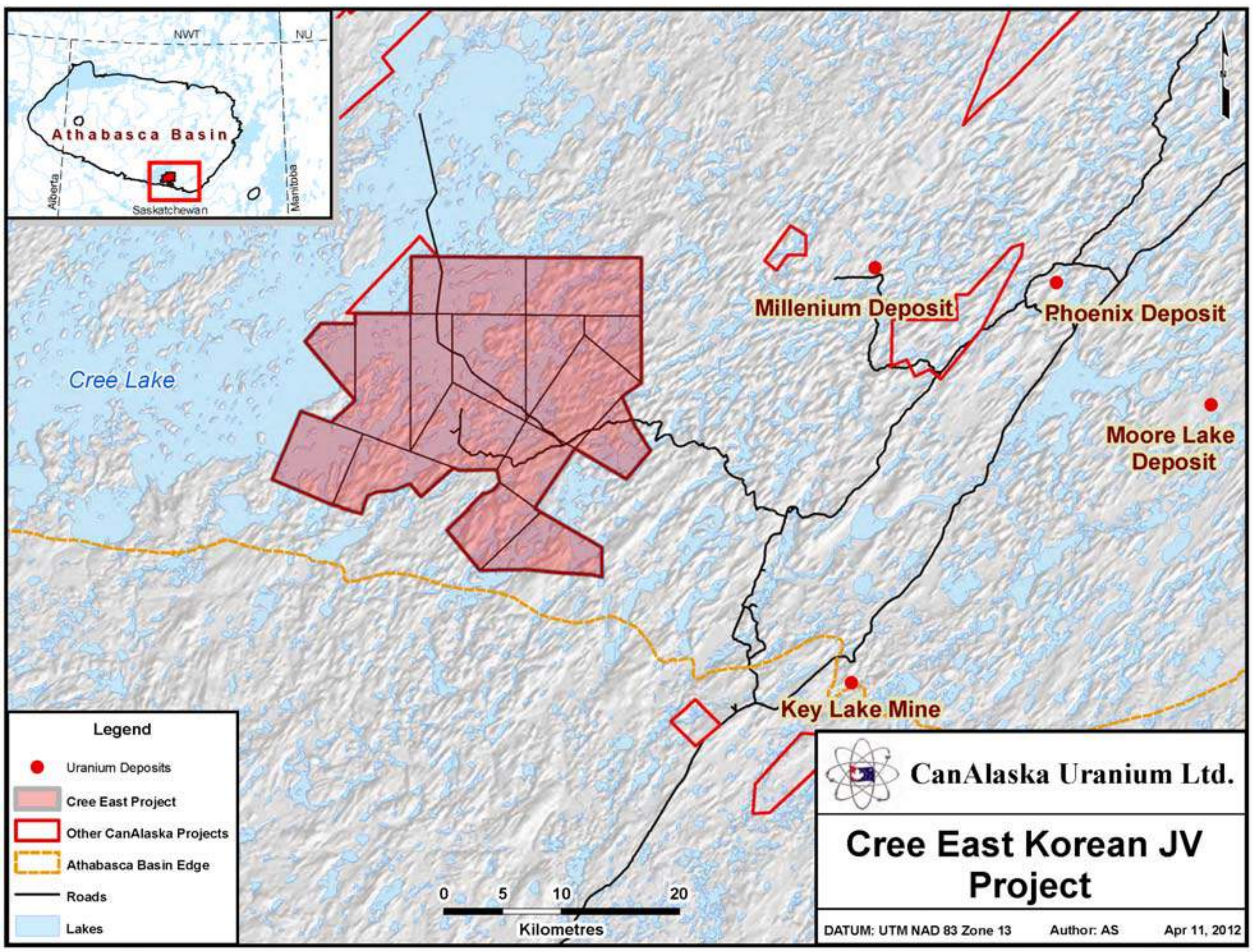
In May 2012, the Company reported receipt of uranium assay results and trace element geochemistry for the winter drill program on the Cree East project. The results confirm the anomalous multi-element enrichments in the large alteration zone identified at Zone B and additional gold and uranium mineralization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

The property has undergone extensive exploration since 2005 with $19.1 million expended on surveys, extensive geophysical testing and over 70 drill holes testing targets.

The potential of this project is for unconformity style uranium mineralization of both the Simple (Low REE, basement hosted) and the Complex (High REE, Sandstone hosted) types of uranium. The area has numerous conductors and faults which act as both the conduit and the trap for potential uranium mineralization. A number of structures and conductive targets have been identified from the Company's exploration efforts. The next substantial work programs on the property will consist mainly of drill testing the current targets. Active full season programs of 15-18 drill holes are generally budgeted at $3 to $4 million, including drill geophysics, camp and logistics. There is a program of geophysics to be performed by an external third party for winter field season 2014, budgeted at $350,000 which will be funded by the joint venture funds held. A $3 million summer drill program has been approved, subject to financing.

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. CanAlaska acts as project operator under the supervision and guidance of Dr. Karl Schimann, P. Geo. and Mr. Peter Dasler, P. Geo.

As at April 30, 2014, the total exploration costs incurred for the Cree East project was $19.1 million. In March 2014 the Joint Venture carried out geophysical surveys over the Zone B target area. This surveying was in preparation for a proposed summer drill program. The summer drill program is dependant upon financing by CanAlaska or others.. The Korean Consortium and CanAlaska are actively marketing the Cree East project for option or joint venture to allow for the continuation of the drill exploration. Work permits are in place for summer 2014 drilling. The Cree East property is without known reserves and any proposed program is exploratory in nature.



2.2.3 NW Manitoba, Manitoba

This property consists of approximately 144,000 hectares and lies between 90 and 170 kilometres northeast along the Wollaston trend of basement formations hosting uranium deposits, which include Rabbit Lake, Collins Bay and Eagle Point Uranium mines. In May 2012, the Company reported strong geophysical responses matching geology and uranium mineralized boulders from the recent surveys within the target areas at its NW Manitoba uranium project. The project was re-started in March 2012 following a four and a half year permitting delay due to consultations between the government of Manitoba and the local community. The Company has now concluded an operating MOU with the local community and recommenced ground survey work. The ground resistivity gravity geophysical surveys carried out in March 2012 localized anomalous features typical of sulphide-bearing mineralization, and zones of clay alteration within areas of shallow overburden. There is a striking correspondence between the location of gravity anomalies and the low resistivity zones from the survey. These targets are similar in style to the Andrew Lake uranium project in Nunavut, which has similar resistivity and gravity geophysical responses related to uranium mineralization hosted in regional fault structures.

In September 2013, the Company entered into an option agreement with NEX-listed MPVC Inc. ("MPVC") for an interest in the NW Manitoba project. MPVC may earn an 80% interest in the project by carrying out a three stage $11.6 million exploration program, making a cash payment of $35,000, issuing 12 million common shares and issuing 6 million common share purchase warrants.

On February 28, 2014, the option agreement with MPVC for the NW Manitoba project was amended to extend the date of certain provisions of the agreement from February 28, 2014 to March 14, 2014. In consideration for amending the option agreement, MPVC paid a further non-refundable cash deposit in the amount of $50,000 on March 14, 2014.

In April 2014, the Company announced that MPVC Inc. had received highly anomalous radon results of a recently completed, land-based survey over the Maguire Lake area. MPVC reports that its geologic team is most encouraged by the distribution of radon, resistivity, magnetic and gravity anomalies which are prime drill targets for uranium mineralization.

2.2.4 Grease River

In Q114 and Q214, the Company recognized an impairment on certain of its Grease River claims of approximately $57,000 as it did not renew its permits on these claims.

2.2.5 Poplar

During fiscal 2014, the Company recognized an impairment on certain of its Poplar claims of approximately $35,000 as it did not renew its permits on these claims.

2.2.6 Lake Athabasca

In Q114 and Q414, the Company recognized an impairment on certain of its Lake Athabasca claims of approximately $20,000 as it did not renew its permits on these claims.

2.2.7 Hodgson

In Q114, the Company recognized an impairment on its Hodgson claim of approximately $109,000 as it did not renew its permits on this property. In Q314, the Company re-staked certain claim blocks for $6,895.

2.2.8 Collins Bay

In June 2013, the Collins Bay Extension option agreement dated July 4, 2009 and amended on March 29, 2011 with Bayswater Uranium Corporation ("Bayswater") was amended whereby the option period was extended from six years to eight years. In consideration for the extension, the Company accelerated its staged common share issuances and issued 10,000 common share on July 12, 2013. As a result, in July 2013, the Company issued an aggregate of 20,000 common shares (post-consolidation) under the amended option agreement for the Collins Bay Extension project.

2.2.9 Carswell

In January 2014, the Company recognized an impairment on its Carswell claim of approximately $136,000 as it did not renew its permits on this property.

2.2.10 Patterson

In January 2013, the Company acquired three block of claims, totalling 6,687 hectares located in the Patterson Lake area of the western Athabasca basin. In August 2013, the Company optioned the claims to Makena Resources Inc. Makena may earn a 50% interest in the property by making cash payments totalling $100,000 by June 1, 2015, issuing 2,500,000 common share by June 1, 2015 and incurring exploration expenditures totalling $1.4 million by September 30, 2016.

2.2.11 Reefton

In September 2012, Atlantic Industrial Minerals Inc. (“Atlantic”) entered into an option agreement to acquire a 100% interest in the Reefton project, in South Island, New Zealand by paying $300,000 in staged payments, issuing 300,000 shares of Atlantic to the

Company and reimbursing the Company for the annual permit fees for the property from 2012 to 2015 which are approximately $50,000 per year, and drilling 1,500 metres by December 31, 2014. In September 2012 and October 2012, the Company received $50,000 from Atlantic for the 2012/2013 annual permit fee as part of an operating agreement. On August 21, 2013, the option agreement with Atlantic was terminated.

In March 2014, the Company entered into a purchase agreement to sell the exploration permit for the Reefton project to Stevenson Mining Ltd. ("Stevenson") for aggregate purchase consideration of $20,000. In Q414, the Company recognized a loss on disposal of the Reefton project of approximately $4,000.

2.2.12 BC Copper

The Company has two claim blocks (Big Creek and Quesnel). Big Creek was under option, but in July 2013, the option agreement with Discovery Ventures Ltd. and Tyrone Docherty was terminated. The property is currently being marketed.

2.2.13 Hanson

In July, August and November 2013, the Company staked the Hanson project which consists of fourteen blocks of claims in the area of the Pikoo kimberlite discovery, totalling 17,272 hectares located in Saskatchewan for $10,374.

In January 2014, the Company entered into a purchase agreement for two claim blocks in the Hanson project to Copper Reef Mining Corp. ("Copper Reef") for aggregate purchase consideration of $50,000 in cash and the issuance of 1,000,000 common shares in the capital of Copper Reef and completion of $50,000 of exploration expenditures. The Company retains a 2% net smelter royalty in the agreement.

2.2.14 Kasmere

In April 2014, the Company announced that it had entered into a binding agreement to sell its interest in its Kasmere South project in northwestern Manitoba to private company, East Resources Ltd., for an aggregate cash payment totalling $1.8 million. On March 28, 2014, the Company received a non-refundable cash payment of $200,000 from East Resources Ltd. Subsequent to year end, the Company also received the remaining cash instalments of $100,000 and $1.5 million on May 30, 2014 and June 26, 2014 respectively.

2.2.15 Other Projects

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

Table 5:

Other projects update	Status	Recent work undertaken
BC Copper	Seeking Venture Partner	No significant work undertaken
Collins Bay Extension	Option with Bayswater Uranium	No significant work undertaken
Grease River	Seeking Venture Partner	No significant work undertaken
Hanson	Seeking Venture Partner	No significant work undertaken
Helmer	Seeking Venture Partner	No significant work undertaken
Hodgson	Seeking Venture Partner	No significant work undertaken
Kasmere	Under application	Exploration permits pending
Key	Seeking Venture Partner	No significant work undertaken
Lake Athabasca	Seeking Venture Partner	No significant work undertaken
McTavish	Seeking Venture Partner	No significant work undertaken
Moon	Seeking Venture Partner	No significant work undertaken
Patterson	Option with Makena Resources Inc.	Airborne surveys have been contracted
Poplar	Seeking Venture Partner	No significant work undertaken
Waterbury	Seeking Venture Partner	No significant work undertaken
Rainbow Hill AK	Seeking Venture partner	No significant work undertaken
Zeballos	Seeking Venture Partner	Consolidating ownership
Glitter Lake	Disposed, NSR retained	
Reefton Property, NZ	Sale to Stevenson Mining Ltd.	

The Company is restricting its exploration activities on these Other projects until financial markets recover. The Company intends to continue its efforts to seek a venture partner either through a joint venture or sales of its other projects.

In fiscal 2014, the Company recognized an impairment on its Grease River, Poplar, Lake Athabasca, Hodgson and Carswell claims for approximately $357,000 as it did not renew certain of its claims on these properties.

In May 2014, Golden Fern Resources Limited, the Company's wholly owned subsidiary in New Zealand, began liquidation proceedings. The New Zealand subsidiary is being liquidated after the sale of the Reefton project to Stevenson Mining Ltd. and there are no significant assets or liabilities remaining in the entity.

CanAlaska maintains twelve other projects in the Athabasca basin; one project in Alaska and four projects in British Columbia. These other projects have value to the Company but are not being actively explored, other than reviews and reporting. A number of these projects are being marketed for sale or joint venture, and the company hopes to realize increased value in the future.

All of the samples from the CanAlaska exploration programs have been submitted to one of two qualified Canadian Laboratories for analysis. Samples submitted to Saskatchewan Research Laboratories were analyzed for multi-element geochemistry and including uranium by tri-acid digestion and ICP. Samples submitted for assay for trace element geochemistry to Acme Laboratories in Vancouver BC, were analyzed by aqua regia digestion and ICP analysis. The samples were collected by CanAlaska field geologists under the supervision of Dr. Karl Schimann, and were shipped in secure containment to the laboratories noted above.

Our exploration activities requires permitting in the Province of Saskatchewan. For our projects in Saskatchewan, the Company applies for surface exploration permits from the Ministry of Environment, a letter of advice from the Heritage Resources Branch of the Ministry of Tourism, Parks, Culture and Sport, and a Right to Use Water from the Saskatchewan Water Authority. For our exploration projects in the Province of Manitoba, the Company applies for a Prospecting License, a Work Permit from the Manitoba Department of Conservation, and a notification to the Director of Mines for airborne surveys. In addition, all exploration activities have to conform to the Fisheries Act in terms of protection of fish habitat.

2.2.16 Project Expenditure Summary

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

Table 6: ($000's)	2014 Fiscal Expenditures				Life to Date - April 30, 2014			
Project	**Acquisition Costs**	**Exploration Expenditures**	**Write-offs/ Reimbursement**	**Net YTD**	**Acquisition Costs**	**Exploration Expenditures**	**Write-offs/ Reimbursement**	**Net LTD**
Athabasca Basin								
Cree East	-	223	-	223	-	19,150	-	19,150
West McArthur	-	37	(19)	18	65	19,578	(14,227)	5,416
Fond Du Lac	-	11	-	11	120	4,427	-	4,547
NW Manitoba	-	3	-	3	16	7,311	-	7,327
Poplar	-	-	(35)	(35)	166	3,637	(3,245)	558
Grease River	-	1	(57)	(56)	133	3,495	(2,907)	721
Key Lake	-	-	-	-	24	1,027	(1,047)	4
Helmer	-	1	-	1	107	5,047	-	5,154
Lake Athabasca	-	-	(20)	(20)	118	5,966	(20)	6,064
Hodgson	7	-	(109)	(102)	116	1,561	(109)	1,568
Collins Bay	-	10	-	10	-	1,319	-	1,319
McTavish	-	-	-	-	74	687	(108)	653
Ruttan	-	33	-	33	15	67	-	82
Carswell	-	1	(137)	(136)	137	754	(137)	754
Other	0	1	-	1	57	2,568	(1,616)	1,009
New Zealand								
Reefton, NZ	-	25	(24)	1	24	811	(505)	330
Other								
Other Projects, Various	12	17	-	29	86	692	(425)	353
Total	**19**	**363**	**(401)**	**(19)**	**1,258**	**78,097**	**(24,346)**	**55,009**

Table 7: ($000's)	2013 Fiscal Expenditures				Life to Date - April 30, 2013			
Project	Acquisition Costs	Exploration Expenditures	Write-offs/ Reimbursement	Net YTD	Acquisition Costs	Exploration Expenditures	Write-offs/ Reimbursement	Net LTD
Athabasca Basin								
Cree East	-	184	-	184	-	18,927	-	18,927
West McArthur	-	406	(213)	193	65	19,541	(14,208)	5,398
Poplar	-	-	-	-	166	3,637	(3,210)	593
Fond Du Lac	-	17	-	17	120	4,415	-	4,535
Grease River	-	-	-	-	133	3,494	(2,850)	777
Cree West	-	-	(48)	(48)	-	1,112	(1,112)	-
Key Lake	-	-	-	-	24	1,027	(1,047)	4
NW Manitoba	-	36	-	36	16	7,308	-	7,324
Helmer	-	14	-	14	107	5,046	-	5,153
Lake Athabasca	-	-	-	-	118	5,966	-	6,084
Alberta	-	2	(11)	(9)	-	2,331	-	2,331
Hodgson	-	81	-	81	109	1,561	-	1,670
Arnold	-	-	(35)	(35)	-	1,341	-	1,341
Collins Bay	-	-	-	-	-	1,309	-	1,309
McTavish	-	4	-	4	74	687	(108)	653
Carswell	-	23	(37)	(14)	136	753	-	889
Ruttan	15	32	-	47	15	34	-	49
Other	4	2	-	6	57	2,870	(1,919)	1,008
New Zealand								
Reefton, NZ	-	6	-	6	24	786	(481)	329
Other								
Other Projects, Various	1	194	(82)	113	74	675	(425)	324
Total	**20**	**1,001**	**(426)**	**595**	**1,238**	**82,820**	**(25,360)**	**58,698**

3. FINANCIAL POSITION AND CAPITAL RESOURCES

3.1 Cash and Working Capital

Table 8: ($000's) Cash and Working Capital	Apr-14	Apr-13
Cash and cash equivalents	1,044	1,265
Trade and other receivables	52	58
Available-for-sale securities	414	86
Trade and other payables	(382)	(195)
Working capital	**1,128**	**1,214**

For analysis and discussion of the movement in cash and cash equivalents reference should be made to section 5 of this MD&A. Included within cash and cash equivalents are $0.2 million in funds from the CKU Partnership which are dedicated to the Cree East project. Reference should be made to note 5 of the consolidated financial statements for further details.

As at April 30, 2014, included within trade and other receivables is approximately $13,000 in Goods and Services Tax ("GST") refunds. The increase in available-for-sale securities is primarily a result of receiving 1,000,000 shares from Makena Resources Inc. for our Patterson project in Q314, 500,000 shares from Copper Reef for our Hanson project and 2,250,000 shares from MPVC Inc. for our NW Manitoba project in Q414. The decrease in trade and other receivables for April 30, 2014 is due primarily to a reduction its exploration expenditures in winter 2014 compared to winter 2013.

The increase in trade and other payables is due primarily to our exploration activities at our Cree East project compared with the fourth quarter of 2013. The Company operated an extensive geophysics program at our Cree East project in winter 2014.

3.2 Other Assets and Liabilities

Table 9: ($000's) **Other Assets and Liabilities**	**Apr-14**	**Apr-13**
Reclamation bonds	189	203
Property and equipment	294	375
Mineral property interests (section 2.2)	813	1,238

During the fiscal year ended April 30, 2014, the Company received approximately $10,000 cash from a refund of a reclamation bond from the Manitoba Mines Branch and also wrote down approximately $3,000 of reclamation bonds.
During the fiscal year ended April 30, 2014, exploration and evaluation expenditures were made primarily on the West McArthur, Cree East, Hodgson and BC Copper (section 2).

During fiscal 2014, the Company acquired the Hanson property by staking 14 blocks of claims totalling 17,272 hectares for approximately $10,000. The Company also re-staked three blocks of claims totally 11,492 hectares of the Hodgson property for approximately $7,000 to maintain its interest in the property. The Company also staked two block of claims totalling 723 hectares in south central British Columbia for approximately $1,000. In addition, the Company recognized an impairment on its Grease River, Poplar, Lake Athabasca, Hodgson and Carswell claims for approximately $357,000 as it did not renew certain of its permit for these properties.

3.3 Equity and Financings

Table 10: ($000's) **Shareholders' Equity**	**Apr-14**	**Apr-13**
Common shares	73,205	73,205
Equity reserve	10,807	10,682
Investment revaluation reserve	(24)	(1)
Deficit	(81,564)	(80,856)
Total shareholders' equity	**2,424**	**3,030**

Table 11: (000's) **Equity Instruments**	**Apr-14**	**Apr-13**
Common shares outstanding	22,068	22,058
Options outstanding		
Number	3,851	3,598
Weighted average price	$0.20	$0.55
Warrants outstanding		
Number	-	72
Weighted average price	-	$0.55

Equity instruments

As of July 29, 2014, the Company had the following securities outstanding. Common shares - 22,068,136; Stock options – 4,125,500; and Warrants – nil.

In July 2013, the Company issued 10,000 common shares under the option agreement for the Collins Bay Extension project.

In March 2012, the Company issued 283,000 common shares for gross proceeds of $121,690. A finder's fee of $4,867 in cash and 11,320 warrants were issued in connection with the financing. Each finder's warrant entitles the holder to purchase on additional common share for a period of 18 months from the closing date, at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $1,825 using the Black Scholes model.

In March 2012, the Company issued 1,522,000 flow-through common shares for gross proceeds of $776,220. A finder's fee of $31,049 in cash and 60,880 warrants were issued in connection with the financing. $68,490 was allocated to premium as the market value on the date of close was less than the offering price associated with this offering. Each finder's warrant entitles the holder to purchase one additional common share for a period of 18 months from the closing date at a price of $0.55 per warrant share. The share purchase warrants issued as part of this placement have been recorded at a fair value of $9,816 using the Black Scholes model.
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Table 12: Proceeds from Financings

Date	Type	Intended Use	Actual Use
March 2012	$0.1 million – 283,000 common shares	Uranium exploration in Saskatchewan	As Intended
March 2012	$0.8 million – 1,522,000 flow-through common shares	Uranium exploration in Saskatchewan	As Intended

4. EXPENDITURES REVIEW

Table 13: ($000's) Quarterly Net Loss & Comprehensive Loss Summary	Quarterly								Year End	
	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	2013	2014
Exploration Cost										
Mineral property expenditures net of reimbursements	324	186	92	30	29	87	15	140	632	271
Write-down on reclamation bonds	110	-	-	-	3	-	-	-	110	3
Mineral property write-offs	35	48	-	54	143	33	141	40	137	357
Recoveries on option payments received	-	-	-	-	-	(240)	(25)	(481)	-	(746)
Equipment rental income	(4)	1	-	-	-	-	(11)	(1)	(3)	(12)
	465	235	92	84	175	(120)	120	(302)	876	(127)
Other Expenses (Income)										
Consulting, labour and professional fees	321	248	144	121	100	87	110	105	834	402
Depreciation	27	28	27	26	20	20	20	20	108	80
Gain on disposal of properties and equipments	-	(2)	(8)	14	1	-	-	4	4	5
Foreign exchange (gain) loss	-	-	(1)	-	-	-	(1)	2	(1)	1
Insurance, licenses and filing fees	20	31	10	24	19	29	37	13	85	98
Interest income	(9)	(7)	(4)	(4)	(4)	(2)	(2)	(2)	(24)	(10)
Other corporate costs	20	15	13	19	9	9	10	5	67	33
Investor relations and presentations	28	2	7	15	1	2	9	10	52	22
Rent	34	36	37	20	4	7	7	8	127	26
Stock-based payments	16	23	-	137	-	20	105	-	176	125
Travel and accommodation	11	2	2	4	2	2	1	4	19	9
Impairment and loss (gain) on disposal of available-for-sale securities	-	-	-	83	8	16	12	38	83	74
Management fees	(27)	(9)	(4)	(6)	(1)	(5)	-	(24)	(46)	(30)
	441	367	223	453	159	185	308	183	1,484	835
Net (loss) earnings for the period	**(906)**	**(602)**	**(315)**	**(537)**	**(334)**	**(65)**	**(428)**	**119**	**(2,360)**	**(708)**
Other comprehensive loss										
Items that may be subsequently reclassified to profit or loss:										
Unrealized loss (gain) on available-for-sale securities	76	8	15	(45)	23	(40)	86	(46)	54	23
Total comprehensive (loss) earnings	**(982)**	**(610)**	**(330)**	**(492)**	**(357)**	**(25)**	**(514)**	**165**	**(2,414)**	**(731)**
Basic and diluted (loss) earnings per share	(0.04)	(0.03)	(0.01)	(0.02)	(0.02)	(0.00)	(0.02)	**0.01**	**(0.11)**	**(0.03)**

In the fiscal year ended April 30, 2014, the Company spent $0.5 million on exploration costs and recovered $0.2 million from our exploration partners for a net mineral property expenditure of $0.3 million.

For the fiscal year ended April 30, 2014, the Company recognized mineral property impairments on the Grease River, Poplar, Lake Athabasca, Hodgson and Carswell projects for approximately $357,000 as the Company did not renew certain of its permits for these projects.

Camp and other miscellaneous exploration equipment owned by the Company is maintained at our La Ronge warehouse. Equipment rental income is comprised of income (cost recapture) from charging exploration projects for the rental of this equipment. In Q412, the equipment rental income is related to the winter drill programs for the Cree East and West McArthur projects. In Q1 and Q2, 2013, the rental income is related to the summer work program on the BC Copper project. In Q3 and Q4 2014, the rental income is related to the rental of tents and camp supplies to a 3rd party.

Consulting, labour, and professional fees are lower than the same comparative prior period. The decrease is primarily attributed to a decrease in the salaries expense from the re-negotiated employment agreements for senior staff and management which began effective August 2012. The Company has terminated some staff and re-negotiated employment agreements with senior staff and management in efforts to minimize the Company's operating costs. The Company also reduced it usage of professionals and consultants in Q414 compared to Q413. As of January 1, 2013, the independent directors of the Company have not received directors' fees in the form of cash, in order to assist the Company in its plans to control its operation costs.

Insurance, licenses and filing fees are higher for fiscal 2014 compared to fiscal 2013. The increase is primarily due to the TSX Venture listing fees incurred in Q314 as the Company's shares began trading on the TSX Venture Exchange on December 30, 2013. In Q1, Q2 and Q4 2014, insurance, license and filing fees were consistent relative to the same comparative prior periods.

Interest income was lower in 2014 compared to 2013. The decrease was attributed to the decreased cash balances held during the year.

Investor relations expenses were lower in 2014 compared to 2013. The decrease is primarily attributed to the decrease in services provided by a Canadian investor relations firm. The Company received contract services from the Canadian investor relations firm which started in June of 2011 and terminated in July 2012.

Rent expense was lower in Q414 compared to Q314 as a Company sublet its office space in its effort to reduce it cash burn and operating costs going forward. The Company is however committed to the full lease amount, not the net for the head lease on the Vancouver office space.

The share-based payments amount for the year is lower than the amount for the previous year. The decrease was primarily due to the decrease in the fair value calculation on the options granted in fiscal 2014 relative to fiscal 2013. During fiscal 2014, there were 1,591,750 options granted with an average fair value of $0.07 per option compared to 1,357,500 option granted with an average fair value of $0.13 per option in fiscal 2013.

A write-down on available-for-sale securities of approximately $74,000 was recorded in fiscal 2014. This was attributed to a significant or prolonged impairment on a number of investments. The Company wrote the balances down to their market values due to the significant decline in market value that was viewed as other than a temporary impairment.

Management fees were lower in fiscal 2014 compared to fiscal 2013. This was primarily due to the decrease in our exploration activities relative to last year. During fiscal 2014, the Company spent $0.5 million on exploration, of which $0.3 million were related to our joint venture projects where management fees were generated. During fiscal 2013, the Company spent $1.0 million on exploration, of which $0.6 million were related to joint venture projects.

5. CASHFLOW AND LIQUIDITY REVIEW

As of April 30, 2014, the Company had $1.0 million in cash and cash equivalents and working capital of $1.1 million and as of April 30, 2013, the Company had $1.3 million in cash and cash equivalents and working capital of $1.2 million.

5.1 Operating Activities

The Company's operating activities resulted in net cash outflows of $0.6 million and $3.2 million for the fiscal years ended April 30, 2014 and 2013 respectively. Operating activities and costs for fiscal 2014 are lower than fiscal 2013 as the Company reduced its exploration activities and option or sold several of its projects during the year, as well as continued its efforts to minimize it operating costs to conserve its cash reserves.

5.2 Financing Activities

Financing activities resulted in net cash outflows of approximately $1,000 and $5,000 for the fiscal years ended April 30, 2014 and 2013 respectively. During the fiscal year ended April 30, 2014, the Company paid finders fees related to a prior financing in March 2012. In fiscal 2013, the Company incurred TSX listing fees related to the Company's share compensation plan. Currently, junior uranium exploration companies are finding it difficult to seek financing. The Company is working to sell option or joint venture non core assets.

5.3 Investing Activities

Investing activities resulted in net cash inflow of approximately $396,000 and $72,000 for fiscal year ended April 30, 2014 and 2013 respectively. During the year ended April 30, 2014, the Company received cash option payments of approximately $385,000. The Company also staked the Hansen project for approximately $10,000, the Hodgson project for approximately $7,000 and the Big Creek project for approximately $1,000. The Company also recovered approximately $10,000 of reclamation bonds deposited with the Manitoba Mines Branch and the Company also sold the Reefton project for $20,000 to Stevenson Mining during the year. During the year ended April 30, 2013, the Company acquired the Ruttan property and the Patterson Lake property by staking five blocks of claims totalling 7,742 hectares for approximately $20,000 and received $75,000 in option payments from Discovery Ventures Ltd. The Company also received approximately $19,000 from the sale of certain property and equipment.

6. OTHER MATTERS

For a full version of the risks and critical accounting estimates and policies reference should be made to the Company's audited consolidated financial statements for the year ended April 30, 2014, which are available on the Company's website at www.canalaska.com and the risk factor section of the most recently filed Form 20-F on EDGAR.

6.1 Related Party Transactions

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

The remuneration of directors and key management of the Company for the year ended April 30, 2014 and 2013 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by the VP of Exploration.

Table 14: ($000's) Compensations to Related Parties ($000's)	**2014**	**2013**
Employment benefits	220	272
Schimann Consultants	82	131
Directors fees	-	80
Share-based compensation	118	129

The directors and key management were awarded the following share options under the employee share option plan during the fiscal year ended April 30, 2014:

Table 15: Share Option Issuance

Date of grant	**Number of options**	**Exercise price**	**Expiry**
November 5, 2013	1,103,750	$0.12	November 5, 2018
January 7, 2014	400,000	$0.12	January 7, 2019

6.2 Financing

Due to increasingly difficult market conditions facing junior uranium exploration companies, management is currently in the process of evaluating its priorities and taking steps to streamline non discretionary expenditures. Should management be unsuccessful in its coming exploration programs it may either need to dilute its ownership in its properties and/or secure additional financing to continue to advance the development of its projects.

6.3 Critical Accounting Estimates and Judgments

6.3.1 Share-Based Payment Plan

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

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in note 10 of the audited consolidated financial statements for the year ended April 30, 2014. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the fair value amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period of the options with a corresponding increase in equity reserve.

6.3.2 Mineral Property Interest

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

6.3.3 Going Concern

The consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material. Refer to section 1.2.

6.4 Disclosure Controls and Internal Control over Financial Reporting

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance that such financial information is reliable and complete. As at the end of the period covered by this management's discussion and analysis, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's DC&P and ICFR as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the DC&P were effective to provide reasonable assurance that material information relating to the Company was made known to senior management by others and information required to be disclosed by the Company in its annual filings, interim filings (as such terms are defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) or other reports filed or submitted by it under securities legislation were recorded, processed, summarized and reported within the time periods specified in securities legislation. The Chief Executive Officer and the Chief Financial Officer have also concluded that, as of the end of the period covered by this management's discussion and analysis, the Company's ICFR is effective and the ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To design its ICFR, the Company used the Internal Control –Integrated Framework (1992) (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission. There are no material weaknesses in the Company's ICFR. During the year ended April 30, 2014 there were no changes to the Company's ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

6.5 Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this

MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

6.6 New Accounting Standards Adopted

The following standards were adopted effective May 1, 2013.

(i) IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation was required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The adoption of this standard had no effect on the Company's consolidated financial statements.

(ii) IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in jointly controlled entities. The adoption of this standard had no effect on the Company's consolidated financial statements.

(iii) IFRS 12, *Disclosure of Interests in Other Entities*, outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flow. The adoption of this standard had no effect on the Company's consolidated financial statements.

(iv) IFRS 13, *Fair Value Measurement*, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on May 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at May 1, 2013.

(v) The Company has adopted the amendments to IAS 1 effective May 1, 2013. These amendments required the Company to group other comprehensive income by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The adoption of this standard had no effect on the Company's consolidated financial statements.

6.7 Future Accounting Pronouncements

Unless otherwise noted, the following new or revised standards will be effective for the Company in future periods.

(i) IFRS 9 *Financial Instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments - Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company has not yet completed an assessment of the impact of adopting IFRS 9.

(ii) IFRIC 21, Accounting for Levies imposed by Governments, clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 is effective for the Company beginning on May 1, 2014. The Company is currently assessing the impact of this guidance.

6.8 Risk Factors

The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that funds spent on the exploration and development of a mineral deposit will result in the discovery of an economic ore body. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

6.8.1 Cash Flows and Additional Funding Requirements

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects. Without further financing and exploration work on its properties the Company expects its current 741,794 ha of property to reduce to 695,283 ha by December 31 2014, and 655,495 ha by December 31 2015. The Company's Fond Du Lac property reached its last anniversary on February 25 2014, after February 2015 a new lease or a special lease extension will be required by the Fond Du Lac community from Aboriginal and Northern Affairs Canada. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 15 years from the current date. Refer to section 1.1.

6.8.2 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.

6.8.3 Competition

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

6.8.4 Foreign Political Risk

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

6.8.5 Government Laws, Regulation and Permitting

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

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

6.8.6 Title to Properties

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

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

6.8.7 Estimates of Mineral Resources

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

6.8.8 Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company’s success. The Company on July 31, 2012, has terminated all long term employment contracts with senior management and has completed the negotiation of reduced contracts with the CEO, former CFO and VP Exploration. The VP Corporate Development position was terminated and the responsibilities have been assumed by the CEO. Remaining technical staff are working on part time contracts. In January 2013, Mr. Chan, the Corporate Controller took over the position of CFO replacing Mr. Ramachandran. In June 2013, the Company received the resignation of board member, Hubert Marleau. On September 26, 2014 the Company accepted the resignation of board member, Michael Riley. Dr, Karl Schimann, VP Exploration, was appointed to the board of directors on September 26, 2014 in Mr. Riley’s place. On January 7, 2014, Kathleen Kennedy Townsend was appointed to the Company's board of directors.

6.8.9 Volatility of Share Price

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

6.8.10 Foreign Currency Exchange

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

6.8.11 Conflict of Interest

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

7. QUARTERLY AND ANNUAL FINANCIAL INFORMATION

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

Table 16: ($000's) Quarterly Net Loss & Comprehensive Loss Summary	Quarterly								Year End	
	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	2013	2014
Exploration Cost										
Mineral property expenditures net of reimbursements	324	186	92	30	29	87	15	140	632	271
Write-down on reclamation bonds	110	-	-	-	3	-	-	-	110	3
Mineral property write-offs	35	48	-	54	143	33	141	40	137	357
Recoveries on option payments received	-	-	-	-	-	(240)	(25)	(481)	-	(746)
Equipment rental income	(4)	1	-	-	-	-	(11)	(1)	(3)	(12)
	465	235	92	84	175	(120)	120	(302)	876	(127)
Other Expenses (Income)										
Consulting, labour and professional fees	321	248	144	121	100	87	110	105	834	402
Depreciation	27	28	27	26	20	20	20	20	108	80
Gain on disposal of properties and equipments	-	(2)	(8)	14	1	-	-	4	4	5
Foreign exchange (gain) loss	-	-	(1)	-	-	-	(1)	2	(1)	1
Insurance, licenses and filing fees	20	31	10	24	19	29	37	13	85	98
Interest income	(9)	(7)	(4)	(4)	(4)	(2)	(2)	(2)	(24)	(10)
Other corporate costs	20	15	13	19	9	9	10	5	67	33
Investor relations and presentations	28	2	7	15	1	2	9	10	52	22
Rent	34	36	37	20	4	7	7	8	127	26
Stock-based payments	16	23	-	137	-	20	105	-	176	125
Travel and accommodation	11	2	2	4	2	2	1	4	19	9
Impairment and loss (gain) on disposal of available-for-sale securities	-	-	-	83	8	16	12	38	83	74
Management fees	(27)	(9)	(4)	(6)	(1)	(5)	-	(24)	(46)	(30)
	441	367	223	453	159	185	308	183	1,484	835
Net (loss) earnings for the period	**(906)**	**(602)**	**(315)**	**(537)**	**(334)**	**(65)**	**(428)**	**119**	**(2,360)**	**(708)**
Other comprehensive loss Items that may be subsequently reclassified to Profit or loss:										
Unrealized loss (gain) on available-for-sale securities	76	8	15	(45)	23	(40)	86	(46)	54	23
Total comprehensive (loss) earnings	**(982)**	**(610)**	**(330)**	**(492)**	**(357)**	**(25)**	**(514)**	**165**	**(2,414)**	**(731)**
(Loss) earnings per share	(0.04)	(0.03)	(0.01)	(0.02)	(0.02)	(0.00)	(0.02)	**0.01**	**(0.11)**	**(0.03)**

Table 17: ($000's) Financial Position Summary	As at Apr 30, 2012	Jul 31, 2012	Oct 31, 2012	Jan 31, 2013	Apr 30, 2013	Jul 31, 2013	Oct 31, 2013	Jan 31, 2014	Apr 30, 2014
Financial Position									
Assets									
Cash and cash equivalents	4,394	2,425	1,741	1,464	1,265	1,105	909	755	1,044
Trade and other receivables	243	96	98	72	58	42	66	59	52
Available-for-sale securities	223	146	138	123	86	79	259	160	414
Total Current Assets	4,860	2,667	1,977	1,659	1,409	1,226	1,234	974	1,510
Reclamation bond	345	203	203	203	203	200	189	190	189
Property and equipment	504	477	447	417	375	354	334	314	294
Mineral property interests	1,356	1,327	1,288	1,292	1,238	1,098	1,069	938	813
Total Assets	7,065	4,674	3,915	3,571	3,225	2,878	2,826	2,416	2,806
Liabilities									
Trade and other payables	1,792	367	200	186	195	204	158	157	382
Total Liabilities	1,792	367	200	186	195	204	158	157	382
Shareholders' Equity									
Common shares	73,210	73,210	73,205	73,205	73,205	73,206	73,205	73,205	73,205
Equity reserve	10,506	10,522	10,545	10,545	10,682	10,682	10,702	10,807	10,807
Investment revaluation reserve	53	(23)	(31)	(46)	(1)	(24)	16	(70)	(24)
Deficit	(78,496)	(79,402)	(80,004)	(80,319)	(80,856)	(81,190)	(81,255)	(81,683)	(81,564)
Total Shareholders' Equity	5,273	4,307	3,715	3,385	3,030	2,674	2,668	2,259	2,424
	7,065	4,674	3,915	3,571	3,225	2,878	2,826	2,416	2,806
Weighted average common shares outstanding (000's)	20,425	22,058	22,058	22,058	22,058	22,060	22,068	22,068	22,068
Working Capital	3,068	2,300	1,777	1,473	1,214	1,022	1,076	817	1,128

Table 18: ($000's) Selected Annual Information	2012	2013	2014
Loss before discontinued operations	(6,869)	(2,360)	(708)
Loss before discontinued operations per-share	(0.34)	(0.11)	(0.03)
Loss before discontinued operations diluted per-share	(0.34)	(0.11)	(0.03)
Net loss	(6,869)	(2,360)	(708)
Net loss per-share	(0.34)	(0.11)	(0.03)
Net loss diluted per-share	(0.34)	(0.11)	(0.03)
Total assets	7,065	3,225	2,806
Cash dividends declared	-	-	-

CanAlaska Uranium Ltd.

Consolidated Financial Statements
April 30, 2014, 2013 and 2012

(Expressed in Canadian dollars, except where indicated)

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Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated financial statements of CanAlaska Uranium Ltd. and subsidiaries (the “Company”), which comprise the consolidated statements of financial position as at April 30, 2014 and April 30, 2013, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for each of the years in the three year period ended April 30, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CanAlaska Uranium Ltd. and subsidiaries as at April 30, 2014 and April 30, 2013, and their financial performance and their cash flows for each of the years in the three year period ended April 30, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company does not earn revenues from its operations, incurred a net loss of $0.7 million during the year ended April 30, 2014, and has a deficit of $81.6 million at April 30, 2014. Accordingly, the Company depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business. These matters, along with the other matters set forth in Note 2, indicate the existence of material uncertainties that cast substantial doubt about the Company’s ability to continue as a going concern.

/s/Deloitte LLP

Chartered Accountants
July 29, 2014
Vancouver, Canada

CanAlaska Uranium Ltd.

Consolidated Statements of Financial Position
As at April 30, 2014 and 2013
(Expressed in Canadian dollars except where indicated)

	April 30 2014 $000's	April 30 2013 $000's
Assets		
Current assets		
Cash and cash equivalents (note 5)	1,044	1,265
Trade and other receivables	52	58
Available-for-sale securities (note 6)	414	86
Total current assets	1,510	1,409
Non-current assets		
Reclamation bonds	189	203
Property and equipment (note 7)	294	375
Mineral property interests (note 8)	813	1,238
Total assets	2,806	3,225
Liabilities		
Current liabilities		
Trade and other payables	382	195
Equity		
Common shares (note 9)	73,205	73,205
Equity reserve (note 10)	10,807	10,682
Investment revaluation reserve	(24)	(1)
Deficit	(81,564)	(80,856)
	2,424	3,030
	2,806	3,225

Going Concern (note 2)
Commitments (note 13)
Subsequent Events (note 17)

Approved by the Audit Committee of the Board of Directors

"Peter Dasler"
Director

"Jean Luc Roy"
Director

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

CanAlaska Uranium Ltd.

Consolidated Statements of Net Loss and Comprehensive Loss
For the years ended April 30, 2014, April 30, 2013 and April 30, 2012
(Expressed in Canadian dollars except where indicated)

	2014 ($000's)	2013 ($000's)	2012 ($000's)
EXPLORATION COSTS			
Mineral property expenditures	271	632	4,825
Mineral property write-offs (note 8)	357	137	451
Write-down on reclamation bonds	3	110	-
Equipment rental income	(12)	(3)	(157)
Recoveries on option payments received (note 8)	(746)	-	-
	(127)	876	5,119
OTHER EXPENSES (INCOME)			
Consulting, labour and professional fees	402	834	1,255
Depreciation and amortization (note 7)	80	108	136
Loss (gain) on disposal of property and equipment	5	4	(7)
Foreign exchange loss (gain)	1	(1)	(4)
Insurance, licenses and filing fees	98	85	115
Interest income	(10)	(24)	(119)
Other corporate costs	33	67	164
Investor relations and presentations	22	52	132
Rent	26	127	134
Share-based payments (note 10)	125	176	319
Travel and accommodation	9	19	68
Management fee income	(30)	(46)	(363)
Impairment of available-for-sale securities (note 6)	74	83	122
Premium on flow-through shares (note 9)	-	-	(202)
	835	1,484	1,750
Net loss for the year	(708)	(2,360)	(6,869)
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss:			
Unrealized loss on available-for-sale securities (note 6)	23	54	214
Total comprehensive loss for the year	(731)	(2,414)	(7,083)
Basic and diluted loss per share ($ per share)	(0.03)	(0.11)	(0.34)
Basic and diluted weighted average common shares outstanding (000's)	22,066	22,058	20,425

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

CanAlaska Uranium Ltd.

Consolidated Statements of Changes in Equity
For the years ended April 30, 2014, April 30, 2013 and April 30, 2012
(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity	Investment Revaluation	Accumulated	Total
	Shares 000's	**Amount $000's**	**Reserve $000's**	**Reserve $000's**	**Deficit $000's**	**Equity $000's**
Balance-May 1, 2011	19,830	72,108	10,170	267	(71,627)	10,918
Issued on private placement for cash	2,223	1,168	-	-	-	1,168
Warrants issued on private placement	-	-	12	-	-	12
Issued to acquire mineral property interest	5	4	-	-	-	4
Share issuance costs	-	(70)	-	-	-	(70)
Share-based payments	-	-	324	-	-	324
Unrealized loss on available-for-sale securities	-	-	-	(214)	-	(214)
Net loss for the year	-	-	-	-	(6,869)	(6,869)
Balance-April 30, 2012	**22,058**	**73,210**	**10,506**	**53**	**(78,496)**	**5,273**
Share issuance costs	-	(5)	-	-	-	(5)
Share-based payments	-	-	176	-	-	176
Change in fair value of available-for-sale securities	-	-	-	(137)	-	(137)
Reclassification of losses on available-for-sale securities to earnings	-	-	-	83	-	83
Net loss for the year	-	-	-	-	(2,360)	(2,360)
Balance-April 30, 2013	**22,058**	**73,205**	**10,682**	**(1)**	**(80,856)**	**3,030**
Issued to acquire mineral property interest	10	1	-	-	-	1
Share issuance costs	-	(1)	-	-	-	(1)
Share-based payments	-	-	125	-	-	125
Unrealized loss on available-for-sale securities	-	-	-	(23)	-	(23)
Loss for the year	-	-	-	-	(708)	(708)
Balance-April 30, 2014	**22,068**	**73,205**	**10,807**	**(24)**	**(81,564)**	**2,424**

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

CanAlaska Uranium Ltd.

Consolidated Statements of Cash Flows

For the years ended April 30, 2014, April 30, 2013 and April 30, 2012

(Expressed in Canadian dollars except where indicated)

	2014 $000's	2013 $000's	2012 $000's
Cash flows used in operating activities			
Net loss for the year	(708)	(2,360)	(6,869)
Items not affecting cash			
Impairment of available-for-sale securities (note 6)	74	83	122
Loss (gain) on disposal of property and equipment	5	4	(7)
Depreciation and amortization (note 7)	80	108	136
Premium on flow-through shares (note 9)	-	-	(202)
Mineral property write-offs	357	137	451
Write-down on reclamation bonds	3	110	-
Other	-	-	10
Recoveries on option payments received	(746)	-	-
Share-based payments (note 10)	125	176	319
Interest income	(10)	(24)	(119)
	(820)	(1,766)	(6,159)
Interest received	15	30	118
Change in non-cash operating working capital			
Decrease in trade and other receivables	2	180	181
Increase (decrease) in trade and other payables	187	(1,640)	(670)
	(616)	(3,196)	(6,530)
Cash flows from/used in financing activities			
Issuance of common shares (net of share issue costs)	(1)	(5)	1,311
	(1)	(5)	1,311
Cash flows from/used in investing activities			
Additions to mineral property interests	(19)	(20)	(10)
Acquisition of property and equipment	-	(2)	(43)
Option payments received	385	75	-
Proceeds from disposal of property and equipment	20	19	26
Reclamation bond	10	-	(2)
	396	72	(29)
Decrease in cash and cash equivalents	(221)	(3,129)	(5,248)
Cash and cash equivalents - beginning of year (note 5)	1,265	4,394	9,642
Cash and cash equivalents - end of year (note 5)	1,044	1,265	4,394

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

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 may brings the properties to production, structures joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. From time to time, the Company evaluates new properties and directs exploration on these properties based on the Board of Director's evaluation of financial and market considerations at the time. On December 30, 2013, the Company's shares commenced trading on the TSX Venture Exchange under the symbol "CVV" and ceased trading on the Toronto Stock Exchange. The Company's shares are also quoted on the Over-The-Counter Bulletin Board ("OTCBB") in the United States under the symbol "CVVUF" and the Frankfurt Stock Exchange under the symbol "DH7N". The Company's registered office is located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

2 Going Concern

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

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. Due to increasingly difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

At April 30, 2014, the Company had cash and cash equivalents of $1.0 million (April 30, 2013: $1.3 million) (note 5) and working capital of $1.1 million (April 30, 2013: $1.2 million). The Company does not earn revenues from its operations, incurred a net loss of $0.7 million during the year ended April 30, 2014, and has a deficit of $81.6 million at April 30, 2014. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months and closed a substantial cash injection transaction following the year end (note 17). Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management has taken steps to streamline non-discretionary expenditures and financial overheads and is working to option, joint venture or sell its individual exploration projects. The above factors may cast substantial doubt regarding the Company's ability to continue as a going concern.

3 Summary of Significant Accounting Policies

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standard as issued by the International Accounting Standards Boards ("IFRS"). The policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS issued and effective at April 30, 2014. These consolidated financial statements were approved by the Board of Directors for issue on July 29, 2014.

b) Basis of preparation

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

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

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

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

These consolidated financial statements also include the Company's share of the jointly held assets, its jointly incurred liabilities, and its share of the revenues and expenses of the CanAlaska Korean Uranium Limited Partnership ("CKULP" or the "Partnership" or the "CKU Partnership") and CanAlaska Korean Uranium Limited.

3 Summary of Significant Accounting Policies (continued)

c) Share-based payments

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

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

d) Income taxes

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

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

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

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

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

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

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

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

3 Summary of Significant Accounting Policies (continued)

e) Flow-through shares

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

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

f) Property and equipment

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

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

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

g) Exploration and evaluation expenditures

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

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

3 Summary of Significant Accounting Policies (continued)

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

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

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

Option payments made by an interested acquirer are recorded as a reduction of the value of the asset, with any excess over the carrying value of the asset recorded into income.

h) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates, generally by mineral property interests. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. For exploration and evaluation assets, indication of impairment includes but is not limited to expiration of the rights to explore, substantive expenditure in the specific area is neither budgeted or planned, and if the entity has decided to discontinue exploration activity in the specified area.

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

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

3 Summary of Significant Accounting Policies (continued)

i) Foreign currencies

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

j) Financial assets and liabilities

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

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

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

3 Summary of Significant Accounting Policies (continued)

The Company has classified its financial instruments as follows:

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

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

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

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

Impairment of financial assets

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

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

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

3 Summary of Significant Accounting Policies (continued)

k) Investment revaluation reserve

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

l) Cash and cash equivalents

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

m) Decommissioning liabilities

Obligations associated with the decommissioning of tangible non-current assets are recorded as provisions when those obligations are incurred, with the amount of the liability initially measured at management's best estimates. These obligations are capitalized in the accounts of the related non-current assets and are amortized over the useful lives of the related assets. It is possible that the Company's estimates of its ultimate decommissioning liabilities could change as a result of changes in regulations, the extent of environmental remediation required and the means of reclamation or costs estimates. Changes in estimates are accounted for prospectively from the period these estimates are revised. There are no decommissioning liabilities obligations as at April 30, 2014 and April 30, 2013.

n) Equity

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

o) Provisions

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

p) Interest income

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

3 Summary of Significant Accounting Policies (continued)

q) Loss per share

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

r) Segment reporting

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

s) New accounting standards adopted

The following standards were adopted effective May 1, 2013.

(i) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation was required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The adoption of this standard had no effect on the Company's consolidated financial statements.

(ii) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in jointly controlled entities. The adoption of this standard had no effect on the Company's consolidated financial statements.

(iii) IFRS 12, Disclosure of Interests in Other Entities, outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flow. The adoption of this standard had no effect on the Company's consolidated financial statements.

(iv) IFRS 13, Fair Value Measurement, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on May 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at May 1, 2013.

(v) The Company has adopted the amendments to IAS 1 effective May 1, 2013. These amendments required the Company to group other comprehensive income by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The adoption of this standard had no effect on the Company's consolidated financial statements.

3 Summary of Significant Accounting Policies (continued)

t) Future Accounting Pronouncements

Unless otherwise noted, the following new or revised standards will be effective for the Company in future periods.

(i) IFRS 9 Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments - Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company has not yet completed an assessment of the impact of adopting IFRS 9.

(ii) IFRIC 21, Accounting for Levies imposed by Governments, clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 is effective for the Company beginning on May 1, 2014. The Company is currently assessing the impact of this guidance.

4 Significant Accounting Judgments and Estimates

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

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

4 Significant Accounting Judgments and Estimates (continued)

a) Critical judgments

- The Company believes that the cash on hand at April 30, 2014 is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months and that the presentation of these consolidated financial statements on a going concern basis is appropriate.
- The Company has determined that it will account for its investment in CKU Partnership as a joint operation to reflect its joint control with the Korean Consortium. In assessing whether the Company has joint control the Company assessed whether all the parties, or a group of the parties, control the arrangement. This assessment necessarily involves judgment as to whether the Korean Consortium and the Company have equal contractual rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership's Board of Directors and each of the parties have rights to the assets and has obligations for the liabilities related to the CKU Partnership.
- The Company decided not to recognize deferred tax assets arising from Canadian exploration expenses, capital losses and unused tax losses as it considered it not to be probable that taxable income will be available in the near future to offset the reversal of these items.
- Under IFRS, the Company may elect a policy for accounting for costs related to exploration and evaluation expenditures to either capitalize or expense the costs as incurred until a decision is made that commercial exploitation is probable, from which point the costs are capitalized. The Company has elected a policy to expense all costs related to exploration and evaluation expenditures.
- Management assesses each mineral property interest at each reporting period to determine whether any indication of impairment exists, and if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

b) Estimates

- the fair value estimation of share-based awards included in the consolidated statements of financial position and the inputs used in accounting for stock options and warrants in the consolidated statements of comprehensive loss;
- the accounting and recognition of income taxes which is included in the consolidation statement of net loss and comprehensive loss and composition of deferred income tax asset and liabilities included in the consolidated statement of financial position; and,
- the assessment of indications of impairment of each mineral properties and related determination of the net realizable value and write-down of those properties where applicable.

5 Cash and Cash Equivalents

	April 30, 2014 $000's	April 30, 2013 $000's
CKULP funds	176	290
Option-in advance	93	116
Cash in bank and other short term deposits	775	859
Total	**1,044**	**1,265**

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

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

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

	April 30, 2014 $000's	April 30, 2013 $000's
Cash	319	364
Short-term investments	725	901
Total	**1,044**	**1,265**

6 Available-for-Sale Securities

	April 30, 2014		April 30, 2013	
	Cost $000's	Fair Value $000's	Cost $000's	Fair Value $000's
Pacific North West Capital Corp.	17	17	42	42
Westcan Uranium Corp.	-	-	6	6
Mega Uranium Ltd.	3	11	6	6
Makena Resources Inc.	155	80	-	-
Copper Reef Mining Corp.	20	10	-	-
MPVC Inc.	225	259	-	-
Other available-for-sale securities	18	37	33	32
Total	**438**	**414**	**87**	**86**

The Company reviewed the carrying values of its available-for-sale securities, and after considering where the decreases on fair value were significant or prolonged, the Company recognized an impairment on available-for-sale securities of $74,000 during the year ended April 30, 2014 (2013: $83,000; 2012: $122,000).

7 Property and Equipment

Property and equipment are comprised of the following:

	Automotive $000's	Leasehold improvements $000's	Mining equipment $000's	Office equipment $000's	Total $000's
Cost					
At May 1, 2012	**82**	**270**	**1,024**	**501**	**1,877**
Additions	-	-	-	2	2
Disposals	(57)	-	(2)	(47)	(106)
At April 30, 2013	**25**	**270**	**1,022**	**456**	**1,773**
Disposals	-	-	-	(1)	(1)
At April 30, 2014	**25**	**270**	**1,022**	**455**	**1,772**

Accumulated Depreciation and Amortization					
At May 1, 2012	**(67)**	**(105)**	**(821)**	**(380)**	**(1,373)**
Depreciation and amortization	(4)	(20)	(61)	(23)	(108)
Disposals	54	-	2	27	83
At April 30, 2013	**(17)**	**(125)**	**(880)**	**(376)**	**(1,398)**
Depreciation and amortization	(3)	(20)	(42)	(15)	(80)
Disposals	-	-	-	-	-
At April 30, 2014	**(20)**	**(145)**	**(922)**	**(391)**	**(1,478)**
Carrying Value					
At April 30, 2013	8	145	142	80	375
At April 30, 2014	**5**	**125**	**100**	**64**	**294**

8 Mineral Property Interests

The Company holds approximately 742,000 hectares of mining claims in the Athabasca region located across the provinces of Saskatchewan and Manitoba in Canada. The holdings are through 18 projects which are in various stages of exploration and discovery.

The Company also holds mining claims in Alaska and British Columbia. The Company held a property in New Zealand which it sold in March 2014 (note 8(k)).

Details of acquisition costs and mineral property impairments for the years ended April 30, 2014 and April 30, 2013 respectively are as follows:

Project ($000's)	May 1, 2012	Additions/ write-offs	April 31, 2013	Additions/ write-offs/Recoveries	April 30, 2014
Athabasca Basin					
Cree East (a)	-	-	-	-	-
West McArthur (b)	65	-	65	-	65
Fond du Lac	120	-	120	-	120
Grease River (c)	133	-	133	(57)	76
Cree West	48	(48)	-	-	-
Key Lake	24	-	24	-	24
NW Manitoba (d)	16	-	16	(8)	8
Poplar (e)	166	-	166	(35)	131
Helmer	107	-	107	-	107
Lake Athabasca (f)	118	-	118	(20)	98
Alberta	11	(11)	-	-	-
Hodgson (g)	109	-	109	(102)	7
Arnold	35	(35)	-	-	-
Collins Bay (h)	-	-	-	-	-
McTavish	74	-	74	-	74
Carswell (i)	173	(37)	136	(136)	-
Ruttan	-	15	15	-	15
Patterson (j)	-	4	4	(2)	2
Other	53	-	53	-	53
New Zealand					
Reefton, NZ (k)	24	-	24	(24)	-
Other					
Other Projects, Various (l)	80	(6)	74	(41)	33
Total	**1,356**	**(118)**	**1,238**	**(425)[1]**	**813**

[1] Includes mineral property write-offs of approximately $357,000, disposal of the Reefton project of approximately $24,000, net option payments of approximately $63,000 and additions to mineral property interests of approximately $19,000.

8 Mineral Property Interests (continued)

Summary of option payments remaining due by CanAlaska in the years ending April 30	Cash $000's	Total Spend[1] $000's	Shares
2015	-	-	-
2016		600	30,000
Thereafter	-	3,000	80,000

[1] Represents cumulative spend required not the spend per fiscal year to maintain certain interest in the Company's mineral property interests. The cumulative spend is at the Company's discretion under an option. It may not be the Company's intention to pay the option, in which case the expenditure will not be incurred.

Summary of option payments receivable by CanAlaska in the years ending April 30[2]	Cash $000's	Total Spend[1] $000's	Shares
2015	25	3,475	3,500,000
2016	25	3,925	750,000
Thereafter	-	13,025	7,500,000

[1] Represents cumulative spend required not the spend per fiscal year to maintain certain interest in the Company's properties.
[2] Represents optionees' commitments to maintain certain interest in the Company's properties (see note 8(d), note 8(j) and note 8(l)).

a) Cree East, Saskatchewan – Korean Consortium

Cree East consists of approximately 58,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium ("Consortium") to develop Cree East. Under the terms of agreements, the Korean Consortium invested $19.0 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period (April 30, 2013: 50%; April 30, 2012: 50%). The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred. The total expenditures on the property for the year ended April 30, 2014 was $223,000 (2013: $184,000; 2012: $2,733,000) and has a carrying value of $nil.

8 Mineral Property Interests (continued)

b) West McArthur, Saskatchewan - Mitsubishi

West McArthur consists of approximately 36,000 hectares of mineral claims in the Athabasca. In April 2007, the Company optioned the claims to Mitsubishi Development Pty Ltd. ("Mitsubishi") whereby Mitsubishi could exercise an option to earn a 50% interest in the property by funding expenditures of $10.0 million and by making a $1.0 million payment upon completion of the $10.0 million funding requirement. In February 2010, Mitsubishi exercised their option with a payment to the Company of $1.0 million and an unincorporated 50/50 joint venture was formed between the parties to pursue further exploration and development of the property. The Company acts as project operator and earns a fee (between 5% and 10%) based on the expenditures incurred. The total expenditures on the property for the year ended April 30, 2014 was $37,000 (2013: $193,000; 2012: $1,633,000) and has a carrying value of approximately $65,000.

c) Grease River, Saskatchewan

In May and September 2013, the Company recognized an impairment on certain of its Grease River claims of approximately $57,000 as it did not renew its permits on these claims.

d) NW Manitoba, Manitoba

In September 2013, the Company entered into an option agreement with NEX-listed MPVC Inc. ("MPVC") for an interest in the NW Manitoba project. The project covers 143,603 hectares along the Saskatchewan/Manitoba border. In January 2014, the option agreement was revised whereby MPVC may earn an 80% interest in the project by carrying out a three stage $11.6 million exploration program, make a cash payment of $35,000, issue 12 million common shares and issue 6 million common share purchase warrants. In February 2014, the option agreement with MPVC was amended to extend the date of certain provisions of the agreement from February 28, 2014 to March 14, 2014. In consideration for amending the option agreement, MPVC paid a non-refundable deposit in the amount of $50,000 on March 14, 2014 to the Company. The NW Manitoba property has a carrying value of approximately $8,000.

e) Poplar, Saskatchewan

In May 2013, November 2013 and February 2014, the Company recognized an impairment on certain of its Poplar claims of approximately $35,000 as it did not renew its permits on these claims.

f) Lake Athabasca, Saskatchewan

In July 2013 and April 2014, the Company recognized an impairment on certain of its Lake Athabasca claims of approximately $20,000 as it did not renew its permits on these claims.

g) Hodgson, Saskatchewan

In May and July 2013, the Company recognized an impairment on its Hodgson claim of approximately $109,000 as it did not renew its permits on this property. In December 2013, the Company re-acquired through staking three blocks of claims totalling 11,492 hectares west of the Cigar Lake mine for $6,895.

8 Mineral Property Interests (continued)

h) Collins Bay, Saskatchewan

In June 2013, the Collins Bay Extension option agreement dated July 4, 2009 and subsequently amended on March 29, 2011 with Bayswater Uranium Corporation ("Bayswater") was amended whereby the option period was extended from six years to eight years. In consideration for the extension, the Company accelerated its staged common share issuances and issued 10,000 common share on July 12, 2013 (note 8). As a result, in July 2013, the Company issued an aggregate of 20,000 common shares under the amended option agreement for the Collins Bay Extension project.

i) Carswell, Saskatchewan

In January 2014, the Company recognized an impairment on its Carswell claim of approximately $136,000 as it did not renew its permits on this property.

j) Patterson – Saskatchewan

In January 2013, the Company acquired three blocks of claims, totalling 6,687 hectares located in the Patterson Lake area of the western Athabasca basin. In August 2013, the Company optioned the claims to Makena Resources Inc ("Makena"). Makena may earn a 50% interest in the property by making cash payments totalling $100,000 by June 1, 2015, issuing 2,500,000 common shares by June 1, 2015 and incurring exploration expenditures totalling $1.4 million by September 30, 2016. The Patterson property has a carrying value of approximately $2,000.

k) Reefton – New Zealand

In September 2012, Atlantic Industrial Minerals Inc. (“Atlantic”) entered into an option agreement to acquire 100% interest in the Reefton project, in South Island, New Zealand by paying $300,000 in staged payments, issuing 300,000 shares of Atlantic to the Company and reimbursing the Company for the annual permit fees for the property from 2012 to 2015 which are approximately $50,000 per year and drilling 1,500 metres by December 31, 2014. In September 2012 and October 2012, the Company received $50,000 from Atlantic for the 2012/2013 annual permit fee as part of an operating agreement. On August 21, 2013, the option agreement with Atlantic was terminated.

In March 2014, the Company entered into a purchase agreement to sell the exploration permit for the Reefton project to Stevenson Mining Ltd. ("Stevenson") for aggregate purchase consideration of $20,000. The Company recognized a loss on disposal of the Reefton project of approximately $4,000.

l) Other Projects

BC Copper, British Columbia

BC Copper is comprised of approximately 7,000 hectares located in south central British Columbia. In March 2012, the Company optioned the claims to Tyrone Docherty. Tyrone Docherty may earn a 50% interest in the property by making exploration expenditures of $470,000 by July 2014. In May 2012 the Company amended the agreement where a third party, Discovery Ventures Ltd and Docherty could earn 50% interest for the expenditure of $250,000 by July 1 2014. No amounts were received. On July 2, 2013, the option agreement with Tyrone Docherty and Discovery Venture Ltd. was terminated.

8 Mineral Property Interests (continued)

Hanson, Saskatchewan

In July, August and November 2013, the Company staked the Hanson project which consists of fourteen blocks of claims in the area of the Pikoo kimberlite discovery, totalling 17,272 hectares located in Saskatchewan for $10,374.

In January 2014, the Company entered into a purchase agreement for two claim blocks in the Hanson project to Copper Reef Mining Corp. ("Copper Reef") for aggregate purchase consideration of $50,000 (received) in cash and the issuance of 1,000,000 (500,000 common shares received) common shares in the capital of Copper Reef and completion of $50,000 of exploration expenditures. The Company retains a 2% net smelter royalty in the agreement. The Hanson property has a carrying value of $nil.

Kasmere, Manitoba

In March 2014, the Company entered into a binding agreement to sell its interest in its Kasmere South project in northwestern Manitoba to private company East Resources Ltd. for an aggregate cash payment totalling $1.8 million. The Company retains a 2.5% net smelter royalty on any future production. On March 28, 2014, the Company received a non-refundable cash payment of $200,000 from East Resources Ltd. Subsequent to year end, the Company also received the remaining cash instalments of $100,000 and $1.5 million on May 30, 2014 and June 26, 2014 respectively.

9 Share Capital

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

Share Issuances

In July 2013, the Company issued 10,000 common shares under the option agreement for the Collins Bay Extension project (see note 8(h)).

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

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

In May and October 2012, the Company incurred share issuance costs totalling approximately $5,000.

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

9 Share Capital (continued)

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

10 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 4,400,000 common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options 000's	**Weighted average exercise price $**
Outstanding - May 1, 2011	1,790	1.03
Granted	1,340	0.54
Expired	(191)	1.00
Forfeited	(15)	1.00
Outstanding – April 30, 2012	**2,924**	**0.81**
Granted	1,358	0.26
Expired	(661)	1.09
Forfeited	(23)	1.21
Outstanding – April 30, 2013	**3,598**	**0.55**
Granted	1,592	0.12
Expired	(753)	0.69
Forfeited	(586)	0.34
Outstanding – April 30, 2014	**3,851**	**0.20**

As at April 30, 2014, the following stock options were outstanding:

	Number of options outstanding 000's	**Number of options exercisable 000's**	**Exercise price**	**Expiry date (Fiscal Year)**
	971	971	$0.25	2015
	1,288	1,288	$0.25	2018
	1,592	1,592	$0.12	2019
Total	**3,851**	**3,851**		

On September 26, 2013, the Company, after receipt of regulatory and shareholder approvals, repriced an aggregate of 1,502,500 previously granted stock options, from original exercise prices ranging from $0.42 to $1.00 per share, to a revised price of $0.25 per share. All other terms of the stock options remained unchanged. The incremental fair value of these repriced options were $19,834 and was recognized as an expense during the year ended April 30, 2014.

For the year ended April 30, 2014, total share-based compensation expense was $124,363 (2013: $175,981; 2012: $324,295), which was recognized as share-based payments expense in the year.

10 Share Stock Options and Warrants (continued)

Warrants

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2011	3,439	2.44
Granted	72	0.55
Expired	(2,200)	2.74
Outstanding – April 30, 2012	**1,311**	**1.83**
Expired	(1,239)	1.90
Outstanding – April 30, 2013	**72**	**0.55**
Expired	(72)	0.55
Outstanding – April 30, 2014	**-**	**-**

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange or the TSX Venture Exchange. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the year ended April 30, 2014:

	Options
Weighted average fair value	$0.07
Forfeiture rate	15.4%
Risk-free interest rate	1.12% - 1.15%
Expected life	2.21 – 2.24 years
Expected volatility	113.4% - 118.2%
Expected dividend	0%

The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the year ended April 30, 2013:

	Options
Weighted average fair value	$0.13
Forfeiture rate	15.4%
Risk-free interest rate	1.1% - 1.26%
Expected life	2.4 – 2.54 years
Expected volatility	78.7% - 93.8%
Expected dividend	0%

10 Share Stock Options and Warrants (continued)

The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the year ended April 30, 2012:

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

11 Related Party Transactions

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

The remuneration of directors and key management of the Company for the years ended April 30, 2014, April 30, 2013 and April 30, 2012 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by the VP of Exploration.

($000's)	2014 $	2013 $	2012 $
Employment benefits	220	272	450
Schimann Consultants	82	131	160
Directors fees	-	80	95
Share-based compensation	118	129	242

The directors and key management were awarded the following share options under the employee share option plan during the year ended April 30, 2014:

Date of grant	Number of options	Exercise price	Expiry
November 5, 2013	1,103,750	$0.12	November 5, 2018
January 7, 2014	400,000	$0.12	January 7, 2019

12 Income Tax

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

	2014 $000's	2013 $000's	2012 $000's
Loss before income taxes	(708)	(2,360)	(6,869)
Canadian federal and provincial income tax rates	26.00%	25.40%	26.39%
Income tax (recovery)/ expense based on Canadian federal and provincial income tax rates	(184)	(599)	(1,813)
Increase (decrease) attributable to:			
Non-deductible expenditures	72	84	465
True-up of tax provisions in respect of prior years	335	(65)	117
Flow-through shares renounced	-	-	329
Tax losses expired	110	-	-
Changes in unrecognized deferred tax assets	51	474	861
Changes in deferred tax rates and other	(384)	106	41
Income tax expense (recovery)	-	-	-

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

	2014 $000's	2013 $000's
Non-capital loss carry forwards	11,853	12,066
Available for sale investments	373	324
Excess tax value of property and equipment over book value	1,529	1,448
Mineral property interests	22,226	21,813
Share issuance costs	63	173
Investment tax credit	563	1,020
	36,607	36,844

The Company has income tax loss carry-forwards of approximately $9,679,126 (April 30, 2013 - $10,088,893) for Canadian tax purposes. These un-recognized tax losses will expire between 2015 to 2034.

The Company has investment tax credits of approximately $563,095 (April 30, 2013 - $1,019,763) for Canadian tax purposes. These un-recognized investment tax credits will expire between 2030 to 2034.

The Company has income tax loss carry-forwards of approximately $101,103 (April 30, 2013 - $99,818) for the United States tax purposes. These un-recognized tax losses will expire between 2026 to 2034.

The Company has income tax loss carry-forwards of approximately $2,072,762 (April 30, 2013 - $1,877,789) for New Zealand tax purposes. These un-recognized tax losses are carried forward indefinitely.

13 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
2015	150
2016	133
Thereafter	7
Total	**290**

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

The Company has sub leased its Vancouver office space to reduce its operating costs. However, the Company is committed for the full office lease amount.

14 Financial Instruments

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

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

a) Currency Risk

The Company's presentation and functional currency is the Canadian dollar. The Company is therefore exposed to the financial risk related to the fluctuation of foreign exchange rates, both in the New Zealand dollar relative to the Canadian dollar , and in the US$ relative to the Canadian dollar. A 10% change in either of these currencies would not have a significant impact on the comprehensive loss.

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

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14 Financial Instruments (continued)

b) Credit Risk

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

As at April 30, 2014, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and trade and other receivables.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is reliant upon equity issuances as it source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents to capital and operating needs. For further information related to liquidity refer to note 2.

d) Interest Rate Risk

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

15 Management of Capital

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

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

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

16 Geographic Segmented Information

The Company operates in one business segment, the exploration of mineral property interests. The following summarizes the Company's operations based on the geographic areas in which it operates:

April 30, 2014 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current assets	1,290	6	-	1,296
Total assets	2,771	6	29	2,806
Total liabilities	380	-	2	382
Loss for the year	669	2	37	708

April 30, 2013 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current assets	1,786	6	24	1,816
Total assets	3,185	6	34	3,225
Total liabilities	193	-	2	195
Loss for the year	2,342	9	9	2,360

April 30, 2012 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current assets	2,174	6	24	2,205
Total assets	7,009	6	50	7,065
Total liabilities	1,784	-	8	1,792
Loss for the year	6,454	10	405	6,869

17 Subsequent events

On May 20, 2014, Golden Fern Resources Limited, the Company's wholly owned subsidiary in New Zealand, began liquidation proceedings. The New Zealand subsidiary is being liquidated after the sale of the Reefton project to Stevenson Mining Ltd and there are no significant assets or liabilities remaining in the entity.

On June 26, 2014, the Company received the final cash instalment of $1.5 million from East Resources for the purchase of the Kasmere South project.

On June 30, 2014, the option agreement with Makena Resources Inc. for the Patterson project was amended whereby in exchange for a six month extension on the work program, Makena agreed to return the Patterson Lake North project and the Patterson Lake East project to the Company.