CanAlaska Uranium Ltd.

CVV - TSX.V   CVVUF - OTCBB   DH7 – Frankfurt

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FIRST QUARTER ENDED JULY 31ST, 2008

September 17th , 2008

The following management's discussion and analysis ("MD&A") should be read in conjunction with the financial statements and accompanying notes ("Financial Statements") of CanAlaska Uranium Ltd. ("the Company" or "CanAlaska") for the first quarter ended July 31, 2008 and 2007. Results have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reported in Canadian dollars unless otherwise indicated.

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 on the Company's website at www.canalaska.com.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

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1. OVERVIEW OF THE COMPANY

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties in Canada, the United States and New Zealand with the aim of advancing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. The Company's principal focus is exploring for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan.

The Company has undertaken four years of diligent exploration in Canada's uranium-rich Athabasca Basin. In this period, CanAlaska has experienced tremendous growth and has realized major exploration achievements. During the past year, the Company's exploration teams have defined and drill-tested new targets on four separate projects, producing in each area evidence of uranium mineralization and confirming the potential for significant economic discovery. On each of the Company's twenty-two exploration projects, CanAlaska has methodically delineated priority exploration targets, many of which are now ready for drill testing.

CanAlaska today controls an exploration property portfolio in the Athabasca Basin totaling over 4,000 sq. miles, rivaling the combined land holdings of established uranium producing giants Cameco and AREVA. Our property portfolio singularly represents the most strategic holding of uranium exploration prospects in the world's richest uranium-producing region. In the Athabasca, the grade of mined uranium ore exceeds that of other world-class uranium mines by several orders of magnitude.

Technically, CanAlaska has developed a dedicated and proficient exploration team to carry out exploration. Highly-experienced exploration leaders such as Dr. Karl Schimann, V.P. Exploration, and Dr. Guy Marquis, Chief Geophysicist, together with their respective specialists, geologists, technicians and field crews, comprise one of the most aggressive and technologically-advanced teams engaged in uranium exploration in Canada today. The Company's recently opened office in Saskatoon, the world's uranium capital, anchors the needs of CanAlaska's expanding team of professionals, as well as serving to attract new staff due to the region's favourable environs.

The Company's corporate successes in 2007 were also numerous. Led by Emil Fung, V.P. Corporate Development, CanAlaska finalized strategic exploration investment relationships with Japan's Mitsubishi Development Pty and with a Korean Consortium comprising Hanwha Corp., KORES, KEPCO and SK Energy Co. Ltd. CanAlaska also formed alliances with fellow Canadian explorer Mega Uranium as well as with other major explorers and uranium end-users. In light of the current re-adjustments in the financial markets and the growing scarcity in the availability of exploration capital, CanAlaska's strong "end-user" financial backing and capable in-house exploration team assures the Company of both the funding and expertise necessary to deliver on its corporate mission of discovering one or more major uranium deposits.

CanAlaska's commitment to the Athabasca Basin region has also seen it cementing ties with First Nations communities. The Company recently obtained overwhelming approval from the communities of Black Lake and Fond du Lac to undertake exploration on their reserve lands under the official sanction of Indian and Northern Affairs Canada (INAC). In doing so, the Company achieved the distinction of becoming the first company to undertake uranium exploration on First Nations' reserve territory in Saskatchewan in over twenty-five years. CanAlaska's strong record of operational safety and environmental compliance was recognized as a key contributing factor during the review process, and marks our company as a leader in responsible and sound exploration.

Since late 2004, CanAlaska has expended over $45 million on exploration and research towards the advancement of uranium discovery on our twenty-two project areas. CanAlaska's confidence in achieving its corporate mission rests on the detailed results and modeling obtained from this vast information gathering event. The Company expects its exploration efforts to begin to bear fruit over the coming months.

In summary, the Company is well-positioned as a premier uranium exploration investment. The increasingly attractive fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels provide

CanAlaska with the long-term financial incentive to succeed. Uranium sourced from the Athabasca Basin represents the world's smallest environmental footprint for this energy metal. The staggering ore grades and mine valuations from this region serve to affirm the value of CanAlaska's exploration focus. The Board of Directors and the management team will continue to seek out opportunities to ensure that CanAlaska is equipped with the resources and strategic backing necessary in order to realize discovery success.

As at September 17, 2008, the Company had 137,733,650 shares outstanding with a total market capitalization of $19.3 million.

The Company shares ("Shares") trade on the TSX Venture Exchange (CVV), OTCBB in the United States (CVVUF) and the Frankfurt Stock Exchange (DH7).

Project Updates

Drilling-Commenced Uranium Projects

Cree East Project, Saskatchewan

The Cree East project is a high-priority property located in the south-eastern portion of the Athabasca Basin, 35 km west of the formerly producing Key Lake mine and 5 to 22 km north of the south rim of the Athabasca Basin. The project is comprised of 16 contiguous mineral claims totaling 55,935 ha. Sandstone unconformably overlies basement at depths in the order of 200 to 300 metres in the south, but with depths extending to 800-900 metres in the north. A significant portion of the property is considered to be underlain by rocks of the Wollaston Domain, and a number of structures and conductive targets have been identified from the Company's exploration efforts.

On May 7, 2007, a consortium of four South Korean companies led by Hanwha Corp., signed an MOU with CanAlaska to work towards an agreement whereby a Korean Consortium may earn a 50% ownership interest in the project by providing funding of $19 million. These agreements were finalized with Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Energy Co. Ltd., in December 2007. All exploration expenditures incurred by CanAlaska since June 1, 2007 have been recompensed under these agreements. The claim holdings are now separately controlled by CanAlaska Korean Uranium Ltd., which acts as the general partner for the Canada-Korea Uranium Limited Partnership. As at August 1, 2008, the Korean Consortium has contributed $5,280,000 towards exploration of the project and holds a 23.0% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership.

In 2006, detailed collection of over 2,000 surface rock samples and over 400 lake sediment samples by CanAlaska's field crews defined three large areas of dravite and clay alteration on surface, and localised boulder samples containing anomalous uranium. Before April 30, 2007, initial ground geophysical data from the first lines of IP-Resistivity surveys provided the Company with evidence of strong alteration in the sandstone horizons overlying these basement conductors. Additional IP-Resistivity and Audio Magneto Telluric geophysical surveys were used to further define these targets. Drill programs started on the project in late February 2008 and large zones of alteration were intercepted. However, the Company experienced problems with completing the majority of the drill holes because of extreme clay alteration and unconsolidated sands.

A $1.68 million drill program commenced on the property in mid-August, 2008, and continued into September 2008. This program tested a number of land based targets which had similar geophysical signatures to the successful targets drilled during the winter program. The drill core samples have been sent to the laboratories for assay, and results will be available over the coming months. It is expected that additional drilling will be carried out in early 2009, on these and lake covered targets.

Fond du Lac Project, Saskatchewan

On October 18, 2006, CanAlaska optioned the Fond du Lac project from the Fond du Lac Denesuline First Nation. The project is 39,093 ha in size and contains a uranium deposit with a historical (non 43-101 compliant) resource. CanAlaska is required to spend $2 million in exploration to earn a 49% interest in the project. In addition, the Company is also scheduled to pay the Fond Du Lac Denesuline First Nation as consideration $130,000 ($40,000 paid) and 300,000 shares (100,000 shares issued).

In early 2007, a VTEM airborne survey was carried out on the project, but additional ground work could not be carried out without federal permits. In early 2008, Indian and Northern Affairs Canada (INAC) issued all of the necessary consents to allow ground exploration. The Company received the exploration permit on June 24, 2008, and immediately commenced a select program of drill testing in and around areas of historical drill exploration.

In July and August, 2008, the Company carried out preliminary drill programs in the vicinity of the zone of know uranium mineralization. In mid-September the company released the first drill results from the program, confirming good uranium mineralization, and significant response from ongoing geophysical surveys over the target area. The uranium mineralization at Fond du Lac is principally within the Manitou Falls Formation of the Athabasca Sandstone sequence, and is characterized by strong fracturing, intense silicification, zones of hematization and minor clay alteration. In the current area of drilling, zoning is apparent, with a central highly mineralized-core. The mineralization is evident as disseminations and replacement, both in the sandstone and near the surface. A very significant zone of hematite alteration was intersected in basement rocks at the unconformity, under the better-mineralized uranium zone in the three drill holes. This style of iron oxide mineralization is generally caused by oxidization from geothermal activity along fracture zones, and is a common indicator for most basement-hosted uranium deposits. Strong clay and chlorite alteration, another common indicator, is also present in the basement rocks drilled in this current campaign. Geophysical surveys are currently being used to define the next drill holes for this target. Further drilling along strike will be required to define the extent and orientation of the present zone. This next phase of drill exploration is expected in early to mid 2009.

Helmer Project and FDLC Area, Saskatchewan

This contiguous block of 22 mineral claims totaling 60,607 ha lies in the central part of the north rim of the Athabasca Basin west of and south of Fond du Lac, and 50 km southeast of Uranium City. Athabasca sandstones overlie Archean basement throughout most of the property with the unconformity at depths varying from less than 100 metres to approximately 650 metres. Prior exploration located boulders of sandstone assaying up to 2.23% U_3O_8 on the project. The main structural event on the property is the Grease River Fault Zone (GRFZ). This is one of the major geological structures cutting the Athabasca Basin and the vertical offset in this area is up to 400 metres displacement. Parallel structures and offset splays are associated with the trace of the GRFZ. The Fond du Lac unconformity uranium deposit further to the east is also believed to be associated with this structure.

A series of airborne electromagnetic surveys in 2006 and 2007 conducted by the Company detected major basement conductors, which had not been detected by previous surveys. A BHP Billiton Falcon Gravity Survey was carried out over the majority of the property in 2006. In summer 2007, CanAlaska drill-tested two targets on the project with eight drill holes. The shallowest holes intercepted the unconformity at 200-250 metres depth, exhibited limited alteration, but slightly elevated uranium background levels. Further geophysical modelling was carried out at the end of the field season, and more drilling is expected on these targets. The Company is actively marketing this project for third party option to support a more extensive drill program.

Key Lake Project, Saskatchewan

This project is comprised of four mineral claims in three separate blocks totaling 5,998 ha lying within 15 km of the formerly producing Key Lake mine. These claims were acquired by staking. Two claims lie a few km south of the Athabasca Basin and are underlain by basement rocks. The third is underlain by sandstones overlying basement, at depths of 50 to 150 metres.

By agreement dated March 2, 2006, the Company optioned to International Arimex Resources Inc. (now Westcan Uranium Ltd.) up to 75% interest in the Key Lake project. Westcan may, at its option, earn a 50 % interest in the property by making cash payments of $150,000 (received), issuing 300,000 shares (received) and making exploration expenditures of $2 million. Within 90 days of exercising its 50% option, Westcan may elect to acquire an additional 10% interest by expending an additional $2 million on exploration within 2 years of vesting its 50% interest. Within 90 days of completing its commitments for a 60% interest, Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 200,000 additional common shares, and expending a minimum of $500,000 per year on the Project. The Company will act as operator of the project until Westcan has a vested 60 % interest, at which time Westcan may elect to become the operator. Should the project reach commercial production, the Company will receive a 3% net smelter royalty.

In summer 2006, 870 kilometres of detailed airborne EM and magnetic surveys were performed over the project area. In winter 2007, three holes were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (.058% U_3O_8 over 1 metre), but with strong alteration and faulting. In winter 2008, an additional target was drill-tested on another claim, returning highly-anomalous rare earths mineralization. Further drilling is proposed. As at September 17, 2008, Westcan has contributed $778,714 towards exploration expenditures.

Lake Athabasca Project, Saskatchewan

This large project comprises 13 contiguous mineral claims totaling 62,395 ha, chiefly on Lake Athabasca, southwest of Uranium City. Islands south of Crackingstone Point and the former producing Gunnar Mine comprise about 8% of the property area. Athabasca group sandstones underlie an estimated 90% of the property with depths to underlying older metamorphic basement varying from 0 to 600 metres. High-grade uranium mineralization occurs in Athabasca sandstone at Stewart Island, in the northeast corner of the property.

In 2005 and 2006, the Company carried out airborne electromagnetic-magnetic surveys over the project. These confirmed previously-identified shallow conductors and indicated new conductors at greater depths. In 2006, extensive geophysical and marine seismic work was completed on the project. Additionally, extensive and detailed mapping was performed on selected areas in and around the Stewart Island showing to investigate the nature and the controls on the mineralization. This work also found several other types of mineralization, most notably, granite-hosted mineralization similar to that found at the Gunnar uranium deposit.

Evaluation of the project at the end of 2006 indicated that the areas of major interest are concentrated near the shore of the Crackingstone Peninsula, and areas in the archipelago to the south. Claims distant from these areas were terminated. Drilling began in winter 2007. These holes confirmed the existence of uranium mineralizing events over a considerable area of the unconformity in this area and at Grouse Island, 3.5 km to the SE. In early winter 2008, the Company completed five more holes at three new targets near Johnston Island. Two holes targeted uranium mineralization in basement intrusive rocks. Holes near Johnston Island focused on known mineralized zones. The third target south of Johnston Island defined a very prominent geophysical target that has now been shown as related to a large local uplift in the unconformity. Additional drilling is planned for the 2009 season.

Waterbury Project, Saskatchewan

The Waterbury project includes nine mineral claims totaling 12,417 ha in six separate blocks lying within an area measuring approximately 20km x 30km and were acquired by staking. One cluster of four blocks lies 10 km to 35 km northeast of the Cigar Lake Mine, and includes claim S-107965 on Waterbury Lake, midway between Cigar Lake and Midwest Lake mines along the strike of basement formations. The other two blocks lie 10 and 20 km southeast of Cigar Lake mine. All are underlain by Athabasca group rocks unconformably overlying Aphebian and Archean basement rocks. Depths to the unconformity are approximately 200 metres in southeasterly claims to 450 metres in the extreme northwest.

In winter 2006, several targets were drilled and exhibited clay alteration, along with elevated uranium values. In winter 2006/07, exploration continued, following up on a series of targets along a conductor that were located under Waterbury Lake. Additional geophysical surveying and drilling were performed along the first drilled conductor in winter 2007. However, results were not conclusive.

The project was previously under option to Northwestern Mineral Ventures Inc. ("Northwestern"). However, due to a corporate restructuring at Northwestern, this option was terminated by Northwestern in late-2007 after paying for survey costs. The Company intends to find an alternate partner to help it explore this strategic and interesting land position.

West McArthur Project, Saskatchewan

The West McArthur project is one of the priority exploration projects within the Company's Athabasca holdings. In July 2006, Mitsubishi Development Pty Ltd, a subsidiary of Mitsubishi Corporation of Japan, entered into an MOU with CanAlaska to option a 50% interest in the project by expending a minimum $11 million over 3½ years. This transaction was finalized on April 5, 2007. As at September 17, 2008, Mitsubishi Development has contributed $7,728,548 towards the exploration of the project.

The West McArthur project covers 35,822 ha and is strategically located immediately west of the landholdings of the McArthur River Mine operated by Cameco Corp. The property is underlain by the favorable formations of the Wollaston Domain rocks. Very little exploration had been carried out on the project before it was staked by the Company in 2004, due to the thick sandstone units overlying the target unconformity. Modern airborne survey methods have now overcome the obstacle of defining conductive targets at depth in and under the sandstone, making the project highly desirable for exploration.

Several drill phases have been undertaken on the West McArthur Project since 2006. They have been concentrated in the Northwest corner of the project where significant geophysical anomalies were discovered by the first airborne survey in December 2004. To date, there have been 12 holes drilled on the project. In spring 2006, four holes were drilled. In all four holes, elevated uranium values, clay (Illite/Dravite) alteration and pathfinder minerals such as cobalt, copper, nickel, and boron were present. In summer 2006, three holes were drilled to define further the extent and nature of the mineralization. Again, heavy clay alteration, pathfinder mineralization and stringer uranium was intercepted. In Winter/Spring 2007, five holes were drilled to test targets outlined by ongoing geophysical exploration. Most significantly, drill hole WMA 010 intersected a significant zone of alteration including silicification, brecciation and clay alteration.

In early 2008, extensive detailed ground geophysical surveys were carried out over the current drill areas and in further areas of interest. The data from these geophysical surveys has been integrated with earlier information and results from the property. At the current time the company's geologists are preparing exploration budgets for extensive drilling, The first drill programs are expected to commence in early 2009.

Drill-Ready Uranium Projects

Cree West Project, Saskatchewan

The Company acquired a 100% interest in 4 mineral claims (12,860 ha,) through staking two separate blocks of two claims, located 70 km northwest of the Key Lake mine and between 25 and 57 km north of the south rim of the Athabasca Basin. Athabasca sandstone overlies basement at depths of approximately 800 to 1,000 metres. The claims straddle a northeasterly trending structure that is being actively explored by others, and the Company is planning deep penetrating geophysical surveys.

By agreement dated April 24, 2006, the Company optioned to International Arimex Resources Inc. (now called Westcan Uranium) up to a 75% interest in the Cree West project. Westcan may, at its option earn a 50% interest in the property by making cash payments of $150,000 (received), issuing 600,000 shares (received) and making $3.6 million of exploration expenditures. Within 90 days of exercising its 50% option, Westcan may elect to acquire an additional 10% interest by expending an additional $4 million on exploration within 2 years of vesting its 50% interest. Within 90 days of completing its commitments for a 60% interest, Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 400,000 additional common shares, and expending a minimum of $1 million on the project. The Company will act as operator of the project until Westcan has a vested 60% interest, at which time Westcan may become the operator. Should the project reach commercial production, the Company will receive a 3% net smelter royalty. As at September 17, 2008, Westcan has contributed $739,731 towards exploration expenditures.

An airborne magnetic and electromagnetic survey was carried out in 2006-7, and ground AMT surveys were carried out in early winter 2008. Drill testing has been recommended to determine the cause of the anomalous geophysical targets.

Grease River Project, Saskatchewan

The Grease River project covers approximately 81,821 ha in three separate claim blocks that extend from Bulyea River, north of Fond du Lac, to Marytnuik Lake, north of Stony Rapids, and covers four geological domains.

The Company acquired a 100% interest in certain minerals claims through staking, and on April 10, 2007, Yellowcake Plc entered into an option agreement with CanAlaska Uranium to earn a 60% interest in the project. Yellowcake may exercise its option to earn a 60% interest in the project by making payments, issuing shares and making exploration expenditures of $5M. In July 2007, CanAlaska consented to the introduction of Uranium Prospects plc and an additional earn-in partner. Should the project reach commercial production, the Company will receive a 3% Yellowcake royalty, with the optionees having the right to purchase up to half of this royalty for $3 million. As at September 17, 2008, Yellowcake/Uranium Prospects have contributed a total $1,672,855 towards exploration expenditures.

In winter 2006/07, a compilation of all the historical work was completed in preparation for the summer exploration season. In the 2007 summer season, the majority of the project area was prospected and lakes were re-sampled for uranium. Over a dozen zones were identified where uranium mineralization in boulders or outcrop exceeded 0.1% U_3O_8, and values in some zones exceeded 1% U_3O_8. Further sampling and detailed work was recommended to quantify the size and extent of the new discoveries.

Field work commenced in June, 2008 and extended into August 2008, with an extensive program of sampling and mapping. New zones of uranium mineralization were indicated from scintillometer readings. At the current time assays are still pending for all samples. It is expected that the current compilation will identify drill targets for 2009.

Hodgson Project, Saskatchewan

This large project of seven contiguous claims totaling 30,262 ha lie between 23 and 57 km west of the Cigar Lake mine. Uranium mineralization occurs in sandstone adjacent to the eastern end of the property at Tucker Lake, and prior drilling indicates 600 to 800 metres of sandstone overlying the basement. In summer 2006, a Geotech V-TEM electromagnetic survey was completed and ground-based sampling/lake sediment analysis was performed on the project. In early winter 2008, ground AMT surveys were carried out on a reconnaissance basis. These surveys confirmed conductive zones in the sandstones, as well as structures which need to be investigated further. Additional AMT surveys are planned to better define drill targets. The Company is actively marketing this project for third party option to support a more extensive drill program.

Poplar Project, Saskatchewan

The Poplar project was staked by the Company in 2006 to cover all of the northern edge of the Athabasca Basin located between the Helmer and Lake Athabasca projects in the Province of Saskatchewan and comprises 27 claim blocks totaling 110,268 ha.

In mid-2007, the Company entered into agreements with Mega Uranium Ltd. to evaluate the area, and on October 1, 2007, Mega selected the Poplar area for option whereby Mega may acquire a 50% ownership interest in the Poplar project by issuing 100,000 shares (25,000 shares received) and funding of $6.0 million in exploration expenditures over a three year period. The Company will act as operator for the project until earn-in and will be responsible for carrying out all exploration activities. Following the formation of the 50/50 joint venture, Mega may choose to act as operator. Mega may increase its ownership interest to 55% by paying the Company a further $2 million and 100,000 Mega shares. As at September 17, 2008, Mega Uranium has contributed a total $2,995,847 towards exploration expenditures.

The majority of the project is covered by Lake Athabasca, where the unconformity lies at relatively shallow depths below the lake. Very little exploration work has ever been carried out in this area of the lake. However, historical prospecting and exploration efforts have identified small zones of uranium mineralization in the basement rocks immediately north of the lake. In late 2007, a detailed VTEM airborne survey was completed over the majority of the project. This survey identified a number of conductors and structures, as well as features of interest along the edge of the Athabasca basin sandstone.

An extensive $1.7 million marine seismic survey, prospecting and mapping program was carried out over the summer months of 2008, and ground based work identified an number of mineralized zones. Assay results are pending for rock samples. Over the next months the Company’s geophysicists and geologists will prepare detailed exploration and drill plans from the vast amount of data collected over the past months. Drilling is expected in early 2009, but is awaiting approval from our joint venture partner.

McTavish Project, Saskatchewan

The McTavish project was reduced from one contiguous claim block to three blocks totaling seven mineral claims covering 16,384 ha in 2007. These claims are centered approximately 50 km southeast of the McArthur River mine and 40 km northwest of the Key Lake mine, with the southeastern claim located approximately 10km due west of Cameco Corp.’s Millenium uranium deposit. Athabasca sandstones overlie metamorphic basement rocks throughout the project with depths to the unconformity estimated to be 600 to 900 metres. There is a historical geophysics survey identifying a series of conductors crossing the southeastern claim block, and one drill hole just outside the block. Work to-date included summer, 2006 ground-based sampling/lake sediment analysis and a Geotech VTEM airborne survey. The claims covering the main VTEM conductive targets were re-staked in 2007 for a cost of $59,304. They require further ground surveys in preparation for drill testing. The Company is actively marketing this project for third party option to support more extensive exploration.

Moon Project, Saskatchewan

This project is comprised of three mineral claims covering 4,785 ha lying in two separate blocks approximately midway between the McArthur River and Key Lake mines, and just west of the Key-McArthur road. The larger western block is approximately 8 km southeast of the Millenium uranium deposit. Athabasca sandstones comprise bedrock and overlie basement rocks at depths of about 300 metres. In summer 2006, a Geotech VTEM survey was completed and ground-based sampling/lake sediment analysis was carried out on the project. Winter geophysical work is planned for 2009.

NE Wollaston Project, Manitoba

The very large (404,162 ha) project straddles the Saskatchewan-Manitoba border and lies between 90 and 170 km northeast along the Wollaston trend of basement formations hosting uranium deposits which include Rabbit Lake, Collins Bay B and Eagle Point Mines. The geological targets across the NE Wollaston project match the styles of mineralization reported from basement-hosted mineral deposits further south in the Athabasca Basin. There is clear observation of late replacement pitchblende mineralization in vein zones, fractures, and as disseminations in host rocks. There is also evidence of more-disseminated mineralization across stratigraphic horizons, and multitudes of pegmatitic intrusive events, many of them containing primary uranium mineralization, or with brecciation and later uranium mineralization.

In 2004, CanAlaska acquired the mineral leases in the area and began systematic prospecting and lake sediment sampling. With encouraging results, this continued into reconnaissance, and then detailed airborne surveys. In 2006, exploration was accelerated, and a framework of discoveries highlighted extensive uranium-mineralized belts, either within, or cutting across all rock types in the area. The Company aborted drill testing of initial targets in early 2007 due to drill contractor difficulties. However, further detailed work was carried out in Summer, 2007 on each of the current targets as well as on additional preliminary targets for a total cost of $1,601,927. In early 2008, the Company released details of 1,620 higher-grade uranium samples, taken from 47 separate zones with extensive boulder dispersion trains and surface uranium mineralization. Cumulative exploration expenditures on the NE Wollaston project presently exceed $6.5 million.

As at September 17, 2008, further exploration on the project awaits the conclusion of land use consultations between the Government of Manitoba and local First Nations communities. The Company is assisting the Government in its efforts and is also in discussions with local communities in an endeavor to re-commence operations in the near future. The Company is also in negotiation with outside parties for financial assistance with work programs on this very large land package. The permit area in Saskatchewan has been replaced by staked claims which the Company has retained for further exploration.

Exploratory Uranium Projects

Alberta Project, Alberta

This large project comprises 13 contiguous permits totaling 97,150 ha covering most of the Alberta portion of Lake Athabasca. Flat-lying Athabasca sandstone underlies most of the project with depths to the unconformity at its base varying from 0 to 800 metres. In 2006, additional marine seismic surveying was performed as follow-up to the success of our 2005 waterborne survey program. First-pass grid coverage of the entire project was accomplished using deep-penetrating multi-channel seismic equipment. In the early part of 2006, the Company flew a MEGATEM® electromagnetic airborne survey over the property, which was then sent for further processing by Condor Consulting of Denver. The permit area in Alberta was then reduced to that which management believes is suitable for the conduct of further exploration. In early 2008, a geophysical survey camp was operated in the Fiddler Point area to define a series of targets identified by the previous work programs utilizing IP and AMT surveys. Further survey work on these targets was completed in Summer 2008. The Company has now established viable drill targets in these zones and intends to present the information to the Government of Alberta for consultation meetings with the local community and exploration permitting.

Arnold Project, Saskatchewan

This project is a contiguous block of 5 mineral claims totaling 24,285 ha located 30 km west of the McArthur River mine. Flat-lying Athabasca sandstones unconformably overlie basement at depths varying from 600 to 900 metres. Prior geophysical surveys were not effective to this depth, making the property prospective for current techniques.

In summer 2006, a Geotech V-TEM survey was completed and ground-based sampling/lake sediment analysis was performed on the project. The Company has identified zones of anomalous conductivity, suggestive of alteration zones in the sandstone. However, more detailed geophysical work is required to define drill locations.

Black Lake Project, Saskatchewan

In December 2006, CanAlaska optioned the project from the Black Lake Denesuline First Nation. The project consists of three blocks totaling 32,037 ha. CanAlaska holds an option to spend $2 million in exploration to earn a 49% interest in the project. CanAlaska will also pay the Black Lake Denesuline additional consideration of $130,000 ($40,000 paid), and 300,000 CanAlaska shares (100,000 issued).

In early 2007, a VTEM electromagnetic airborne survey was undertaken on the project. The Company received ground exploration permits from Indian and Northern Affairs Canada (INAC) in early August, 2008, and ground prospecting and surveys commenced. The Company had up to eight geologists and prospectors working on the land in August 2008. This ground exploration work continued into September 2008 in preparation for ground geophysical surveys in the areas of interest in early winter 2008-9.

Camsell Project, Saskatchewan

The Camsell project (30,165 ha) is located northeast of the Maurice Bay uranium deposit, and west of Uranium City, on the northern edge of Lake Athabasca. It covers a large magnetic feature, which is thought to have potential for associated uranium mineralization. During 2006, a MEGATEM® electromagnetic survey was flown on the property and the data was processed by Condor Consulting of Denver. The project area was expanded on the strength of the results of this survey and, in 2007, preliminary seismic surveying was carried out. The Company is awaiting further developments in the area, or support from an outside partner.

Carswell Project, Saskatchewan

The Company staked claims covering 9,404 ha in the vicinity of Cluff Lake uranium mine in early 2008. No work has been carried out to-date.

Ford Project, Saskatchewan

The Company staked claims covering 9,691 ha immediately east of the Cree East project in early 2008. No work has been carried out to-date.

Kasmere Project, Manitoba

The Company applied for mineral exploration licenses adjoining the northern boundary of the NE Wollaston project covering 232,937 ha in northwestern Manitoba in 2007. These licence applications are on strike with the mineralized Wollaston Domain rocks which underlie the NE Wollaston project.

The Company is awaiting approval of exploration licenses and permits from the Manitoba Government pending the conclusion of land use consultations with local First Nations communities.

Misty Project, Manitoba

The Company applied for a mineral exploration license covering 53,080 ha and adjoining the southern boundary of the NE Wollaston project in April, 2008. The project shows evidence of high-grade rare earth elements (REE) mineralization.

In May, 2008, Great Western Minerals Group, Ltd. entered into an option agreement with the Company whereby it may earn a 51% interest in the project by contributing $6 million in exploration expenditures. The grant of exploration licenses and permits by the Government of Manitoba is pending the successful conclusion of its land use consultations with local First Nations communities.

Other Projects

Elliot Lake Project, Ontario

The Company acquired by staking in October, 2004, and January, 2005, two groups of prospective uranium claims in the Elliot Lake area of Ontario, totaling 12 mineral claims and 145 claim units (approximately 2,320 acres). Five of the claims (60 claim units) are located in Joubin Township, and the remaining 7 claims (85 claim units) are in Gaiashk Township. In October, 2006, the Company entered into an agreement with Pele Mountain Resources Inc. ("Pele") under which Pele purchased a 100% interest in five unpatented mining claims comprising the Pardee property in Elliott Lake, Ontario. Pele has paid CanAlaska a total of $13,000 in cash, and issued 60,000 common shares of Pele at an attributed value of $13,200, and has granted to CanAlaska a 1.75% net smelter return royalty (“NSR”). Pele retains the right to buy-back up to 1 percent of this royalty for $1,000,000.

Rainbow Hill Project, Alaska

The Rainbow Hill project is located in the Valdez Creek area, 225 road miles southeast of Fairbanks, Alaska. The project is situated near the headwaters of Valdez Creek and is road accessible. The Company owns a 100% interest in the 12 lode mining claims located in the State of Alaska, U.S.A., through its wholly-owned subsidiary, CanAlaska Resources Ltd. USA. CanAlaska Resources Ltd. USA was incorporated under the laws of the State of Nevada on May 16, 1988 and was registered to transact business in the State of Alaska on December 9, 1988. In 1988, the claims were acquired for a cash payment of US $25,000 and the issuance of 37,500 post-consolidation shares of the Company (issued at $2.40 per share).

In 2006, the Company determined that the results of its exploration programs on the project did not warrant further expenditures and wrote-off the related acquisition and exploration costs of $1,361,146. The Company also terminated its option on the adjacent Gold Hill claims in May 2006, but retained the unpatented lode claims for future sale.

Voisey’s Bay Project, Labrador

The Company has a direct and indirect interest in mineral claims located in Labrador, Newfoundland.

(a) Mineral Licences 785M and 787M

The Company owns a 50% interest in mineral licences 785M and 787M. Licence 785M consists of 60 claims and licence 787M consists of 72 claims. Columbia Yukon Resources Ltd. (“CYR”) also has a 50% interest in these claims, which was earned under an option agreement between the two companies dated February 21, 1995. CYR and the Company subsequently entered into a joint venture agreement dated March 6, 1997 with respect to the two claim groups. The joint venture agreement provides for a management committee in which the Company and CYR have equal representation. CYR is the initial operator. The Company owns a 1.5% NSR and CYR a 1% NSR. In the event that the Company’s working interest is diluted to 10% or less it converts to a 10% net profits interest.

(i) VBE – 1: Mineral Licence 785M

CanAlaska had no plans to expend funds on this project in 2007 and has communicated this to its joint venture partner. In December, 2007, CYR paid a mineral assessment deposit of $64,800 to maintain the licence in good standing and has communicated to CanAlaska that it will continue to operate the project.

(ii) VBE – 2: Mineral Licence 787M

In October 2006, Celtic Minerals (Celtic) and Merrex Gold (Merrex) entered into an option agreement to acquire a 100% interest in the project for $1.6 million in expenditures over four years and cash payments of $250,000 ($75,000 received) to be split with 50% co-owner Columbia Yukon (CYR), together with 125,000 shares (50,000 shares received) of both Merrex and Celtic to be split equally between the co-owners. CanAlaska and CYR together hold a 2% Net Smelter Return on the project, of which Celtic and Merrex can purchase 0.5% from each co-owner (for 1%) for $2 million.

The Company was notified in mid-September that Merrex and Celtic wished to terminate the option before the second anniversary date of the agreement.

Zeballos Project, British Columbia

The Company acquired a 50% interest in the Zeballos Gold project from New Impact Resources Inc. (now Consolidated Impact Resources Inc.) by an agreement dated August 23, 1988, as amended November 10, 1988. The Zeballos project consists of 22 Crown granted mineral claims located in the Alberni Mineral Division, Province of British Columbia Access is by road from the nearby town of Zeballos, BC. The Company acquired the remaining 100% interest in the Zeballos Property in 2002.

In 2006, management made the determination that the results of its exploration programs on the property did not warrant further expenditures and wrote-off the related acquisition and exploration costs of $63,382. The Zeballos property is maintained in good standing with yearly payments of the crown grant land taxes. The Company plans to pursue joint venture possibilities for this project.

Glitter Lake, Quebec

The Company acquired a 100% interest in certain mineral claims prospective for nickel and platinum group metals located near Glitter Lake, Quebec for payment of $32,667 staking costs and the issuance of 40,000 common shares of the Company. The project is located 135km north northeast of Matagami Quebec, and is accessible by helicopter in the summer and in the winter by road 13km from Km 212 on the James Bay Highway. The property is subject to a 1.5% NSR.

The project is located adjacent to and along strike of the Horden Lake Nickel deposit, previously owned by Noranda and Inco. This deposit is currently being evaluated by Southampton Ventures Inc who report a historical non 43-101 a prefeasibility study from 1993 (completed by Watts, Griffis and McOuat). The one-strike property has been sampled and, in 2007, an airborne VTEM survey was completed. From this work, a drill program is recommended.

By agreement dated August 15, 2003 and amended in April 30, 2005, April 30, 2006, and April 1, 2008, the Company optioned up to a 70% interest in the Glitter Lake property to Pacific North West Capital Corp. (PFN). To acquire a 50% interest, PFN must, at its option, complete $700,000 of work and issue 60,000 shares and make $45,000 of payments.

Upon PFN having vested with a 50% interest by completing the aforementioned payments and obligations, PFN may elect within 45 days to increase its interest to 60% by completing a bankable feasibility study within two years. In the event PFN does not complete a bankable feasibility study within two years, PFN agrees to make cash payments in the amount of $50,000 per annum for each year the feasibility study is not completed. Upon vesting with a 60% interest, PFN may elect within 90 days to earn a 70% interest in the property by placing the property into commercial production within two years from the date of this election. In the event that the bankable feasibility study indicates an IRR in excess of 15%, PFN agrees to make annual cash payments of $50,000 to the Company for each year the project is not placed into commercial production. In the event that a major mining Company elects to participate in the project before PFN vests with a 50% interest, PFN will issue shares to the value of $100,000 to the Company, within 15 days of PFN becoming vested, or such amount which will result in having PFN spent $1,000,000 in exploration expenditures. The property is subject to a 1.5% NSR payable to a third party. PFN and the Company will share the NSR buyout privileges in proportion to their respective interests.

New Zealand

The Company holds indirectly, through its 100% subsidiary Ravenstone Resources Ltd, and through its wholly-owned New Zealand subsidiary Golden Fern Resources Ltd. five mineral exploration permits in New Zealand. Three projects are on the west coast of the South Island near the historic Reefton and Croesus gold camps and alluvial gold fields. A further project in the South Island near Cromwell, the Rise and Shine Project, is operated as a joint venture with Oceana Gold. The one project in the North Island covers the historic mercury-silver deposits of the Puhi Puhi area near Mt. Mitchell in Northland. All of the projects have been maintained by the Company, with the intention of developing joint ventures or a separate exchange listing.

Granite Dome (Permit 39278), West Coast, South Island

The Granite Dome project is located 20km east of Greymouth, New Zealand. Paved roads cross the property at various locations. During 2004, the Company made application for the Granite Dome permit covering 1,544 sq. kilometers, This has now been reduced in size to two select areas. The new permits are pending approval.

The Company has carried out initial prospecting and sediment sampling around the major intrusive centres on the project and is planning further detailed mapping and sampling. In 2006, follow-up mapping and sampling was carried out around target areas delineated by the initial survey. An airborne magnetic-electromagnetic survey is now proposed for a portion of the property.

Greymouth North (Permit 39279), West Coast, South Island

The Greymouth North project is located 10km north of the town of Greymouth. Access is by helicopter. The permit covers 235 sq. kilometres.

The Company carried-out initial prospecting and sediment sampling across the property in 2005 and identified a large number of quartz vein systems with varying gold content. The project covers a number of old gold workings and mines and requires further sampling and mapping. In 2006, follow-up mapping and sampling was carried-out around target areas delineated by the initial survey. An airborne magnetic-electromagnetic survey is proposed for the project to allow a focus for further geological work.

Mt. Mitchell (Permit 40669), Northland, North Island

The Mt. Mitchell project is located 10km north of Hokianaga, New Zealand. Access is by a network of paved roads from Highway 1. The Company made application for the Mt. Mitchell Exploration Permit in 2004, and commenced exploration work in 2005. The Mt. Mitchell permit covers 61.7 sq. kilometres.

The Company has compiled all of the previous historical data and prepared an interactive data base. Historical work identified soil geochemical anomalies for gold, and one significant intersection of gold mineralization in a drill hole. Access arrangements were concluded with one landowner for drill access, and a first pass drill program was carried out in early 2008 in areas to the north of the previously-identified gold target. This program identified other zones of quartz veining, mineralization and clay alteration, but did not intersect economic gold values.

Reefton South (Permit 40677), West Coast, South Island

The Reefton South project is located 20km south of Reefton, New Zealand. Access is by paved roads from the Reefton-Greymouth main road. The Reefton Exploration permit was granted in 2004 and covers 118.95 sq. kilometres.

The Company is compiling an interactive data base for the project, and processing historical geophysical information. Further surface sampling and mapping is required to identify specific targets. Airborne magnetic and electromagnetic surveys are required to localize and detail geological features.

Rise and Shine (Option from Oceana Gold), Cromwell, Otago, South Island

The Rise and Shine project is located 20km northeast of Cromwell, New Zealand. By agreement dated December 14, 2004, and amended July 21, 2006 with Oceana Gold, the Company has now earned a 70% interest in the Project. The terms of the agreement were for the Company to complete a minimum 1,000 metre drill program prior to July 31, 2005, and in subsequent years, complete an additional $100,000 of field expenditures by June 30, 2006, and a further $150,000 by June 30, 2007.

The project encompasses a number of historic high-grade underground gold mines on nine major vein systems in the Bendigo Gold Field and along the 4 km of the Rise and Shine Shear Zone, which is the immediate target for exploration activities. There are three gold producing zones related to the shear zone target, which is a mineralized regional shear structure similar to the Hyde-Macraes Shear Zone, the host structure of the Macraes gold mine operated by Oceana.

The Company has carried out two limited drill programs on the property, and identified pervasive gold mineralization associated with the known previously worked areas. A ground geophysical survey in early 2006 identified new structures and target areas for drilling. Drilling in 2006 and 2007 was successfully completed and the results are currently undergoing analysis. The Company is preparing for further sampling mapping and drill programs.

2. FINANCIAL PERFORMANCE REVIEW

Selected Annual Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The following table summarizes selected financial data for CanAlaska for each of the three most recently completed financial fiscal years. The information set forth below should be read in conjunction with the audited financial statements, prepared in accordance with Canadian generally accepted accounting principles, and related notes.

Fiscal years ended April 30, (audited)

	2008	2007	2006
Total Revenues (i)	$1,236,570	$1,095,788	$236,689
General and administrative expenses	3,874,702	2,054,845	1,764,173
Mineral property cash costs	14,353,205	13,776,723	7,399,726
Net loss			
➢ In total	(2,729,886)	(1,828,759)	(328,159)
➢ Basic and diluted loss per share	(0.02)	(0.02)	(0.01)
Totals Assets	43,007,220	33,207,438	18,822,102
Total Long-Term Liabilities	Nil	Nil	Nil
Cash Dividends Declared	Nil	Nil	Nil

i) Total revenues includes interest income, recovery of administration costs, gain on sale of available-for-sale securities, other income and option payments received in excess of exploration cost incurred.

Selected Quarterly Financial Information

The following selected financial information is derived from the unaudited interim financial statements of the Company prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

For the Quarters Ended (unaudited)

	July 31 2008	April 30 2008	Jan. 31 2008	Oct. 31 2007	July 31 2007	April 30 2007	Jan. 31 2007	Oct. 31 2006
Total revenues	$305,006	$24,925	$689,030	$366,634	$155,981	$974,212	$29,341	$63,381
Net loss	317,901	1,331,934	556,473	219,754	621,725	297,607	810,614	373,648
Net loss per share	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Total assets	45,567,194	43,007,220	38,515,406	38,496,024	30,523,412	33,207,438	24,725,583	21,514,809

The Company is an exploration stage mining company, and has not yet embarked upon a development program. As such, the Company has not generated any operating revenue from its mining properties during the quarter ended July 31, 2008 and 2007, and during this period it has not paid any dividends to its shareholders.

Results of Operations

The quarter ended July 31, 2008 resulted in a net comprehensive loss of $464,989 which compares with a loss of $621,725 for the same period in 2007.

During the previous year, the Company adopted the financial instrument standard whereby any gain or loss in the value of its available-for-sale securities is reported as other comprehensive income or loss. On May 1, 2007, there was a transition adjustment of $526,147 to the opening balance of accumulated other comprehensive income and an unrealized loss of

$360,335 on its available-for-sale securities was recognized during the previous year. An unrealized loss of $147,088 on its available-for-sale securities was recognized during the quarter.

General and administrative expenses for the quarter ended July 31, 2008 were $707,835 (2007: $777,706) a decrease of $69,871 over the same period in 2007. The total fair value of stock options as calculated using the Black-Scholes Option Pricing Model that were vested during the year and resulted in stock-based compensation expense of $539,551 for the period ended July 31, 2008 compared to $122,466 for the previous year. The stock compensation expense of $372,669 has been allocated by expense category on the income statement with an additional $166,882 being attributed to mineral properties.

Wages of $103,435 (2007: $91,163) were recorded, as several people that were previously paid as consultants were hired as full-time permanent employees and additional staff were hired to handle the increased work of the exploration projects.

In the quarter ended July 31, 2008, rent of $51,107 (2007: $28,582) was recorded as the Company entered into additional lease agreements for its downtown Vancouver office and its new exploration and service office in Saskatoon.

The loss for 2007 included $171,021 in management fees as a management agreement with the former Chairman was terminated with an agreed payout.

In late 2007, the Company entered into an agreement whereby it undertook a long-term lease for a warehouse in La Ronge, Saskatchewan to support exploration activities. The Company paid a total consideration of $200,000 to the previous leaseholder and incurred additional construction expenses of $47,832. These leasehold improvements are part of property, plant and equipment that total $860,206 in net book value, which resulted in amortization of $52,641 (2007: $20,015).

All other general and administrative costs decreased slightly when compared to the previous fiscal year as the Company continues to be very active in obtaining financing and incurring significant exploration expenditures.

Interest income was $49,750 (2007: $40,857) an increase of $8,893 as the Company had higher cash balances. Recovery of administration costs of $144,395 (2007: $115,124) was earned for being the operator of six option and joint venture agreements on certain Saskatchewan mineral properties.

Shareholder relations and promotional activities undertaken by the Company, which included attendance at various trade shows, cost $16,573 (2007: $114,666) a decrease of $98,093. Travel, food and lodging cost $8,809 (2007:$59,083) also decreased by $50,274. Due to the recent financial market downturn, the Company began to minimize its overall trade show attendance but did attend two local trade shows to update investors on corporate activities as well as to make presentations to financial institutions.

The Company recognized a $3,194,713 increase in contributed surplus on the formation of the Cree East project joint venture with the Korean consortium during the April 30, 2008 year end and a $164,023 unrealized loss during the quarter ended July 31, 2008.

3. FINANCIAL POSITION

Table below presents the assets, liabilities and shareholders' equity of the Company as at July 31, 2008 and 2007:

Assets and Liabilities

	July 31, 2008	April 30, 2008
Cash and cash equivalents	$10,156,296	$7,151,603
Accounts and advances receivable	1,880,044	2,151,496
Available-for-sale securities	676,291	882,268
Prepaid expenses and deposits	178,239	191,822
Total Current Assets	$12,890,870	$10,377,189
Reclamation Bonds	710,763	710,751
Mineral Property Costs	31,105,355	31,032,425
Property, Plant, and Equipment	860,206	886,855
Total Assets	$45,567,194	$43,007,220
Total Current Liabilities	1,498,989	2,618,931
Future Income Tax liability	1,376,406	1,376,406
Total Liabilities	2,875,395	3,995,337
Total Shareholders' Equity	$42,691,799	$39,011,883

As at July 31, 2008, the Company's working capital, defined as current assets less current liabilities, was $11,391,881 (April 30, 2008: $7,758,258). Current liabilities for the year decreased from previous year's level as a result of a decrease in exploration activity and corresponding transactions with vendors.

Cash and cash equivalents are comprised of bank balances and short term deposits of $10,156,296 (April 30, 2008: $7,151,603).

The Company has available-for-sale securities with a market value of $676,291 as at July 31, 2008. The main investments consist of 1,046,800 shares of Pacific North West Capital Corp., 263,000 shares of Freegold Ventures Limited ("Freegold") and 260,131 shares of El Nino Ventures Inc. ("El Nino"). Freegold and El Nino have certain directors in common. These amounts are included in the above working capital.

The Company is authorized to issue unlimited common shares without par value. As at July 31, 2008, 137,533,650 shares were issued and outstanding, and share capital in the Financial Statements was recorded as $56,999,789, representing the net capitalization of the Company to July 31, 2008. During the period, 11,663,836 common shares were issued. The following table summarizes the changes in share capital from April 30, 2006 to July 31, 2008.

TABLE 9	Number of Shares	Amount
Balance – April 30, 2006	77,127,238	$ 36,560,885
Private placements	18,414,775	9,090,605
Mineral properties	210,000	149,300
Finder's fees	250,555	120,399
Exercise of warrants	10,485,714	4,793,814
Exercise of options	1,209,476	435,552
Share issuance costs	-	(509,741)
Transferred on exercise of warrants	-	215,135
Transferred on exercise of options	-	127,765
Future income tax on flow-through	-	(2,119,503)
Balance – April 30, 2007	107,697,758	$ 48,864,211

Private placements – flow-through (issued September 24, 2007)	1,111,111	500,000
Private placements – flow-through (issued October 26, 2007)	7,660,877	3,600,612
Private placements– (issued October 26, 2007)	7,629,968	2,899,388
Fair value on unit offerings assigned to warrants	-	(765,581)
Mineral properties	10,000	4,000
Exercise of warrants	890,000	106,800
Exercise of options	870,100	167,800
Subscription received	-	102,000
Share issuance costs	-	(237,526)
Transferred on exercise of options	-	108,700
Future income tax on flow-through	-	(1,271,190)
Balance – April 30, 2008	125,869,814	$ 54,079,214
Private placements – flow-through (issued May 13, 2008)	10,922,660	3,713,704
Finders fee	441,176	150,000
Fair value on unit offerings assigned to warrants	-	(447,966)
Exercise of options	300,000	30,000
Subscription received	-	(102,000)
Share issuance costs	-	(448,376)
Transferred on exercise of options	-	25,213
Balance – April 30, 2008	137,533,650	$ 56,999,789

On September 24, 2007, the Company issued 1,111,111 flow-through units at a price of $0.45 for gross proceeds of $500,000. Each flow-through unit consists of one common share and one-half flow-through share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.52 for a period of 12 months from closing. The Company paid a $25,000 finders fee.

On October 26, 2007, the Company issued 7,660,877 flow-through units at a price of $0.47 for gross proceeds of $3,600,612. Each flow-through unit consists of one common share and one-half non-flow-through share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.55 for a period of 12 months from closing.

On October 26, 2007, the Company issued 7,629,968 non flow-through units at a purchase price of $0.38 per unit, for gross proceeds of $2,899,388. Each unit consists of one common share and one-half common share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.48 for a period of 12 months from closing. The Company issued 160,000 Agent warrants as a finder’s fee. Each Agent warrant entitles the holder to purchase one additional common share of the Company for a period of twelve months from the date of closing at a price of $0.48 per share.

On May 13, 2008, the Company issued 10,922,660 flow-through units at a price of $0.34 for gross proceeds of $3,713,704. Each flow-through unit consists of one flow-through common share and one-half non-flow-through share purchase warrant (“Warrant”) or at the election on the investor, one flow-through common share and one-half flow-through share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share or flow-through share, at a price of $0.50 for a period of 24 months from closing. The Company paid a $178,825 finders fee, issued 441,176 shares at a deemed value of $150,000 and issued 345,589 warrants. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.50 per share for a period of two years from the closing date.

Outstanding Stock Options

Directors, officers, employees and contractors are granted options to purchase common shares under the Company's stock option plan. The terms and outstanding balance as at July 31, 2008 are disclosed in the following table.

Number outstanding 30 April 2008	Granted	Exercised	Expired / Cancelled	Number outstanding 31 July 2008	Exercise price per share	Expiry Date
300,000	-	(300,000)	-	-	$0.10	25-Jun-08
172,500	-	-	-	172,500	$0.25	10-Sep-08
767,500	-	-	(95,000)	672,500	$0.40	5-Nov-09
175,000	-	-	-	175,000	$0.45	29-Nov-09
57,000	-	-	(17,000)	40,000	$0.50	23-Feb-10
358,000	-	-	(25,000)	333,000	$0.58	7-Mar-10
75,000	-	-	-	75,000	$0.35	13-Jul-10
3,090,000	-	-	(192,500)	2,897,500	$0.45	14-Oct-10
200,000	-	-	-	200,000	$0.42	14-Feb-11
25,000	-	-	-	25,000	$0.50	8-Aug-11
80,000	-	-	-	80,000	$0.50	4-Oct-11
2,755,000	-	-	(132,500)	2,622,500	$0.50	16-Nov-11
50,000	-	-	-	50,000	$0.75	13-Feb-12
975,000	-	-	(25,000)	950,000	$0.74	30-Mar-12
100,000	-	-	-	100,000	$0.70	7-May-12
785,000	-	-	(45,000)	740,000	$0.62	28-Jun-13
170,000	-	-	(50,000)	120,000	$0.45	30-Oct-12
100,000	-	-	-	100,000	$0.45	31-Oct-12
5,688,500	-	-	(60,000)	5,628,500	$0.40	20-Dec-12
150,000	-	-	-	150,000	$0.40	23-Jan-13
225,000	-	-	(50,000)	175,000	$0.40	10-Feb-13
600,000	-	-	-	600,000	$0.40	24-Mar-13
-	400,000	-	-	400,000	$0.40	24-Jun-13
16,898,500	400,000	(300,000)	(692,000)	16,306,500		

As at September 17, 2008, the Company had total issued and outstanding shares of 137,733,650 and there were 16,214,000 stock options and 18,187,415 warrants outstanding.

4. CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

During the quarter ended July 31, 2008, 10,922,660 flow-through private placement units were issued for gross proceeds of $3,713,704 and must be spent on Canadian mineral exploration expenditures before December 31, 2009. An amount of $946,686 was spent during the quarter as part of a total $1,546,933 in uranium exploration expenditures incurred in the Athabasca Basin with contributions of $1,509,864 received from exploration partners under option and joint venture agreements.

During the quarter ended July 31, 2008, 300,000 options were exercised for gross proceeds of $30,000 and will be used to fund ongoing general and administrative costs.

As at July 31, 2008, and up to the date of this MD&A, the Company has no loans or non-equity credit facilities available or outstanding. As such, the Company has no related lending covenants.

To fund its exploration activities and corporate expenses, the Company requires continued access to capital markets to raise financing through equity offerings or via the structuring of joint venture arrangements on individual projects. As shown below in the table of "Cash Resources", a large proportion of the Company's planned exploration expenditures in fiscal 2009 is anticipated to be funded by JV partnership contributions. As such, the Company's risk exposure to the financial markets in raising equity financing is commensurately reduced (see “Risks and Uncertainties” and “Forward Looking Information” below for a discussion of associated risk factors).

5. CONTRACTUAL OBLIGATIONS

The Company has committed to an operating lease dated July 1, 2005 for office space in Kerrisdale, Vancouver, expiring June 30, 2010 with monthly lease payments of $4,969. The Company has committed to an operating lease dated May 22, 2007 for office space in Saskatoon, Saskatchewan, expiring May 31, 2012 with monthly lease payments of $6,837. The Company has committed to an operating lease dated July 31, 2007 for additional office space in Vancouver, expiring August 31, 2010 with monthly lease payments of $4,560. The Company has committed to a lease for land dated October 1, 2007 for warehouse space in La Ronge, Saskatchewan, expiring May 31, 2021 with monthly lease payments of $52. The future minimum lease payments are as follows:

Lease Commitments	
2009	$ 147,767
2010	197,024
2011	110,851
2012	82,673
Thereafter	12,498
	$ 550,813

By agreements dated March 3, 2008, the Company agreed to pay the President and VP Corporate Development $165,000 each annually. The fee shall be increased annually at the discretion of the Company’s compensation committee, and not less than the annual percentage rate of inflation or five percent, whichever is greater.

No mineral option payments have been included as they are being funded by various partners under option or joint venture agreements that may be terminated with appropriate notice. Further information on mineral option payments are disclosed in Note 5 to the July 31, 2008 financial statements.

6. RELATED PARTY TRANSACTIONS

The related party transactions are as follows:

i. During the period, the Company paid $Nil (2007: $7,807) for consulting fees to a company controlled by the former Corporate Secretary.

ii. During the period, Company paid $51,576 (2007: $45,852) for engineering and consulting fees to the VP Exploration.

iii. During the period, the Company paid $15,367 (2007: $8,100) for accounting fees to a company controlled by the Chief Financial Officer.

iv. During the period, the Company paid/accrued to its directors $19,694 (2007: $4,500) for directors fees.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring significant management estimates include the valuation, impairment and useful life of intangible assets and property and equipment, and future income taxes. These estimates are reviewed periodically (at least annually), and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The Company's significant accounting policies are described in Note 1 of the Company's financial statements for the period ended July 31, 2008.

There were no changes in significant accounting policies of the Company for the quarter ended July 31, 2008, except that the Company has adopted comprehensive income and losses on available-for-sale securities. Management believes that the following items represent the Company's most critical accounting estimates.

Mineral Property Expenditures

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

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

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

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

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

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

Management Estimates

The preparation of the Company's financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates. Realization of the company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation; future metal prices; estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, the availability of financing, the valuation of stock-based compensation and of warrants, and various operational factors.

Asset Retirement Obligations

The Company recognizes the legal liability for obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement costs are recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred. The amount recognized is added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. There are no asset retirement obligations as at July 31, 2008 and 2007.

Asset Impairment

The Company reviews and evaluates the recoverability of mineral properties and related expenditures, property, plant and equipment at the end of each reporting period and when events and circumstances indicate that an impairment event may have occurred.

Flow-Through Shares

The Company has adopted the recommendations of the Emerging Issues Committee relating to flow-through shares effective for all flow-through agreements dated after March 19, 2004. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

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

New Accounting Standards Adopted

Effective May 1, 2007 the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, 'Comprehensive Income'; Section 3251, 'Equity'; Section 3855, 'Financial Instruments – Recognition and Measurement'; Section 3861, 'Financial Instruments – Disclosure and Presentation'; and Section 3865, 'Hedges'. These standards require the presentation of a statement of comprehensive income and its components, which is included in the financial statements. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The only impact on the Company of adopting these new standards was the reclassification of the "Unrealized loss on available-for-sale investments" account, which has been included as part of shareholders' equity under "Accumulated other comprehensive loss". As required by the prospective implementation of these new standards, the comparative financial statements have not been restated.

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments outstanding as of May 1, 2007:

Cash	Held-for-trading
Prepaid expenses and deposits	Held-for-trading
Available-for-sale investments	Available-for-sale
Accounts receivable	Loans and receivables
Project advances	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability, are netted against the fair value of the financial instrument on initial recognition, with the exception of transaction costs related to financial instruments that are classified as held for trading. These transaction costs are then amortized over the expected life of the financial instrument using the effective interest method. Transaction costs related to held for trading financial instruments are expensed as incurred.

Future Changes in Accounting Policies

There are five new CICA accounting standards that have been issued but not yet adopted by the Company. These five standards will become effective for the Company on May 1, 2008. The Company is currently assessing the impact of these new accounting standards on its financial statements.

CICA Handbook Section 3031 “Inventories” prescribes the accounting treatment for inventories and provides guidance on the determination of inventory costs and their subsequent recognition as an expense, including any write-down to net realizable value. CICA Handbook Section 3064 – Goodwill and Intangible Assets, replaces CICA 3062 “Goodwill and Intangible Assets” and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. CICA Handbook Section 1535 “Capital Disclosures” establishes standards for disclosing information about an entity's capital and how it is managed. CICA Handbook Section 3862 “Financial Instrument Disclosures” and Handbook Section 3863, “Financial Instruments – Presentation” requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management’s objectives, policies and procedures for managing such risks. CICA Handbook Section 1400, “General Standards on Financial Statement Presentation”, has been amended to include requirements to assess and disclose an entity’s ability to continue as a going concern.

<u>International Financial Reporting Standards ("IFRS")</u>

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Auditors

The Company's auditors for the year ended April 30, 2007 were PricewaterhouseCoopers LLP. The directors subsequently appointed James Stafford, Inc. Chartered Accountants as the Company's auditors for the year ending April 30, 2008.

8. RISKS AND UNCERTAINTIES

The Company believes that the following items represent significant areas for consideration.

Industry

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. The Company has completed risk assessments with the help of professional management consultants BGH Consulting, and has adopted an operational and insurance scheme to quantify and minimize the Company's risks and uncertainties. The Company also consulted and implemented field operational, safety and environmental policies consistent with its ongoing needs.

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.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Foreign Political Risk

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

Government Laws, Regulation & Permitting

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

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

Title to Properties

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

The Company has the right to earn an increased interest in certain of its properties. To earn its 100% this increased interest in each property, the Company is required to make certain cash payments. If the Company fails to make these payments, the Company may lose its right to such properties and forfeit any funds expended to such time.

Estimates of Mineral Resources

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

Cash Flows and Additional Funding Requirements

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company’s exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, raising of equity capital or the offering of an 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.

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.

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.

Foreign Currency Risk

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 in or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

Conflict of Interest

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

9. FORWARD-LOOKING INFORMATION

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but are not limited to, comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors (as discussed under "Risks and Uncertainties" above): industry; commodity prices; competition; foreign political risk; government laws; regulation and permitting; title to properties; estimates of mineral resources; cash flows and additional funding requirements; key management; possible dilution to present and prospective shareholders; material risk of dilution presented by large number of outstanding share purchase options and warrants; trading volume; volatility of share price; foreign currency risk; and, conflict of interest.

Although the forward-looking information contained in this MD&A is based upon what the Company's management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management's current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong global demand for mineral commodities, continued funding and continued strength in the industry in which the Company operates, and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A.

10. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

As of the end of the period covered by this report, the Company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, under the supervision of, and with the participation of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that, as defined in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, certain weaknesses exist in internal controls over financial reporting for the Company's disclosure controls and procedures. The existence of these weaknesses is mitigated by monitoring performed by senior management. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting.

11. INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for designing such internal controls over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

As at the end of the period covered by this management's discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company has evaluated the design of its internal controls over financial reporting for the quarter ended July 31, 2008. Management has determined that certain weaknesses existed in the design of its internal control and has concluded that its internal controls were not operating effectively. Management has retained an independent consultant for the current period to review and refine its internal controls and procedures.

The Audit Committee has reviewed this MD&A, and the Financial Statements, and the Board of Directors and the Directors have approved these documents prior to their release.

12. OUTLOOK

The Company has acquired through staking a significant land position in the Athabasca Basin area of Saskatchewan and is exploring these areas for high-grade uranium deposits. CanAlaska currently has optioned or joint-ventured six of its Saskatchewan projects to several companies, and continues to operate these projects under management services agreements for a fee. The Glitter Lake property in Quebec is optioned to Pacific North West Capital Corp. in which they are earning an interest in the project by carrying all costs and making exploration expenditures. The Company ended the first quarter with a strong cash position which included the issuance of 10,922,660 flow-through units for gross proceeds of $3,713,704. This will enable the Company to continue its own exploration efforts in Canada and New Zealand. The Company is continuing to attract new personnel to operate its projects and has established itself as a strong and well-recognised uranium explorer in the Athabasca Basin.

The Company has reviewed its current projects, and early exploration results, as well as indications from preliminary discussions with its joint venture partners to determine exploration budgeting and manpower for the next six months. This information has been used, along with historical data to compile the following projection of cash and exploration positions:

Cash Resources	Actual 1st Qtr. July 31, 2008	Projected 2nd Qtr. October 31, 2008	Projected 3rd Qtr. January 31, 2009	Projected 4th Qtr. April 30, 2009
Beginning cash	$7,151,603	$10,156,296	$8,936,296	$8,296,296
+ Equity Financing	3,291,391	-	-	-
+ Sale of marketable securities	58,780	60,000	60,000	60,000
- changes in non-cash capital	(168,201)	-	-	-
+ Recovery of administration cost	144,395	220,000	500,000	300,000
- Corporate overhead	(284,603)	(500,000)	(500,000)	(500,000)
Funds Available for Exploration	10,193,365	9,936,296	8,996,296	8,156,296
+ Projected JV Partner funding	1,509,864	2,800,000	6,570,000	3,250,000
Total Exploration Funding	11,703,229	12,736,296	15,566,296	11,406,296
- Projected JV Exploration	(1,064,616)	(2,800,000)	(6,570,000)	(3,250,000)
- Projected CanAlaska Exploration	(482,317)	(1,000,000)	(700,000)	(1,000,000)
Ending cash	$10,156,296	$8,936,296	$8,296,296	$7,156,296

13. ADDITIONAL INFORMATION

Additional information relating to the Company, is available on SEDAR at www.sedar.com or on the Company's website at www.canalaska.com.

For more information, please contact:

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TRADING SYMBOLS

TSX Venture Exchange: CVV
Frankfurt Stock Exchange: DH7
OTCBB: CVVUF

CANALASKA URANIUM LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

31 JULY 2008 and 2007

These financial statements have NOT been reviewed by the Company's auditor

CanAlaska Uranium Ltd. Statement 1

(An Exploration Stage Company)

Consolidated Balance Sheets

Canadian Funds

		31 Ju		30 April,
ASSETS		**2008**		2008
Current				
Cash and cash equivalents	**$**	**10,156,296**	$	7,151,603
Accounts and advances receivable		**1,880,044**		2,151,496
Available-for-sale securities *(Note 4)*		**676,291**		882,268
Prepaid expenses and deposits		**178,239**		191,822
		12,890,870		10,377,189
Reclamation Bonds		**710,763**		710,751
Mineral Property Costs – *Schedule 1 (Note 5)*		**31,105,355**		31,032,425
Property, Plant, and Equipment *(Note 6)*		**860,206**		886,855
	$	**45,567,194**	$	43,007,220

LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**1,491,989**	$	2,596,421
Due to related parties *(Note 8(ii))*		**7,000**		22,510
		1,498,989		2,618,931
Future Income Tax Liability *(Note 9c)*		**1,376,406**		1,376,406
		2,875,395		3,995,337
Commitments *(Note 10)*				
SHAREHOLDERS' EQUITY				
Share Capital - *Statement 2 (Note 7)*				
Authorized:				
Unlimited common shares without par value				
Issued and fully paid:				
137,533,650 (April 30, 2008 – 125,869,814) shares outstanding		**56,999,789**		54,079,214
Contributed Surplus - *Statement 2*		**9,810,385**		8,586,055
Other Comprehensive Income		**18,724**		165,812
Deficit - *Statement 2*		**(24,137,099)**		(23,819,198)
		42,691,799		39,011,883
	$	**45,567,194**	$	43,007,220

ON BEHALF OF THE BOARD:

"Peter Dasler", Director

"Jean Luc Roy", Director

- See Accompanying Notes -

CanAlaska Uranium Ltd Statement 2

(An Exploration Stage Company)

Consolidated Statement of Changes in Shareholders' Equity

Canadian Funds

	Common Shares	Share Capital	Contributed Surplus	Other Comprehensive Income	Accumulated Deficit	Total
Balance - 30 April 2006	77,127,238	36,560,885	1,243,489	-	(19,260,553)	18,543,821
Issuance of shares for:						
- Private placements	18,414,775	9,090,605	1,351,044	-	-	10,441,649
- Properties	210,000	149,300	-	-	-	149,300
- Finders' fees	250,555	120,399	-	-	-	120,399
- Exercise of warrants	10,485,714	4,793,814	-	-	-	4,793,814
- Exercise of options	1,209,476	435,552	-	-	-	435,552
Share issuance costs	-	(509,741)	60,030	-	-	(449,711)
Stock-based compensation costs (Note 6d)	-	-	841,299	-	-	841,299
Transferred on exercise of options	-	215,135	(215,135)	-	-	-
Transferred on exercise of warrants	-	127,765	(127,765)	-	-	-
Future income tax on FT shares *(Note 6b)*	-	(2,119,503)	-	-	-	(2,119,503)
Loss for the year	-	-	-	-	(1,828,759)	(1,828,759)
Balance - 30 April 2007	107,697,758	48,864,211	3,152,962	-	(21,089,312)	30,927,861
Issuance of shares for:						
- Private placements	16,401,956	7,000,000	-	-	-	7,000,000
- Value assigned to warrants *(Note7e)*	-	(765,581)	765,581	-	-	-
- Properties	10,000	4,000	-	-	-	4,000
- Exercise of warrants	890,000	106,800	-	-	-	106,800
- Exercise of options	870,100	167,800	-	-	-	167,800
Subscription received	-	102,000	-	-	-	102,000
Share issuance costs	-	(237,526)	19,048	-	-	(218,478)
Stock-based compensation costs *(Note 6d)*	-	-	1,562,451	-	-	1,562,451
Transferred on exercise of options	-	108,700	(108,700)	-	-	-
Transition adjustment to opening balance *(Note 2)*	-	-	-	526,147	-	526,147
Unrealized loss on available-for-sale securities	-	-	-	(360,335)	-	(360,335)
Future income tax on FT shares *(Note 6b)*	-	(1,271,190)	-	-	-	(1,271,190)
Transfer of mineral property *(Note 5a)*	-	-	3,194,713	-	-	3,194,713
Loss for the year	-	-	-	-	(2,729,886)	(2,729,886)
Balance - 30 April 2008	125,869,814	54,079,214	8,586,055	165,812	(23,819,198)	39,011,883
Issuance of shares for:						
- Private placements	10,922,660	3,713,704	-	-	-	3,713,704
- Value assigned to warrants (Note 7e)	-	(447,966)	447,966	-	-	-
- Finder's fees	441,176	150,000	-	-	-	150,000
- Exercise of options	300,000	30,000	-	-	-	30,000
Subscription received	-	(102,000)	-	-	-	(102,000)
Share issuance costs	-	(448,376)	98,063	-	-	(350,313)
Stock-based compensation costs *(Note 6d)*	-	-	539,491	-	-	539,491
Transferred on exercise of options	-	25,213	(25,213)	-	-	-
Unrealized loss on available-for-sale securities	-	-	-	(147,088)	-	(147,088)
Unrealized loss on Korean JV	-	-	164,023	-	-	164,023
Loss for the year	-	-	-	-	(317,901)	(317,901)
Balance – 31 July 2008	137,533,650	$ 56,999,789	$ 9,810,385	$ 18,724	$ (24,137,099)	$ 42,691,799

- See Accompanying Notes -

CanAlaska Uranium Ltd. Statement 3

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive loss

Canadian Funds

	Period Ended 31 July			
		2008		2007
General and Administrative Expenses				
Consulting fees	**$**	**10,775**		94,141
Consulting fees – Stock compensation *(Note 7d)*		**49,491**		122,466
Management fees		**-**		171,021
Director fees		**19,694**		4,500
Director fees – Stock compensation *(Note 7d)*		**285,378**		-
Accounting and audit		**15,367**		8,314
Insurance, licenses and filing		**20,459**		27,854
Rent		**51,107**		28,582
Shareholder relations		**16,573**		114,666
Shareholder relations – Stock compensation *(Note 7d)*		**11,640**		-
Wages, commissions and benefits		**103,435**		91,163
Wages – Stock compensation *(Note 7d)*		**26,160**		-
Office and miscellaneous		**34,044**		24,673
Travel, food and lodging		**8,809**		59,083
Amortization		**52,641**		20,015
Bank charges and interest		**2,111**		2,236
Legal fees		**151**		8,992
		(707,835)		(777,706)
Other Income (Expense)				
Foreign exchange, *net*		**26,186**		-
Interest income		**49,750**		40,857
Loss on sale of available-for-sale securities		**(109)**		-
Recovery of administration cost		**144,395**		115,124
Option payments received in excess of exploration cost incurred		**110,861**		-
Gain from JV interest dilution		**58,851**		-
		389,934		155,981
Loss for the Period	**$**	**(317,901)**	$	(621,725)
Other Comprehensive Loss				
Unrealized loss on available-for-sale securities		**(147,088)**		-
Comprehensive Loss for the Period	**$**	**(464,989)**	$ $	(621,725)
Loss per Share - Basic and Diluted	**$**	**-**	$ $	(0.(
Comprehensive Loss per Share - Basic and Diluted	**$**	**-**	$ $	(0.(
Weighted Average Number of Shares Outstanding		**135,635,552**		107,757,920

- See Accompanying Notes -

CanAlaska Uranium Ltd. Statement 4

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

Canadian Funds

		Period Ended 31 July			
		2008			2007
Cash Resources Provided By (Used In)					
Operating Activities					
Loss for the year	**$**	**(317,901)**	$	$	(621,725)
Items not affecting cash					
Gain on sale of available-for-sale securities		**109**			-
Amortization		**52,641**			20,015
Loss on sale of property, plant and equipment		**-**			-
Stock-based compensation expense *(Note 7d)*		**372,669**			122,466
Exchange loss (gain)		**(12)**			
Option Payments in excess of costs		**(110,861)**			-
		(3,355)			(479,244)
Changes in non-cash working capital		**(899,928)**			321,964
		(903,283)			(157,280)
Investing Activities					
Purchase of reclamation bonds		**-**			2,306
Proceeds from sale of available-for-sale securities		**58,780**			-
Mineral property expenditures		**(1,546,933)**			(4,882,903)
Recovery of mineral property expenditures		**1,509,864**			1,426,877
Option payments received		**75,000**			-
Purchase of property, plant and equipment		**(25,992)**			(71,298)
Unused cash call		**545,866**			-
		616,585			(3,525,018)
Financing Activities					
Shares issued for cash		**3,641,704**			29,910
Share issuance costs		**(350,313)**			-
		3,291,391			29,910
Net Increase (Decrease) in Cash and Cash Equivalents		**3,004,693**			(3,652,388)
Cash and cash equivalents – Beginning of year		**7,151,603**			10,076,042
Cash and cash equivalents – End of period	**$**	**10,156,296**		$	6,423,654
Supplemental Disclosure of Non-Cash Investing and Financing Activities					
Fair value of agent's warrants included in share issue costs	**$**	**447,966**		$	-
Fair value of common shares included in share issue costs	**$**	**150,000**		$	-
Stock-based compensation expense included in mineral properties	**$**	**166,882**		$	-
Fair value of shares received for mineral properties	**$**	**-**		$	93,600

- See Accompanying Notes -

CanAlaska Uranium Ltd <u>Schedule 1</u>

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

Drilling-Commenced Projects

	Period ended 31 July 2008			30 April 2008
	Acquisition Costs	Exploration Costs	**Total**	Total
Cree East Project, Saskatchewan				
General acquisition costs	$ 82,844	$ -	$ **82,844**	$ 3,825,119
Non- controlling interest	(1,090,750)	-	**(1,090,750)**	-
General exploration costs	-	39,995	**39,995**	31,500
Consulting	-	3,120	**3,120**	-
Drilling	-	8,349	**8,349**	-
Geophysics	-	24,004	**24,004**	5,424
Wages	-	-	**-**	-
Assays	-	-	**-**	-
Management fee	-	7,376	**7,376**	(222,987)
Transfer of mineral property (*Note 5a*)	-	(82,844)	**(82,844)**	(1,230,407)
	(1,007,906)	-	**(1,007,906)**	2,408,649
Fond du Lac Project, Saskatchewan				
Staking	$ -	$ -	$	$ -
General exploration costs	-	56,373	**56,373**	9,636
Drilling	-	116,605	**116,605**	-
Consulting	-	10,643	**10,643**	4,850
Geophysics	-	4,781	**4,781**	5,522
Wages	-	65,797	**65,797**	293
Option payment - cash	-	-	**-**	20,000
Option payment - share	-	-	**-**	-
	-	254,199	**254,199**	40,301
Helmer & FDLC Project, Saskatchewan				
Staking	$ -	$ -	$	$ -
General exploration costs	-	11,108	**11,108**	1,776,059
Drilling	-	-	**-**	742,273
Consulting	-	3,120	**3,120**	146,475
Geophysics	-	1,291	**1,291**	224,135
Wages	-	23,099	**23,099**	422,827
Assays	-	-	**-**	28,203
Refund	-	-	**-**	(45,000)
	-	38,618	**38,618**	3,294,972
Key Lake Project, Saskatchewan				
General exploration costs	$ -	$ 1,125	$ **1,125**	$ 241,291
Drilling	-	-	**-**	150,868
Consulting	-	624	**624**	10,596
Geophysics	-	2,547	**2,547**	-
Wages	-	532	**532**	98,417
Assays	-	126	**126**	2,755
Management fee	-	495	**495**	40,789
Option payment – cash	-	-	**-**	(125,000)
Option payment – shares	-	-	**-**	(7,000)
Amounts received or recovered	-	(5,449)	**(5,449)**	(458,419)
	-	-	**-**	(45,703)

- See Accompanying Notes -

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	Period ended 31 July 2008			30 April 2008
	Acquisition Costs	Exploration Costs	**Total**	Total
Lake Athabasca Project, Saskatchewan				
Staking	$ -	$ -	$ **-**	$ 23,413
General exploration costs	-	8,463	**8,463**	1,601,363
Drilling	-	-	**-**	435,130
Consulting	-	27,849	**27,849**	263,280
Geophysics	-	8,943	**8,943**	375,641
Wages	-	24,388	**24,388**	572,349
Assays	-	9,646	**9,646**	28,802
Amounts received or recovered	-	-	**-**	(17,065)
	-	79,289	**79,289**	3,282,913
Waterbury Project, Saskatchewan				
General exploration costs	$ -	$ -	$ **-**	$ 118,855
Drilling	-	-	**-**	-
Consulting	-	-	**-**	55,257
Geophysics	-	749	**749**	401,207
Wages	-	7,051	**7,051**	81,322
Amount received or recovered	-	-	**-**	(251,858)
Assays	-	-	**-**	36,953
	-	7,800	**7,800**	441,736
West McArthur Project, Saskatchewan				
General exploration costs	$ -	$ 10,317	$ **10,317**	$ 1,414,923
Drilling	-	-	**-**	389,892
Consulting	-	-	**-**	171,346
Geophysics	-	-	**-**	885,335
Wages	-	39,610	**39,610**	350,411
Assays	-	-	**-**	119,236
Fixed assets	-	-	**-**	9,375
Management fee	-	5,396	**5,396**	313,325
Option payment – cash	-	(62,010)	**(62,010)**	(3,794,137)
	-	(6,687)	**(6,687)**	(149,669)
Drilling-Ready Projects				
Cree West Project, Saskatchewan				
General exploration costs	$ -	$ 110	$ **110**	$ 256,498
Drilling	-	-	**-**	3,604
Consulting	-	-	**-**	3,020
Geophysics	-	-	**-**	106,046
Wages	-	2,408	**2,408**	23,029
Assays	-	-	**-**	4,556
Management fee	-	252	**252**	23,675
Option payment – cash	-	-	**-**	(125,000)
Option payment – shares	-	-	**-**	(14,000)
Amounts received or recovered	-	(2,770)	**(2,770)**	(322,829)
	-	-	**-**	(41,401)

- See Accompanying Notes -

CanAlaska Uranium Ltd

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	Period ended 31 July 2008			30 April 2008
	Acquisition Costs	Exploration Costs	**Total**	Total
Grease River Project, Saskatchewan				
Staking	$ -	$ -	$ **-**	$ 55,272
General exploration costs	-	91,385	**91,385**	563,431
Consulting	-	91,147	**91,147**	158,650
Geophysics	-	190,876	**190,876**	244,088
Wages	-	237,011	**237,011**	379,439
Assays	-	-	**-**	18,105
Management fee	-	74,241	**74,241**	129,527
Option payment – cash	(75,000)	-	**(75,000)**	(75,000)
Option payment – shares	-	-	**-**	(13,410)
Amounts received or recovered	-	(816,651)	**(816,651)**	(1,385,161)
Advance	-	-	**-**	14,466
	(75,000)	(131,991)	**(206,991)**	89,407
Hodgson Project, Saskatchewan				
General exploration costs	$ -	$ 30	$ **30**	$ 264,776
Consulting	-	624	**624**	74,146
Geophysics	-	-	**-**	140,619
Wages	-	1,970	**1,970**	108,754
Assays	-	-	**-**	-
	-	2,624	**2,624**	588,295
Poplar Project, Saskatchewan				
Staking	$	$ -	$ **-**	$ 38,658
General exploration costs	-	148,392	**148,392**	94,971
Consulting	-	34,566	**34,566**	22,439
Geophysics	-	265,611	**265,611**	963,240
Drilling	-	192	**192**	-
Wages	-	170,889	**170,889**	14,638
Management fee	-	56,635	**56,635**	116,152
Option payment – shares	-	-	**-**	(94,750)
Amount received or recovered	-	(622,984)	**(622,984)**	(1,347,962)
	-	53,301	**53,301**	(192,614)
McTavish Project, Saskatchewan				
Staking	$ -	$ -	$ **-**	$ 59,304
General exploration costs	-	-	**-**	2,505
Consulting	-	-	**-**	1,088
Geophysics	-	-	**-**	3,219
Wages	-	-	**-**	1,369
Assays	-	-	**-**	10,520
	-	-	**-**	78,005
Moon Project, Saskatchewan				
General exploration costs	$ -	$ 3,508	$ **3,508**	$ 142,052
Consulting	-	-	**-**	8,518
Wages	-	-	**-**	36,083
	-	3,508	**3,508**	186,653

- See Accompanying Notes -

CanAlaska Uranium Ltd

Schedule 1(cont.)

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	Period ended 31 July 2008			30 April 2008
	Acquisition Costs	Exploration Costs	**Total**	Total
NE Wollaston, Saskatchewan-Manitoba				
Staking	$ -	$ -	$ **-**	$
General exploration costs	-	-	**-**	913,936
Consulting	-	2,117	**2,117**	185,487
Geophysics	-	3,114	**3,114**	12,168
Wages	-	12,584	**12,584**	471,032
Assays	-	-	**-**	66,931
Amounts received or recovered	-	-	**-**	(47,627)
	-	17,815	**17,815**	1,601,927
Exploratory Projects				
Alberta Project, Alberta				
General exploration costs	$ -	$ 4,098	$ **4,098**	$ 303,244
Consulting	-	1,575	**1,575**	19,459
Geophysics	-	-	**-**	362,437
Wages	-	10,396	**10,396**	55,968
	-	16,069	**16,069**	741,108
Arnold Project, Saskatchewan				
General exploration costs	$ -	$ 609	$ **609**	$ 215,337
Consulting	-	-	**-**	52,380
Geophysics	-	6,515	**6,515**	157,337
Wages	-	1,321	**1,321**	86,040
Assays	-	-	**-**	19,939
	-	8,445	**8,445**	531,033
Black Lake Project, Saskatchewan				
General exploration costs	$ -	$ 3,698	$ **3,698**	$ 11,787
Consulting	-	2,874	**2,874**	16,000
Geophysics	-	3,454	**3,454**	75,492
Wages	-	22,590	**22,590**	19,249
Assays	-	-	**-**	31
Option payment – cash	-	-	**-**	20,000
	-	32,616	**32,616**	142,559
Camsell Project, Saskatchewan				
Staking	$ -	$ -	$ **-**	$ 5,500
General exploration costs	-	51	**51**	9,638
Consulting	-	650	**650**	2,432
Geophysics	-	-	**-**	18,271
Wages	-	-	**-**	12,461
Assays	-	-	**-**	2,263
Government grant	-	-	**-**	(17,065)
	-	701	**701**	33,500

- See Accompanying Notes -

CanAlaska Uranium Ltd

Schedule 1 (cont.)

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	Period ended 31 July 2008			30 April 2008
	Acquisition Costs	Exploration Costs	**Total**	Total
Carswell Project, Saskatchewan				
Staking	$ 25,000	$ -	$ **25,000**	$ 102,321
	25,000	-	**25,000**	102,321
Ford Lake Project, Saskatchewan				
Staking	$ 21,000	$ -	$ **21,000**	$ 24,510
General exploration costs	-	95	**95**	1,907
	21,000	95	**21,095**	26,417
Kasmere Project, Manitoba				
General exploration costs	$ -	$ -	$ **-**	$ 6,936
Consulting	-	1,600	**1,600**	400
Wages	-	2,724	**2,724**	-
	-	4,324	**4,324**	7,336
Uranium-General, Saskatchewan				
General exploration costs	$ -	$ 142,922	$ **142,922**	$ 678,155
Drilling	-	8,346	**8,346**	(1,361)
Consulting	-	36,778	**36,778**	2,884
Geophysics	-	11,009	**11,009**	-
Geochemistry / personnel	-	2,147	**2,147**	10,748
Wages	-	281,115	**281,115**	299
Stock compensation costs	-	166,822	**166,822**	467,438
	-	649,139	**649,139**	1,158,163
Elliot Lake Project, Ontario				
General exploration costs	$ -	$ -	$ **-**	$ -
Consulting	-	-	**-**	1,374
	-	-	**-**	1,374
Rainbow Hill Project, Alaska				
Staking Costs	$ -	$ -	$ **-**	$ -
General exploration costs	-	-	**-**	2,863
	-	-	**-**	2,863

- See Accompanying Notes -

CanAlaska Uranium Ltd

Schedule 1 (cont.)

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Canadian Funds

	Period ended 31 July 2008 Acquisition Costs	Period ended 31 July 2008 Exploration Costs	Period ended 31 July 2008 **Total**	30 April 2008 Total
Voisey's Bay Project , Labrador				
Consulting	$ -	$ -	$ **-**	$
Option payment – cash	-	-	**-**	(25,000)
Option payment – shares	-	-	**-**	(24,625)
	-	-	**-**	(49,625)
Zeballos Project, British Columbia				
General exploration costs	$ -	$ 421	$ **421**	$ 421
	-	421	**421**	421
Glitter Lake Project, Quebec				
Amounts received	$ -	$ -	$ **-**	$ -
	-	-	**-**	-
New Zealand Project, New Zealand				
General exploration costs	$ -	$ 26,955	$ **26,955**	$ 135,849
Assaying	-	18,509	**18,509**	-
Drilling	-	71,060	**71,060**	-
Consulting	-	4,810	**4,810**	-
Wages	-	-	**-**	4,874
Option payment – shares	-	-	**-**	4,000
	-	121,334	**121,334**	144,723
Rise & Shine project, New Zealand				
General acquisition costs	$ 4,830	$ -	$ **4,830**	$ 300,557
General exploration costs	-	3,635	**3,635**	20,557
Drilling	-	-	**-**	-
Consulting	-	1,195	**1,195**	-
Geophysics	-	-	**-**	-
Assays	-	-	**-**	-
Transfer of mineral property (*Note 5cc*)	-	(4,830)	**(4,830)**	(300,557)
	4,830	-	**4,830**	20,557
Cost for the Period	(1,032,076)	$ 1,151,620	$ **119,544**	$ 14,446,221
Balance - beginning of year	4,514,436	26,517,989	**31,032,425**	18,369,808
Mineral property cost written off	-	-	**-**	(960,746)
Recovery of mineral property costs	-	(157,475)	**(157,475)**	(959,589)
Option payment in excess of costs	-	110,861	**110,861**	136,731
Balance - End of Period	3,482,360	$ 27,622,995	$ **31,105,355**	$ 31,032,425

- See Accompanying Notes -

1. Nature and Continuance of Operations and Significant Accounting Policies

a) Nature and Continuance of Operations

CanAlaska Uranium Ltd. (the "Company") is in the process of acquiring, exploring and developing precious metal mineral properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. The recoverability of the amounts expended by the Company on acquiring and exploring mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to complete the acquisition and/or development of the properties and upon future profitable production.

The Company has sufficient working capital in the near term to fund ongoing exploration and development, however, the Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, CanAlaska Resources Ltd. USA (a Nevada company), CanAlaska West McArthur Uranium Ltd. (a B.C. company) and Golden Fern Resources Limited (a New Zealand company). These consolidated financial statements also include the proportionate share of each of the assets, liabilities, revenues and expenses of its interest in CanAlaska Korean Uranium Joint Venture (77%) and Rise and Shine Joint Venture (72%). Inter-company balances are eliminated upon consolidation.

c) Cash and Cash Equivalents

Cash and cash equivalents include amounts held in banks and highly liquid investments with maturities at date of purchase of 90 days or less.

d) Available-for-sale Securities

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

e) Mineral Properties and Deferred Exploration Expenditures

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

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is determined by management to be impaired or abandoned. Amounts received for the sale of resource properties, for option payments for exploration advances and for recovery of mineral property expenditures are treated as reductions of the cost of the property and payments in excess of capitalized costs are recognized in income. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

1. Nature and Continuance of Operations and Significant Accounting Policies - *Continued*

e) Mineral Properties and Deferred Exploration Expenditures - *Continued*

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

Management's estimates of future mineral prices, recoverable resources, initial and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur that could adversely affect management's estimate of the net cash flows to be generated from its properties.Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, all of its properties are in good standing.

f) Asset Retirement Obligations

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

There are no asset retirement obligations as at 31 July 2008 and 2007.

g) Property, Plant, Equipment and Amortization

Property and equipment are carried at cost less accumulated depreciation. The Company provides for depreciation on the following basis:

- Office equipment - 20% declining balance method
- Automotive equipment - 30% declining balance method
- Mining equipment - 30% declining balance method
- Leasehold improvements - Straight-line method over the life of the lease

h) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

1. Nature and Continuance of Operations and Significant Accounting Policies - *Continued*

i) Stock-Based Compensation

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

j) Loss per Share

Basic loss per share is based on the weighted average number of common shares issued and outstanding during the year. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted loss per share are the same.

k) Foreign Currency Translation

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

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

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

l) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

m) Flow-through Shares

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

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

The Company follows the recommendations of the Emerging Issues Committee ("EIC") of the CICA with respects to flow-through shares, as outlined in EIC-146. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is reasonable assurance that the expenditures will be made. The recommendations apply to all flow-through share transactions initiated after 19 March 2004.

1. Nature and Continuance of Operations and Significant Accounting Policies - *Continued*

n) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

o) Mineral Exploration Tax Credits (“METC”)

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

p) Recent Accounting Pronouncements

In June 2007, the CICA issued changes to Section 1400, General Standards of Financial Statement Presentation. Section 1400 has been amended to include requirements to assess and disclose an entity’s ability to continue as a going concern. Management shall make an assessment of an entity’s ability to continue as a going concern. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast doubt upon the entity’s ability to continue as a going concern, those uncertainties shall be disclosed. When financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern. Section 1400 is effective for interim and annual financial statements relating to fiscal years beginning on or after 1 January 2008. Earlier adoption is encouraged. The adoption of this standard will have no impact on the Company’s operating results or financial position and management expects that there will not be a material impact on the Company’s financial statement disclosure.

In December 2006, the CICA issued Section 1535, Capital Disclosures. The main features of the new section are as follows:

- Requirements for an entity to disclose qualitative information about its objectives, policies and processes for managing capital;
- A requirement for an entity to disclose quantitative data about what it regards as capital; and
- A requirement for an entity to disclose whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

Section 1535 is effective for interim and annual financial statements relating to fiscal years beginning on or after 1 October 2007. The adoption of this standard will have no impact on the Company’s operating results or financial position and management is currently in the process of evaluating the impact that these additional disclosure standards will have on the Company’s financial statements.

1. Nature and Continuance of Operations and Significant Accounting Policies - *Continued*

p) Recent Accounting Pronouncements - *Continued*

In December 2006, the CICA issued Handbook Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation. Section 3862 modifies the disclosure requirements of Section 3861 and requires entities to provide disclosures in the consolidated financial statements that enable users to evaluate the significance of financial instruments on the entity's consolidated financial position and performance, and the nature and extent of risks arising from financial instruments and non-financial derivatives. Section 3863, Financial Instruments – Presentation carries forward unchanged the presentation requirements for financial instruments of Section 3861, Financial Instruments – Disclosures and Presentation. Section 3862 and 2863 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after 1 October 2007.

2. Changes in Accounting Policies and Presentation

a) Financial Instrument Standards

Effective 1 May 2007, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, Financial Instruments – Recognition and Measurement; Section 3865, Hedges; Section 1530, Comprehensive Income; and Section 3861, Financial Instruments – Disclosure and Presentation (the "Financial Instrument Standards"). These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

The Financial Instrument Standards require that adjustments to the carrying value of financial assets and liabilities be recorded within retained earnings or, in the case of available-for-sale assets, accumulated other comprehensive income on transition.

The principal changes resulting from the adoption of the Financial Instrument Standards are as follows:

Financial Assets and Financial Liabilities

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

Held-to-Maturity and Loans and Receivables

Financial instruments that have a fixed maturity date, where the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Loans and receivables are measured at amortized cost using the effective interest method.

Available-for-Sale

Financial assets classified as available-for-sale are carried at fair value (where determinable based on market prices of actively traded securities) with changes in fair value recorded in other comprehensive income. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect an other-than-temporary impairment. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to its fair value.

2. Changes in Accounting Policies and Presentation – *Continued*

a) Financial Instrument Standards – *Continued*

Held-for-trading

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

Derivatives and Hedge Accounting

The Company does not hold or have any exposure to derivative instruments and accordingly is not impacted by CICA Handbook Section 3865, Hedges.

Comprehensive Income

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

Transition Adjustment to Opening Balances

The adoption of Sections 1530 and 3855 impacts the opening equity of the Company. The unrealized gain on the available-for-sale securities from purchase to 30 April 2007 was $526,147 which is reported as an adjustment to the opening balance of accumulated other comprehensive income. Any unrealized gains or losses on the available-for-sale securities for the year ended 30 April 2008 are reported in the current period. There would be no tax impact resulting from adjustments arising from comprehensive income as there are unrecorded income tax assets that would result in no income tax being payable.

b) Accounting Changes

Effective 1 May 2007, the Company adopted the revised CICA Handbook Section 1506, Accounting Changes, which requires that a voluntary change in accounting policy can be made only if the changes result in more reliable and relevant information and are accompanied with disclosures of prior period amounts and justification of the changes. The section also requires that the nature and amount of material changes in estimates be disclosed. The Company has not made any voluntary change in accounting policies or significant changes in estimates that are not otherwise disclosed since the adoption of the revised section.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, term deposits, accounts and advances receivable, available-for-sale securities, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying values, due to their short-term maturity or capacity of prompt liquidation.

The fair value of the company's available-for-sale securities are summarized in Note 4. Available-for-sale securities represent shares in publicly traded companies. The fair value represents the quoted trading price of the shares.

4. Available-for-sale securities

Details are as follows:

	July 31, 2008		April 30, 2008	
	Book Value	**Market Value**	Book Value	Market Value
Pacific North West Capital Corp. ("PFN") 1,046,800 shares (Apr. 2008- 1,046,800)	**$ 268,726**	**$ 287,870**	$ 268,726	$ 314,040
Freegold Ventures Limited ("ITF") 263,000 shares (Apr. 2008- 263,000)	**34,190**	**170,950**	34,190	278,780
El Nino Ventures Inc ("ELN") 260,131 shares (Apr. 2008- 260,131)	**31,216**	**45,523**	31,216	78,039
Westcan Uranium Corp. 500,000 shares (Apr. 2008 – 900,000)	**73,612**	**40,000**	132,500	54,000
Mega Uranium Ltd. 25,000 shares (Apr. 2008– 25,000)	**94,750**	**39,000**	94,750	44,750
Other available-for-sale securities	**155,074**	**92,948**	155,074	112,659
	$ 657,568	**$ 676,291**	$ 716,456	$ 882,268

These marketable securities have been accounted for using the fair value method. ITF and ELN are companies that have certain directors in common with the Company. During the first quarter, the Company sold 400,000 common shares of Westcan Uranium Corp. for proceeds of $58,780 resulting in a loss of $109. The maximum percentage owned of PFN, ITF or ELN by the Company at any time during the year was less than 2%.

As at 30 April 2007, the market value of available-for-sale securities exceeded the cost base by $526,147 and the Company recorded this increase in available-for-sale securities and an opening transitional adjustment of $526,147 was recognized in opening shareholders' equity.

An unrealized loss on available-for-sale securities of $147,088 due to the decrease in fair value of the securities has been included in other comprehensive loss for the period ended 31 July 2008.

5. Mineral Property Costs

Details are as follows:

	Acquisition Costs	Exploration Costs	Exploration Advances and Refunds	Option payments received and Refunds	July 31, 2008 Total	April 30, 2008 Total
Athabaska Basin Projects						
Drilling - Commenced						
Cree East Project	2,860,610	(266,384)	-	-	**2,594,226**	3,602,132
Fond du Lac Project	108,000	450,755	-	-	**558,755**	304,555
Helmer & FDLC Project	148,104	4,520,056	-	(45,000)	**4,623,160**	4,584,543
Key Lake Project	-	1,013,821	(821,321)	(192,500)	**-**	-
Lake Athabasca Project	174,831	5,686,010	(17,065)	-	**5,843,776**	5,764,487
Waterbury Project	30,000	2,134,302	(1,533,768)	(181,000)	**449,534**	441,734
West McArthur Project	51,981	10,032,870	(7,839,528)	-	**2,245,323**	2,252,008
Drilling - Ready						
Cree West Project	40,000	938,836	(738,836)	(240,000)	**-**	-
Grease River Project	154,584	2,375,152	(2,257,346)	(272,390)	**-**	96,129
Hodgson Project	43,913	1,196,389	-	-	**1,240,302**	1,237,678
Poplar Project	161,375	1,969,219	(1,970,946)	(94,750)	**64,898**	11,597
McTavish Project	114,856	673,419	-	-	**788,275**	788,275
Moon Project	6,944	344,303	-	-	**351,247**	347,740
NE Wollaston Project	52,064	6,529,769	(47,627)	-	**6,534,206**	6,516,392
Exploratory						
Alberta Project	10,625	2,259,577	-	-	**2,270,202**	2,272,613
Arnold Project	35,240	1,233,770	-	-	**1,269,010**	1,260,565
Black Lake Project	114,000	277,568	-	-	**391,568**	358,952
Camsell Project	40,677	276,025	(17,065)	-	**299,637**	298,936
Carswell Project	127,321	-	-	-	**127,321**	102,321
Ford Lake Project	45,510	2,002	-	-	**47,512**	26,417
Kasmere Project	-	11,660	-	-	**11,660**	7,336
Uranium General	1	1,627,207	(1,117,064)	-	**510,144**	1
Ontario Project						
Elliot Lake	13,585	12,615	-	(26,200)	**-**	-
Rainbow Hill Project, Alaska	-	-	-	-	**-**	-
Voisey's Bay Project Labrador	-	76,750	-	(76,750)	**-**	-
British Columbia Project						
Zeballos	-	421	-	-	**421**	-
Quebec Project						
Glitter Lake	53,627	69,266	-	(86,400)	**36,493**	36,493
New Zealand Project						
New Zealand general	23,300	518,998	-	-	**542,298**	420,964
Rise & Shine Project	305,387	-	-	-	**305,387**	300,557
	$4,716,535	$43,964,376	$(16,360,566)	$(1,214,990)	**$31,105,355**	$31,032,425

5. Mineral Property Costs - *Continued*

a) Cree East Project, Saskatchewan

Under agreements signed and formally released from escrow on 21 December 2007 between the Company and Hanwha Corporation, Korea Electric Power Corporation, Korea Resources Corp., and SK Energy Co. Ltd. (the “Korean Consortium”), the Korean Consortium will invest $19,000,000 towards the earn-in of a 50% ownership interest in the Cree East Project over a 4-year period. The investment by the Korean Consortium is structured as a limited partnership, with CanAlaska Korean Uranium Ltd., acting as the general partner. As at 31 July 2008 the Company holds an 77% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium L.P. This project is accounted for as a Joint Venture as parties of the Joint Venture exercise joint control over the Joint Venture.

As part of the agreement, the Company contributed its Cree East Project mineral property assets with a book value at $1,230,407 to the Joint Venture. To pay for its initial 17.4% interest in the Joint Venture, the Korean Consortium contributed $3,000,000 in cash to the joint venture as well as related intellectual property. This intellectual property has been purchased from the Company by the Korean Consortium for $1,000,000, of which $600,000 was paid at closing. The remaining $400,000 will be paid to the Company upon the Korean Consortium attaining its 50% ownership interest earn-in. During the first quarter, the Korean Consortium contributed $1,680,000 to the joint venture. As a result, the holding interest by the Korean Consortium in the Joint Venture has increased from 17.4% to 23%. Upon completion of the $19,000,000 earn-in provisions by the Korean Consortium, the Company and the Korean Consortium will each own a 50% interest in the general partner and in the limited partnership. The Company acts as operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred.

The Company recognized an increase in contributed surplus of $3,194,713 as a result of this transaction.

b) Fond du Lac, Saskatchewan

By agreement dated 18 October 2006, the Company acquired from the Fond Du Lac Denesuline First Nations an option to earn a 49% interest in the Fond du Lac property. To earn a 49% interest in the property, the Company, at its option, must make payments, issue shares and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Upon execution of agreement	*(paid/issued)*	$ 20,000	100,000	$ -
On or before 31 October 2007	*(completed)*			300,000
On or before 31 October 2007*	*(paid $20,000)*	30,000	100,000	-
On or before 31 October 2008	*(completed)*			400,000
On or before 31 October 2008		40,000	50,000	-
On or before 31 October 2009		40,000	50,000	500,000
On or before 31 October 2010		-	-	800,000
Total		$ 130,000	300,000	$ 2,000,000

Upon exercising its 49% option, a joint venture may be formed.

*By agreement dated November 2007, future payments will be made upon receiving Federal work permits. A total of $20,000 was paid on 14 December 2007. On 24 June 2008, Federal work permits were received. Additional $10,000 was paid and 100,000 shares were issued on 05 September 2008.

5. Mineral Property Costs - *Continued*

c) Helmer & FDLC Project, Saskatchewan

This block of 1 permit and certain mineral claims lies in the north-central part of the Athabasca Basin, southeast of Uranium City and to the west of Fond du Lac.

d) Key Lake Project, Saskatchewan

The Company acquired a 100% interest in certain mineral claims through staking, known as the Key Lake project.

By agreement dated 2 March 2006, the Company optioned to International Arimex Resources Inc. (now "Westcan Uranium Corp.") up to 75% interest in the Key Lake project.

Westcan Uranuim Corp. ("Westcan") may, at its option earn a 50% interest in the project by making payments, issuing shares and making exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Upon execution of agreement	*(received)*	$ 25,000	100,000	$ -
On or before 1 April 2006	*(completed)*	-	-	100,000
On or before 15 October 2006	*(received)*	25,000	-	-
On or before 31 January 2007	*(completed)*	-	-	50,000
On or before 28 February 2007	*(received)*	50,000	100,000	-
On or before 31 May 2007	*(completed)*	-	-	600,000
On or before 28 February 2008	*(received)*	50,000	100,000	-
On or before 31 May 2008	*(partially completed)*	-	-	600,000
On or before 31 May 2009		-	-	650,000
Total		$ 150,000	300,000	$ 2,000,000

Within 90 days of exercising its 50% option, Westcan may elect to acquire an additional 10% interest by expending an additional $2,000,000 on exploration within 2 years of vesting its 50% interest. Within 90 days of completing its commitments for a 60% interest, Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 200,000 additional common shares, and expending a minimum of $500,000 per year on the Project. The Company will act as operator of the project until Westcan has a vested 60% interest, at which time Westcan may elect to become the operator.

Should the property reach commercial production, the Company will receive a 3% net smelter royalty.

e) Lake Athabasca Project, Saskatchewan

This project comprises certain mineral claims chiefly on Lake Athabasca, southwest of Uranium City.

f) Waterbury Project, Saskatchewan

The Company acquired a 100% interest in certain mineral claims through staking, known as the Waterbury project.

By agreement dated 9 November 2005, and amended on 30 March 2007, the Company optioned to NWT Uranium Corp. (NWT), formerly Northwestern Mineral Ventures Inc. up to 75% interest in the Waterbury project.

5. Mineral Property Costs - *Continued*

f) Waterbury Project, Saskatchewan - *Continued*

NWT may, at its option, earn a 50% interest in the property by making payments, issuing shares and making exploration expenditures as follows:

			Payments	Shares		Exploration Expenditures
Upon execution of agreement	*(received)*	$	25,000	100,000	$	-
On or before 1 April 2006	*(received/completed)*		25,000	100,000		500,000
On or before 1 April 2007	*(received/completed)*		25,000	-		750,000
On or before 1 April 2008 *			75,000	100,000		750,000
Total		$	150,000	300,000	$	2,000,000

*In December 2007, NWT terminated the Agreement. The Company will continue the exploration of the project in 2008.

g) West McArthur Project, Saskatchewan

The Company acquired a 100% interest in certain mineral claims through staking, known as the West McArthur project.

By way of an Option Agreement dated 5 April 2007, the Company optioned to Mitsubishi Development Pty Ltd. ("Mitsubishi") a 50% interest in the West McArthur project.

Mitsubishi may exercise its option to earn a 50% interest in the property by making a $1,000,000 option exercise payment within 30 days of completing $10,000,000 of required exploration expenditures, which are payable as follows:

			Exploration Expenditures
On or before 10 April 2007	*(paid)*	$	2,309,678
On or before 31 October 2007	*(paid)*		2,690,322
On or before 31 October 2008	*(paid)*		2,500,000
On or before 31 October 2009			2,500,000
Total		$	10,0000,000

Upon the exercise of its option, Mitsubishi will enter into a 50/50 joint venture with the Company which will be governed under a Joint Venture Agreement. The Company acts as operator of the exploration project prior to the formation of the joint venture and earns a management fee of up to 10% of the exploration expenditures incurred. Upon the formation of the joint venture, Mitsubishi may elect to become the operator.

h) Cree West Project, Saskatchewan

The Company acquired a 100% interest in certain mineral claims through staking, known as the Cree West project.

By agreement dated 24 April 2006, the Company optioned to International Arimex Resources Inc. (now "Westcan Uranium Corp.") up to 75% interest in the Cree West project.

Westcan may, at its option earn a 50% interest in the property by making payments, issuing shares and making exploration expenditures as follows:

5. Mineral Property Costs – *Continued*

h) Cree West Project, Saskatchewan – *Continued*

		Payments	Shares	Exploration Expenditures
Upon execution of agreement	*(received)*	$ 25,000	-	$ -
On or before 1 May 2006	*(completed)*	-	200,000	100,000
On or before 1 November 2006	*(received)*	25,000	-	100,000
On or before 1 May 2007	*(received)*	50,000	200,000	400,000
On or before 1 May 2008	*(received)*	50,000	200,000	-
On or before 1 May 2008	*(partially completed)*	-	-	1,000,000
On or before 1 May 2009		-	-	2,000,000
Total		$ 150,000	600,000	$ 3,600,000

Within 90 days of exercising its 50% option, Westcan may elect to acquire an additional 10% interest by expending an additional $4,000,000 on exploration within 2 years of vesting its 50% interest. Within 90 days of completing its commitments for a 60% interest, Westcan may elect to acquire a further 15% ownership, for a total of 75%, by completing a feasibility study within 2 years, issuing to the Company 400,000 additional common shares, and expending a minimum of $1,000,000 per year on the Project. The Company acts as operator of the project until Westcan has a vested 60% interest, at which time Westcan may elect to become the operator.

Should the property reach commercial production, the Company will receive a 3% net smelter royalty.

i) Grease River Project, Saskatchewan

In the prior year, the Company acquired a 100% interest in certain mineral claims through staking, known as the Grease River project. By way of an Option Agreement dated 10 April 2007, the Company optioned to Yellowcake plc. (“Yellowcake”) a 60% interest in the Grease River project.

On 1 August 2007, a supplemental agreement was signed within the Company, Yellowcake, and Uranium Prospects plc. (“Uranium Prospects”). Under the agreement, Uranium Prospects acquires from Yellowcake a participation in the Option that will ultimately enable Uranium Prospects to acquire a 51% interest in the Grease River property, with Yellowcake retaining a participation in the Option that will ultimately enable it to acquire a 9% interest in the property.

Uranium Prospects and Yellowcake may exercise their option to earn a 60% interest in the property by making payments, issuing shares and making exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Upon execution of agreement	*(received)*	$ 75,000	500,000	$ 320,000
On or before 07 Aug 2007	*(completed)*	-	-	210,000
On or before 15 Aug 2007	*(completed)*	-	-	250,000
On or before 31 Aug 2007	*(received)*	75,000	500,000	
On or before 15 Sep 2007	*(completed)*	-	-	250,000
On or before 15 Oct 2007	*(completed)*	-	-	250,000
On or before 31 Mar 2008	*(received)*	75,000	500,000	-
On or before 31 Mar 2008	*(completed)*			850,000
On or before 31 Mar 2009		75,000	500,000	1,000,000
On or before 31 Mar 2010		-	500,000	1,000,000
On or before 31 Mar 2011		-	-	870,000
Total		$ 300,000	2,500,000	$ 5,000,000

5. Mineral Property Costs – *Continued*

i) Grease River Project, Saskatchewan – *Continued*

The Company acts as operator of the project until Yellowcake has a vested 60% interest, at which time Yellowcake may become the operator.

Should the property reach commercial production, the Company will receive a 3% Yellowcake royalty, with the Optionee having the right to purchase up to half of this royalty for $3,000,000. During the year, Yellowcake transferred a majority interest in their option to Uranium Prospects. CanAlaska may receive the equivalent payment of Uranium Prospects or Yellowcake shares to satisfy the share payment provisions under the agreement. During the period, the Company recovered exploration costs of $816,651, which were included in accounts receivable. $228,165 were received subsequent to the quarter end.

j) Hodgson Project, Saskatchewan

This project is comprised of certain claims and lies west of the Cigar Lake Mine.

k) Poplar Agreement, Saskatchewan

In the prior year, the Company acquired a 100% interest in certain mineral claims through staking, known as the Poplar project.By way of an Option Agreement dated 1 October 2007, the Company optioned to Mega Uranium Ltd. (“Mega”) a 55% interest in the Poplar property.

Mega may exercise its option to earn a 50% interest in the property by issuing shares and making exploration expenditures as follows:

		Shares	Exploration Expenditures
Upon execution of agreement	*(received)*	25,000	$ -
On or before 01 Sept 2008	*(received in Sep 2008)*	25,000	2,000,000
On or before 01 Sept 2009		25,000	2,000,000
On or before 01 Sept 2010		25,000	2,000,000
Total		100,000	$ 6,000,000

Upon Mega fulfilling its exploration and share payments commitments, it may purchase an additional 5% ownership interest by paying the company $2,000,000 and issuing a further 100,000 Mega shares.

The Company acts as operator of the project until Mega has a vested 50% interest, at which time Mega may become the operator. During the current period, the Company recovered exploration costs of $622,984 and received addition $545,866 as advanced payment for the summer budget

Should the property reach commercial production, the Company will receive a 3% Yellowcake royalty, with the Optionee having the right to purchase up to half of this royalty for $4,500,000.

l) McTavish Project, Saskatchewan

This property is a block of certain mineral claims lying southeast of the McArthur River mine and northwest of the Key Lake Mine.

m) Moon Project, Saskatchewan

This property is comprised of certain mineral claims lying in two separate blocks between the McArthur River and Key Lake mines and is subject to a 3% third-party NSR.

5. Mineral Property Costs - *Continued*

n) NE Wollaston Project, Saskatchewan-Manitoba

This property straddles the Saskatchewan-Manitoba border and lies northeast along the trend of basement formations from the cluster of uranium deposits which include Rabbit Lake.

o) Alberta Project, Alberta

This project comprises mineral permits covering most of the Alberta section of Lake Athabasca.

p) Arnold Project, Saskatchewan

This project is contiguous block of certain minerals claims located west of the producing McArthur River mine.

q) Black Lake Project, Saskatchewan

By agreement dated 13 December 2006, the Company acquired from the Black Lake Denesuline First Nations an option to earn a 49% interest in the Black Lake project.

To earn a 49% interest in the property, the Company, at its option, must make payments, issue shares and incur exploration expenditures as follows:

		Payments	Shares	Exploration Expenditures
Upon execution of agreement	*(paid/issued)*	$ 20,000	100,000	$ -
On or before 30 November 2007*	*(paid $20,000)*	30,000	100,000	300,000
On or before 30 November 2008		40,000	50,000	400,000
On or before 30 November 2009		40,000	50,000	500,000
On or before 30 November 2010		-	-	800,000
Total		$ 130,000	300,000	$ 2,000,000

Upon exercising its 49% option, a joint venture may be formed.

*By agreement dated November 2007, future payments will be made upon receiving Federal work permits.

During the year, $20,000 was paid with the remaining $10,000 pending upon receiving Federal work permits. Federal work permits were received during the period. Additional $10,000 was paid and 100,000 shares were issued on 05 September 2008.

r) Camsell Project, Saskatchewan

This project is located northeast of the Maurice Bay uranium deposit, and west of Uranium City, on the northern edge of Lake Athabasca.

s) Carsell Project, Saskatchewan

This project is composed of certain mineral claims in the vicinity of Cluff Lake.

t) Ford Project, Saskatchewan

This project is located in the S.E. Athabasca Basin adjacent to the Cree East Project.

u) Kasmere Project, Manitoba

This property is located north of the Northeast project.

5. Mineral Property Costs - *Continued*

v) Misty Project, Manitoba

This property is located in Manitoba adjacent to the southern boundary of the NE Wollaston project.

During the period, the Company applied for certain mineral exploration licences, known as the Misty property. The grant of exploration licenses in permits by the government of Manitoba is pending the successful conclusion of its land use consultation with the local First Nation's communities.

By way of an Option Agreement dated 23 May 2008, the Company optioned to Great West Minerals Group Ltd. ("Western") a 51% interest in the Misty property.

Western may exercise its option to earn a 51% interest in the property by making payments, issuing shares and making exploration expenditures as follows:

	Payments	Shares	Exploration Expenditures
Upon grant of licence	$ 10,000	100,000	$ -
On or prior to1st anniversary of grant of licence	10,000	100,000	150,000
On or prior to 2nd anniversary of grant of licence	10,000		100,000
On or prior to 3rd anniversary of grant of licence	10,000		100,000
On or prior to 4th anniversary of grant of licence	10,000		100,000
On or prior to 5th anniversary of grant of licence	50,000		2,550,000
On or prior to 6th anniversary of grant of licence			3,000,000
Total	$ 100,000	200,000	$ 6,000,000

The Company will act as operator of the project until Western has a vested 51% interest, at which time Western may become the operator.

w) Uranium – General, Saskatchewan

General exploration and operating costs.

x) Elliot Lake Project, Ontario

During a previous year, the Company completed the staking of certain mineral claims in the Elliot Lake area of Ontario for Uranium related prospects.

By agreement dated 10 October 2006, the Company granted Pele Mountain Resources Inc. ("Pele") the right to earn a 100% interest in the Elliot Lake project.

Pele earned a 100% interest in the property by paying $13,000 cash and issuing 60,000 shares at a fair value of $13,200 in the prior year.

During the pervious year, the remaining related acquisition and exploration costs of $24,876 were written-off.

The Company retains a 1.75% NSR with Pele having the right to purchase 1% of this royalty for $1,000,000.

5. Mineral Property Costs - *Continued*

y) Rainbow Hill Project, Alaska

The Company acquired a 100% interest in certain mineral claims by staking in the Valdez Creek Mining District, Talkeetna Recording District, Alaska, U.S.A. This is a reduced claim group covering the core of the Rainbow Hill property. The Company maintains the claims by payment of yearly taxes.

During a previous year, management made the determination that the results of its exploration programs on the property did not warrant further expenditures and wrote-off the related acquisition and exploration costs of $1,361,147.

z) Voisey's Bay Project, Labrador

The Company acquired by staking, certain mineral claims located in the Voisey Bay area of Newfoundland.

i) VBE – 1 (787M)

The Company had a 50% interest in mineral license 787M and Columbia Yukon Resource Ltd. ("CYR") had a 50% interest in this claim.

ii) VBE – 2 (785M)

The Company has a 50% interest in mineral licence 785M. Columbia Yukon Resources Ltd. ("CYR") has a 50% interest in this claim.

By agreement dated 6 September 2006, the Company and CYR granted Celtic Minerals Ltd. ("Celtic") and Merrex Gold Inc. ("Merrex") the right to earn a 100% interest in the VBE – 2 property.

To earn a 100% interest in the property, Celtic and Merrex, at its option, must issue payments and incur exploration expenditures as follows:

		Payments	Celtic Shares	Merrex Shares	Exploration Expenditures
Upon execution of agreement	*(received)*	$ 25,000	25,000	25,000	$ -
On or before 6 September 2007	*(received)*	50,000	25,000	25,000	100,000
On or before 6 September 2008		75,000	25,000	25,000	250,000
On or before 6 September 2009		100,000	25,000	25,000	500,000
On or before 6 September 2010		-	25,000	25,000	750,000
Total		$ 250,000	125,000	125,000	$ 1,600,000

The Company shall retain a 2% NSR with the Optionees having the right to purchase half of this royalty for $2,000,000. In mid- September, Celtic and Merrex terminated the option.

aa) Zeballos Project, British Columbia

Pursuant to completing the terms of an option and Joint Venture Agreement dated 23 August 1988, and amended November 1998, the Company earned a 50% interest in certain mineral claims in the Alberni Mining Division of British Columbia. The Company increased its ownership to 100% interest in 2002.

During the previous year, management made the determination that the results of its exploration programs on the property did not warrant further expenditures and wrote-off the related acquisition and exploration costs of $63,803.

5. Mineral Property Costs – *Continued*

bb) Glitter Lake Project, Quebec

In a prior year, the Company acquired a 100% interest in certain mineral claims located near Glitter Lake, Quebec for payment of $32,667 in staking costs and the issuance of 40,000 common shares of the Company.

		Payments	Shares	Exploration Expenditures
On or before 15 April 2003	*(completed)*	$ -	-	$ 50,000
Upon execution of agreement	*(received)*	10,000	-	-
On or before 4 June 2004	*(received)*	-	20,000	-
On or before 15 August 2004	*(received)*	15,000	-	-
On or before 28 May 2005	*(received)*	-	20,000	-
On or before 15 August 2005	*(received)*	20,000	-	-
On or before 28 May 2006	*(received)*	-	20,000	-
On or before 15 April 2007	*(completed)*	-	-	150,000
On or before 15 April 2009		-	-	200,000
On or before 15 April 2010		-	-	300,000
Total		$ 45,000	60,000	$ 700,000

By an agreement dated 15 August 2003 and subsequent amendments, the Company granted Pacific North West Capital Corp. ("PFN") a company that previously had certain directors in common, the right to earn a 70% interest in the Glitter Lake property.

To earn a 50% interest in the property, PFN, at its option, must issue shares, make payments and incur exploration expenditures as follows:

Upon PFN having vested with a 50% interest by completing the aforementioned payments and obligations, PFN may elect within 45 days to increase its interest to 60% by completing a bankable feasibility study within two years. In the event PFN does not complete a bankable feasibility study within two years, PFN agrees to make cash payments in the amount of $50,000 per annum for each year the feasibility study is not completed. Upon vesting with a 60% interest PFN may elect within 90 days to earn a 70% interest in the property by placing the property into commercial production within two years from the date of this election. In the event that the bankable feasibility study indicates an IRR in excess of 15%, PFN agrees to make annual cash payments of $50,000 to the optionor for each year the project is not placed into commercial production.

In the event that a major mining company elects to participate in the project before PFN vests with a 50% interest, PFN will issue shares with a value of $100,000 to the Company, within 15 days of PFN becoming vested, or pay such amount that will result in PFN having spent $1 million in exploration expenditures.

The property is subject to a 1.5% NSR payable to a third party. The Company and PFN will share the NSR buyout privileges in proportion to their respective interests.

By agreement dated 1 April 2008, the Company extended the uncompleted portion of the option to 2010.

5. Mineral Property Costs – *Continued*

cc) Rise & Shine Project, New Zealand

By agreement dated 14 December 2004 and amended 21 July 2006 with OceanaGold, the Company may earn approximately a 70% interest in the Rise and Shine project. The terms of the agreement are for the Company to complete a minimum 1,000 metre drill program prior to 31 July 2005, and in subsequent years complete an additional NZ$100,000 of field expenditures by 30 June 2006 and a further NZ$150,000 by 30 June 2007 for a cumulative total of NZ$350,000.

The Company has completed its earn-in requirements and effective 1 July 2007 the project is in a Joint Venture with Oceana Gold (30%) and CanAlaska (70%). Both partners of the Joint Venture exercise joint control over the Joint Venture. Oceana Gold's contribution is deemed to be NZ$150,000 (Cdn$120,000) and CanAlaska's deemed contribution is deemed to be NZ$350,000 (Cdn $280,000). Management decided to write down $399,452 of its expenditures to agree with the deemed value of the Joint Venture. If either party elects to non-fund or partially fund their respective portion of the proposed budget then they may dilute their equity in the Joint Venture down to a minimum of 15% and then the relevant party's interest in the joint venture will revert to a 2% royalty on gold produced. As of 31 July 2008, CanAlaska's current interest is 72% and Oceana's interest is 28%.

dd) Other New Zealand Projects

The Company has also been granted the following four prospecting permits: Granite Dome, Greymouth North, Reefton South and Mt. Mitchell.

6. Property, Plant and Equipment

Details are as follows:

		Cost	Accumulated Amortization		**July 31, 2008 Net Book Value**
Office equipment	$	370,106	226,544	**$**	**143,562**
Automotive equipment		111,350	37,278		**74,072**
Mining equipment		841,997	425,022		**416,975**
Leasehold improvements		247,833	22,236		**225,597**
		1,571,286	711,080		**860,206**

		Cost	Accumulated Amortization		**April 30, 2008 Net Book Value**
Office equipment	$	370,106	217,197	**$**	**152,909**
Automotive equipment		111,350	31,272		**80,078**
Mining equipment		816,006	392,268		**423,738**
Leasehold improvements		247,832	17,702		**230,130**
	$	1,545,294	658,439	**$**	**886,855**

7. Share Capital

a) Private Placements

During the quarter ended 31 July 2008, the Company issued 10,922,660 flow-through units at a price of $0.34 per unit for gross proceeds of $ 3,713,704 *(Note 7f).* Each unit consists of one flow-through common share in the capital of the Company and one-half of one non-transferable, share purchase warrant. Each whole warrant entitles the holder to purchase one additional flow-through common share or, at the election of the investor, one non flow-through common share for a period of two years from the closing date at a price of $0.50 per warrant share.

In connection with this closing, the Company has paid as finder's fees an aggregate $178,825 in cash, and has issued 441,176 common shares and 345,589 warrants. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.50 per share for a period of two years from the closing date.

During the pervious year, the Company issued 1,111,111 flow-through units *(Note 7b)* at a price of $0.45 for gross proceeds of $500,000. Each flow-through unit consists of one common share and one-half flow-through share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.52 for a period of 12 months from closing. The Company paid a $25,000 finders fee.

During the pervious year, the Company issued 7,660,877 flow-through units *(Note 7b)* at a price of $0.47 for gross proceeds of $3,600,612. Each flow-through unit consists of one common share and one-half non-flow-through share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.55 for a period of 12 months from closing.

During the pervious year, the Company issued 7,629,968 units at a purchase price of $0.38 per unit, for gross proceeds of CDN $2,899,388. Each unit consists of one common share and one-half common share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase an additional common share at a price of $0.48 for a period of 12 months from closing. The Company issued 160,000 Agent warrants as a finder’s fee. Each Agent warrant entitles the holder to purchase one additional common share of the Company for a period of twelve months from the date of closing at a price of $0.48 per share.

During the pervious year, the Company issued 10,000 common shares valued at $4,000 for mineral property acquisitions.

b) Flow-Through Shares

Flow-through shares are shares issued by a company that incurs certain qualifying resource expenditures and then renounces them for Canadian tax purposes. This allows the expenditures to flow through to the subscriber for tax purposes. The subscribers may in turn claim the expenditure as a deduction on their personal or corporate tax returns.

The total amount of funds raised through the flow-through shares must be spent on qualified mineral exploration in order for the subscribers to utilize the deduction for tax purposes.

During the year ended 30 April 2008, the Company renounced $4,100,612 (2007 - $6,233,834) of CEE to the flow-through shareholders. The recovery of future income taxes of $840,801 (2007 – $1,173,486) represents the income tax effect of these renouncements *(Note 9c).*

c) Exercise of Warrants and Options

During the period, 300,000 options were exercised for gross proceeds of $30,000.

7. Share Capital – *Continued*

d) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the TSX Venture Exchange on the last trading day preceding the grant date.

A summary of the Company's options at 31 July 2008 and the changes for the period are as follow:

Number outstanding 30 April 2008	Granted	Exercised	Expired / Cancelled	Number outstanding 31 July 2008	Exercise price per share	Expiry date
300,000	-	(300,000)	-	-	$0.10	25-Jun-08
172,500	-	-	-	172,500	$0.25	10-Sep-08
767,500	-	-	(95,000)	672,500	$0.40	5-Nov-09
175,000	-	-	-	175,000	$0.45	29-Nov-09
57,000	-	-	(17,000)	40,000	$0.50	23-Feb-10
358,000	-	-	(25,000)	333,000	$0.58	7-Mar-10
75,000	-	-	-	75,000	$0.35	13-Jul-10
3,090,000	-	-	(192,500)	2,897,500	$0.45	14-Oct-10
200,000	-	-	-	200,000	$0.42	14-Feb-11
25,000	-	-	-	25,000	$0.50	8-Aug-11
80,000	-	-	-	80,000	$0.50	4-Oct-11
2,755,000	-	-	(132,500)	2,622,500	$0.50	16-Nov-11
50,000	-	-	-	50,000	$0.75	13-Feb-12
975,000	-	-	(25,000)	950,000	$0.74	30-Mar-12
100,000	-	-	-	100,000	$0.70	7-May-12
785,000	-	-	(45,000)	740,000	$0.62	28-Jun-12
170,000	-	-	(50,000)	120,000	$0.45	30-Oct-12
100,000	-	-	-	100,000	$0.45	31-Oct-12
5,688,500	-	-	(60,000)	5,628,500	$0.40	20-Dec-12
150,000	-	-	-	150,000	$0.40	23-Jan-13
225,000	-	-	(50,000)	175,000	$0.40	10-Feb-13
600,000	-	-	-	600,000	$0.40	24-Mar-13
-	400,000	-	-	400,000	$0.40	24-Jun-13
16,898,500	400,000	(300,000)	(692,000)	16,306,500		

During the year, the Company granted the following options and recognized the following costs with respect to options granted:

Grant date	Granted	Exercise price	Fair Value	Vested Amount
25 Jun 2008	400,000	$0.40	$108,000	$3,037
Total	400,000		$108,000	$3,037

The total estimated fair value of the 400,000 options is $108,000, in which $3,037 had been vested during the period ended 31 July 2008. A fair value of $3,037 has been recorded as stock-based compensation expenses during the first quarter. The offsetting entry is to contributed surplus.

7. Share Capital - *Continued*

d) Share Purchase Options - *Continued*

During previous years, the Company granted the following options and recognized the vested amount as follows:

Grant date	Granted	Exercise price	Fair Value	Vested Amount
13 July 2005	75,000	$0.35	$22,314	$22,314
14 Oct 2005	3,090,000	$0.45	965,983	810,456
14 Feb 2006	200,000	$0.42	61,704	61,704
08 Aug 2006	25,000	$0.50	8,302	8,302
04 Oct 2006	80,000	$0.50	20,626	18,048
16 Nov 2006	2,755,000	$0.50	1,160,310	862,862
13 Feb 2007	50,000	$0.75	22,120	16,590
30 Mar 2007	975,000	$0.74	560,650	204,853
07 May 2007	100,000	$0.70	62,051	62,051
28 June 2007	785,000	$0.62	422,781	217,988
30 Oct 2007	170,000	$0.45	64,536	11,389
31 Oct 2007	100,000	$0.45	37,973	9,493
21 Dec 2007	5,688,500	$0.40	1,702,936	532,906
24 Jan 2008	150,000	$0.40	29,072	11,667
11 Feb 2008	225,000	$0.40	60,041	12,509
25 Mar 2008	600,000	$0.40	159,600	26,600
Total	15,068,500		$5,360,999	$2,889,732

The total estimated fair value of the 15,068,500 options is $5,360,999 since the options were granted under a vesting schedule, $536,454 had been vested during the first quarter. $166,822 of the total fair value has been recorded as stock-based compensation deferred exploration expenses and $369,632 of the total fair value has been recorded as stock-based compensation expenses during 2008. The offsetting entry is to contributed surplus.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2008	2007	2006
Expected dividend yield	**0.00%**	0.00%	0.00%
Expected stock price volatility	**122.41%**	67.72%	86.93%
Risk-free interest rate	**3.94%**	3.96%	3.66%
Expected life of options	**5.0 years**	5.0 years	5.0 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options.

7. Share Capital - *Continued*

e) Share Purchase Warrants

As at 31 July 2008, the following share purchase warrants are outstanding:

Number	Exercise Price	Expiry Date
555,555	$0.52	24 September 2008
3,830,438	$0.55	26 October 2008
3,814,983	$0.48	26 October 2008
160,000	$0.48	26 October 2008
4,000,000	$0.67	8 December 2008
19,519	$0.67	8 December 2008
4,726,029	$0.50	13 May 2010
308,824	$0.50	13 May 2010
735,300	$0.50	28 May 2010
36,765	$0.50	28 May 2010
18,187,413		

During the current period, 5,806,918 common share purchase warrants having a fair value of $447,966 were issued relating to private placements. During the previous year, 8,360,977 common share purchase warrants having a fair value of $765,581 were issued relating to private placements.The fair value of the common share purchase warrants included in unit offerings is estimated on the date of issuance of the unit using the Black-Scholes option-pricing model with the following weighed average assumptions:

	31 July 2008
Average risk-free interest rate	3.24%
Expected dividend yield	Nil
Expected stock price volatility	74.24%
Average expected warrant life	2 years

Pricing models require the input of highly subjective assumptions including the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock purchase warrants.

On 12 June 2007 the Board of Directors of the Company approved a Shareholder Rights Plan (the "Rights Plan"). The rights issued under the Rights Plan are subject to reconfirmation at every third annual meeting of shareholders and will expire on 12 June 2017 (the "Expiration Time"). Pursuant to the Rights Plan, the Board of Directors declared a distribution of one right (a "Right") for each outstanding Common Share of the Company to shareholders of record at the close of business on the Record Date and authorized the issuance of one Right for each Common Share issued after the Record Date and prior to the Separation Time (described below) and the Expiration Time. The Rights will separate from the Common Shares at the time (the "Separation Time") which is the close of business on the eighth trading day (or such later day as determined by the Board) after the public announcement of the acquisition of, or intention to acquire, beneficial ownership of 20% of the Common Shares of the Company by any person other than in accordance with the terms of the Rights Plan. To constitute a "Permitted Bid", an offer must be made in compliance with the Rights plan and must be made to all holders of voting shares (other than the offeror), must be open for at least 60 days and be accepted by shareholders holding more than 50% of the outstanding voting shares and, if so accepted, must be extended for a further 10 business day period. The Rights Plan received shareholder approval on 19 September 2007.

8. Related Party Transactions

Except as disclosed elsewhere in these consolidated financial statements, related party transactions are as follows:

i) During the period, the Company paid:

		31		31
Consulting fees to a company controlled by the former Corporate Secretary	**$**	**-**	$	**7,807**
Engineering and consulting fees to the VP Exploration	**$**	**51,576**	$	**45,852**
Accounting fees to a company controlled by the Chief Financial Officer	**$**	**15,367**	$	**8,100**

ii) Effective 1 February 2005, each outside director is entitled to receive $500 per month, $500 per directors meeting and $500 per committee meeting. During the period, $19,694 (2007- $4,500) has been paid/accrued to directors. At period end, $7,000 (30 April 2008- $22,510) is owing to directors. This is due on demand and non-interest bearing.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Income Taxes

a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2008		2007
Loss before income taxes	$	(3,570,687)	$	(3,002,245)
Combined Canadian and US income tax rates		30.92%		34.07%
Expected recovery	$	(1,104,326)	$	(1,022,881)
Items not deductible for income tax purposes		583,107		381,377
Change in valuation allowance and other		(319,582)		(531,982)
Total recovery	$	(840,801)	$	(1,173,486)
Represented by:				
Current income tax	$	-	$	-
Future income tax recovery	$	(840,801)	$	(1,173,486)

b) The significant components of the Company's future income tax assets / liabilities are as follows:

		2008		2007
Future income tax assets (liabilities)				
Non capital loss carry forwards	$	1,965,588	$	1,934,573
Capital loss carry forwards		177,088		220,355
Share issue costs		230,526		273,794
Undepreciated capital cost in excess of accounting net book value		182,339		136,477
Mineral properties		(3,360,875)		(2,817,907)
		(805,334)		(252,708)
Valuation allowance		(571,072)		(693,309)
Net future income tax liability	$	(1,376,406)	$	(946,017)

9. Income Taxes - *Continued*

The Company has non-capital losses for Canadian tax purposes of $5,069,690 and net operating loss carryovers for US tax purposes of $1,133,269 available to offset against taxable income in future years, which, if unutilized, will expire through to 2028. Subject to certain restrictions, the Company also has capital losses of $1,142,500 and resource exploration expenditures of $20,190,894 available to reduce taxable income of future years as compared to the carrying value of $31,032,425 for a temporary difference of $10,841,531.

c) Future Income Tax Recovery

During the year, flow-through shares totalling $4,100,612 (2007 - $6,233,834) were issued, which funds are required to be spent on certain Qualifying Canadian Exploration Expenditures. Because the Company no longer has the ability to use the expenditures for tax purposes, the Company is required to record a future tax liability which is equal to the renunciation, times the corporation tax rate when expenditures are renounced. This amounted to $1,271,190 (2007 - $2,119,503). However, the Company can utilize previously unrecognized future income tax assets to offset the liability to the extent available. As at 30 April 2008, the Company had $840,801 (2007 - $1,173,486) in future income tax assets to apply. The excess future income tax liability of $1,376,406 (2007 - $946,017) has been recorded in the financial statements.

10. Commitments

a) By an agreement effective 1 June 1995, the Company entered into a three-year management agreement with a company controlled by the former Chairman. During the year, this agreement was terminated with the payout agreed as one year's compensation plus a bonus payment of six months compensation for a total payout of $153,144.

b) Kerrisdale, Vancouver Lease

By an agreement dated 1 July 2005, the Company is committed under an operation lease, for its office premises with the following estimated lease payments to the expiration of the lease on 30 June 2010:

		Amount
2009	$	44,723
2010		59,631
2011 (expiry in June 2010)		9,938
Total	$	114,292

c) Saskatchewan Premises Lease

By an agreement dated 22 May 2007, the Company entered into an operating lease, for its office premises in Saskatchewan with the following lease payments to the expiration of the lease on 31 May 2012:

		Amount
2009	$	61,533
2010		82,044
2011		82,044
2012		82,044
2013 (expiry in May 2012)		6,837
Total	$	314,502

10. Commitments - *Continued*

d) Downtown Vancouver Office Lease

By an agreement dated 31 July 2007, the Company entered into an office lease for premises in downtown Vancouver with the following lease payments to the expiration of the lease on 31 August 2010.

		Amount
2009	$	41,040
2010		54,720
2011 (expiry in August 2010)		18,240
Total	$	114,000

e) Land Lease

By an agreement dated 1 October 2007, the Company entered into a lease for land in LaRonge, Saskatchewan with the following lease payments to the expiration of the lease on 31 May 2021.

		Amount
2009	$	471
2010		629
2011		629
2012		629
Thereafter (expiry in May 2021)		5,661
Total	$	8,019

11. Interests in Joint Ventures

The Company's proportionate share of the assets, liabilities and cash flows of its joint ventures included in these consolidated financial statements are as follows

		2008
Current assets	$	1,306,391
Mineral property costs		2,594,226
Current liabilities		-
Revenues		13,036
Expenses		140
Cash flows from operating activities		13,036
Cash flows from financing activities		1,680,000
Cash flows used in investing activities		(1,278,710)

At 31 July 2008, the Company's interests in the CanAlaska Korean Uranium Joint Venture related to the Cree East project and Rise and Shine Joint Venture related to the Rise and Shine New Zealand properties are 77% and 72% respectively.

12. Segmented Information

The Company operates in one industry segment, being exploration. Details on a geographic basis at 31 July 2008 are as follows:

Details on a geographic basis at 31 July 2008 are as follows:

	Canada	U.S.A.	New Zealand	Total
Assets	$ 44,592,686	$ -	$ 974,508	$ 45,567,194
Mineral Property Cash Expenditures	$ 1,420,769	$ -	$ 126,164	$ 1,546,933
Comprehensive Loss for the Year	$ (464,989)	$ -	$ -	$ (464,989)

Details on a geographic basis at 30 April 2008 are as follows:

	Canada	U.S.A.	New Zealand	Total
Assets	$ 42,158,876	$ -	$ 848,344	$ 43,007,220
Capital Expenditures	$ 15,046,597	$ 2,795	$ 165,279	$ 15,214,671
Comprehensive Loss for the Year	$ (2,679,354)	$ (4,414)	$ (406,453)	$ (3,090,221)

Details on a geographic basis at 30 April 2007 are as follows:

	Canada	U.S.A.	New Zealand	Total
Assets	$ 32,181,384	$ -	$ 1,026,054	$ 33,207,438
Capital Expenditures	$ 9,579,567	$ 2,468	$ 313,133	$ 9,895,168
Loss for the Year	$ (259,852)	$ (1,237,562)	$ (331,345)	$ (1,828,759)