CanAlaska Uranium Ltd.

CVV - TSX CVVUF - OTCBB DH7N – Frankfurt

Management Discussion and Analysis For the Third Quarter and Nine Months Ended January 31, 2012

Dated March 15, 2012

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR. Information is also available at the Company's website *www.canalaska.com*. In addition, reference should be made to the risk factors section of the most recently filed Form 20-F on EDGAR or the Company's audited consolidated financial statements for the year ended April 30, 2011. The following information is prepared in accordance with International Financial Reporting Standards (IFRS) and denominated in Canadian dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the nine months ended January 31, 2012.

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

1. OVERVIEW OF THE COMPANY

- ✓ Exploration expenditures of $2.3 million ($3.1 million net of $0.8 million from reimbursements from partners) for nine months ended January 31, 2012 in the Athabasca Basin
- ✓ Over 21 projects covering 938,000 hectares focused on Uranium (section 1.1)
- ✓ Cash resources of $5.9 million (as at January 31, 2012)
- ✓ 20,253,136 common shares issued and outstanding (March 5, 2012)

Due to increasingly difficult market conditions facing junior uranium exploration, the Company's management is also evaluating its priorities and taking steps to streamline non-discretionary expenditures.

1.1 Profile and Strategy

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties, principally in Canada. The Company aims to acquire and advance its projects to a stage where they can be exploited at a profit or it can arrange joint ventures, whereby other companies provide funding for development and exploitation. The Company's principal focus is exploring for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan. As of March 12, 2011, the Company had 20,253,136 shares outstanding with a total market capitalization of $9.7 million. The Company's shares trade on the Toronto Stock Exchange ("CVV") are quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N").

Table 1: Canadian Land Position Summary

Property / Project Name	2012 Notes	Hectares
Alberta		76,000
Arnold		14,000
BC Copper		25,000
Black Lake	Option with Black Lake Denesuline	12,000
Carswell		29,000
Collins Bay Extension	Option with Bayswater Uranium	39,000
Cree East	Ventured with Korean Consortium	56,000
Cree West		13,000
Fond Du Lac	Option with Fond Du Lac Denesuline	17,000
Grease River		38,000
Helmer		52,000
Hodgson		25,000
Kasmere	Awaiting licence	267,000
Key		3,000
Lake Athabasca		44,000
McTavish		1,000
Moon		4,000
NW Manitoba		144,000
Poplar		37,000
Waterbury		6,000
West McArthur	Ventured with Mitsubishi	36,000
TOTAL	**21 Projects**	**938,000**

In the Athabasca region of Saskatchewan, the Company controls an exploration portfolio of 20 large projects totalling over 3,525 square miles (913,000 hectares) and has a land position that rivals the combined holdings of established uranium producing giants Cameco Corporation and Areva. The Company has built a strong in-house exploration team and has established strategic exploration funding relationships with MC Resources Canada, a wholly owned subsidiary of Japan's Mitsubishi Corporation Ltd. ("Mitsubishi") (on the West McArthur property), with a Korean Consortium comprised of Hanwha Corp., Korea Resources Corp. ("KORES"), Korea Electric Power Corporation ("KEPCO"), and SK Networks Co. Ltd. (on the Cree East property).

In addition, CanAlaska has entered into option agreements on the Black Lake, Fond Du Lac, and Collins Bay Extension projects with other third-parties through which the Company has committed to undertake and fund the exploration work. CanAlaska plans to actively market other projects to potential partners.

CanAlaska's commitment to the Athabasca has also resulted in its building strong ties with the local First Nations communities. The Company obtained approval from the communities of Black Lake and Fond Du Lac to undertake exploration on their reserve lands under the official sanction of Indian and Northern Affairs Canada ("INAC"). In achieving this, CanAlaska has the distinction of becoming the first company to undertake uranium exploration on First Nations' reserve territory in Saskatchewan in over twenty-five years. CanAlaska's record of operational safety and environmental compliance were recognized as key contributing factors during the lengthy review and approval process.

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

The Company believes that the increasingly attractive fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels will ensure the long-term future of global uranium markets and prices. Since 2004, CanAlaska has expended over $79 million on exploration and research towards the advancement of uranium discovery on our 20 project areas.

1.2 Outlook

- Continued focus on exploration for the discovery of one or more significant uranium deposits in the Athabasca region of Northern Saskatchewan
- Company believes that it has the projects, strategic partners, people and knowledge base, corporate treasury and fund raising ability to deliver on this mission; however, due to increasingly difficult market conditions facing junior uranium exploration companies management is also evaluating its priorities and taking steps to streamline non-discretionary expenditures.
- Completed and continuing drill programs have further defined our target zones and identified new targets for future drill programs
- Our Korean partners have contributed $19.0 million of their 19.0 million funding commitment towards the Cree East project
- At the West McArthur project, exploration is being carried out under a 50/50 joint venture with MC Resources Canada (“MCRC”), a wholly owned subsidiary of Mitsubishi Corporation, and CanAlaska
- In February 2010, after the start of the winter season, MCRC earned a 50% interest in the West McArthur project by completing the $11.0 million investment specified under the project's option agreement. Over the next five years, the joint venture is planning to expend between $3.5 - $4.2 million annually to progressively test the 7 target areas which exist on the property
- At the Collins Bay Extension project, results from the Company’s previous program provide strong exploration targets for the large breccia targets on the property
- CanAlaska is also actively marketing other projects to potential partners
- CanAlaska is expecting over $7 million of exploration comprising drilling programs on its projects in the Athabasca Basin this winter. The principal expenditures will be on the West McArthur and Cree East projects

2. MILESTONES, PROJECT UPDATES AND OPERATIONAL REVIEW

2.1 Overview– May 1, 2011 to March 12, 2012

- Commenced 2012 drill programs totalling 14,000 metres of drilling exploration at West McArthur and Cree East uranium projects (January 2012)
- Reported approval of $3.1 million winter 2012 exploration program at Cree East (November 2011)
- Reported results on its West McArthur geophysical TDEM and DC Resistivity surveys (November 2011)
- Reported results on its Cree East winter drilling program (August 2011)
- Completed two airborne ZTEM geophysical surveys on Hodgson and Carswell project (July 2011)
- Reported results of its 2011 Phase One reverse circulation and diamond core drilling program on Fond Du Lac project (June 2011)
- Completed two airborne ZTEM geophysical surveys on the Hodgson and Carswell projects.
- Completed ground geophysical resistivity surveys on the West McArthur project (June 2011) and Cree East (Dec 2011).
- Listed on Toronto Stock Exchange (TSX) (June 2011)
- Closed private placement of $0.5 million (May 2011)

In January 2012, the Company announced the commencement of two major programs totalling over 14,000 metres of drilling exploration this winter at its West McArthur and Cree East uranium projects. The West McArthur program of 6,800 metres in seven diamond drill holes has been laid out within the Grid 5 target area, located near Epp Lake. The Cree East program of 7,600 metres of diamond drilling in 18 drill holes are within Zones A, B, C, D, G, I and J.

In November 2011, the Company reported the approval by the joint venture partners of Cree East uranium project of a $3,121,799 winter 2012 exploration program, comprising ground geophysics and 7,650 metres of diamond drilling. Drilling will commence in January 2012 and will focus on a 5 kilometre long basement conductor, in the centre of Grid 7. Geophysical ground resistivity surveys will commence in December 2011 and will target the eastern and north-eastern portion of Grid 7, where previous exploration had identified strong conductive targets at depth.

In November 2011, the Company reported the results of an extensive program of surface geophysical moving loop TDEM and DC resistivity surveys carried out on the West McArthur project through 2011 winter and summer. The $2.4 million program has delineated several new drill targets at Grids 1, 5 and 7. The Grid 5 drill targets have been approved by the joint venture and are scheduled for drill testing in the first quarter of 2012.

In August 2011, the Company reported the results from the winter drilling program on the Cree East project. All three winter drill holes that reached into the basement rocks (CRE072, CRE073, and CRE074) showed distinctly anomalous alteration and mineralization features, further extending the zones of strong alteration which characterize Zone A and Zone I.

A ground geophysical crew at the West McArthur project completed ground resistivity surveying over Grid #1 and Grid #7 in August 2011. Further ground geophysical surveys were carried out at Cree east in December 2011 in preparation for winter drilling.

In July 2011, the Company announced the completion of two airborne ZTEM geophysical surveys on its wholly-owned Hodgson and Carswell projects. The newly-developed ZTEM surveys provide a new dimension for surveying electromagnetic targets, providing superior details of conductive zones at depth. The first ZTEM survey at the Hodgson project identified five areas with basement conductors. The second ZTEM survey, with covered claims on the western portion of the Carswell project confirms basement conductors in areas where previous VTEM surveys were hampered because of conductive overburden.

In June 2011, the Company reported on results from its 2011 Phase One reverse circulation and initial diamond core drilling program on the Fond Du Lac project. The exploration identified additional uranium targets proximal to the existing Fond Du Lac uranium deposit, and provided further targets for the planned 2011 Phase Two diamond drill program. Thirty-four vertical (2,895 metres) reverse circulation drill holes were completed in five soil anomaly target areas. Nine diamond drill holes were drilled at the west Fond Du Lac zone and five diamond drill holes were drilled at the main Fond Du Lac zone. The best uranium mineralization was encountered in diamond drill hole WFDL001, with 2-metres at 0.5% U_3O_8.

In June 2011, the Company's common shares were listed and commenced trading on the Toronto Stock Exchange ("TSX").

In May 2011, the Company closed a non-brokered flow-through private placement of 418,141 common shares for gross proceeds of $0.47 million.

2.2 Project Updates

Overview

The Company currently has over 20 projects within the Athabasca basin area and has carried out exploration programs on 5 of these in the past year. In the first nine months of fiscal 2012, the Company spent $2.3 million ($3.1 million net of $0.8 million from reimbursements from partners) on exploration costs in the Athabasca Basin. The two largest exploration projects were at West McArthur and at Cree Lake.

Exploration spending in the third quarter of 2012 is comparable with the third quarter of 2011, as historically the Company has spent this time preparing for winter exploration programs. In the third quarter, the Company focused on West McArthur and Cree East programs.

As part of the transition to IFRS, the Company elected to change its accounting policy to retrospectively expense all pre-feasibility exploration and evaluation costs. The effects of this transitional change are as follows:

(i) At January 31, 2011:
   a) decrease deferred exploration assets of $49,177,000
   b) increase opening deficit by $44,542,000
   c) increase net loss by $794,000 for the three months ended January 31, 2011 and $4,809,000 for the nine months ended January 31, 2011

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

The following table summarizes the Company's expenditures in the Athabasca Basin over the last eight quarters. The reimbursements figures in the table do not include the contributions from our Korean Partners on Cree East.

Table 2: ($000's)	Quarterly							
Total Exploration	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**
Camp Cost & Operations	1,124	260	262	214	556	8	15	303
Drilling	1,983	508	893	59	1,382	(2)	-	256
General & Admin	135	52	39	54	100	130	13	41
Geochemistry	61	77	71	10	52	38	10	5
Geology	445	245	378	124	294	125	64	82
Geophysics	936	302	463	99	1,639	1,116	218	260
Other	(299)	462	408	264	517	143	52	249
Gross Expenditures	**4,385**	**1,906**	**2,525**	**824**	**4,540**	**1,558**	**372**	**1,196**
Reimbursement	(1,353)	(184)	(189)	(165)	(1,429)	(453)	(144)	(193)
Net Expenditures	**3,032**	**1,722**	**2,336**	**659**	**3,111**	**1,105**	**228**	**1,003**

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

2.2.1 Cree East Project, Saskatchewan – Korean Consortium

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

As of January 31, 2012, the Korean Consortium has contributed its $19.0 million towards exploration of the project and holds a 50% ownership interest in both CanAlaska Korea Uranium Ltd. and the Canada-Korea Uranium Limited Partnership. The following table summarizes the Korean Consortium expenditures and advances by quarter, fiscal year ended, and life to date ("LTD") on the project. The table does not include a $1.0 million payment made directly to CanAlaska for intellectual property associated with the project.

Table 3: ($000's)	Quarterly								
Cree East Project	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**LTD**
Camp Cost & Operations	379	227	222	203	161	-	-	163	3,061
Drilling	842	522	891	26	367	(6)	-	186	5,550
General & Admin	14	15	8	10	32	62	(19)	6	425
Geochemistry	27	23	45	9	9	3	1	2	498
Geology	184	151	178	38	76	30	14	44	1,298
Geophysics	262	51	83	60	356	4	10	171	3,219
Management Fees	178	111	152	38	110	8	(31)	60	1,350
Other	99	131	104	76	96	10	2	27	1,356
Net Expenditures	**1,985**	**1,231**	**1,683**	**460**	**1,207**	**111**	**(23)**	**659**	**16,757**

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

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

In November 2011, the Company reported the approval by the joint venture partners of Cree East uranium project of a $3,121,799 winter 2012 exploration program, comprising ground geophysics and 7,650 metres of diamond drilling. Drilling commenced in January 2012 and will focus on a 5 kilometre long basement conductor, in the centre of Grid 7. Geophysical ground resistivity surveys commenced in December 2011 and will target the eastern and north-eastern portion of Grid 7, where previous exploration had identified strong conductive targets at depth.

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

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

IFRS impact on accounting for Cree East Project

Under Canadian GAAP, the Company accounted for its interest in CKULP ("Partnership") as a variable interest entity ("VIE") with the Company as the primary beneficiary. The Partnership was determined to be a VIE because the total equity investment at risk is not sufficient to permit the Partnership to finance its mine exploration and development activities without additional financial support from its partners. Consequently, the Company concluded that the primary beneficiary of the Partnership was the Company. Accordingly, the Company consolidated 100% of the Partnership, and previously reported a non-controlling interest. IFRS does not include the concept of a variable interest entity. IFRS requires the Company to consolidate entities including Special Purpose Entities only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. On application of IFRS, the Company has determined that it has joint control of the Partnership under the contractual provisions of the joint venture agreement (the "JV Agreement"). The Company does not control the Partnership based on voting interest and does not own more than half of the voting power. Furthermore, both the Consortium and the Company have equal rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership's Board of Directors. Decision making is governed by the Partnership's Board of Directors, with equal representation from the Consortium and the Company. Under IFRS, the Company can elect to use either the equity method or proportionate consolidation method to account for its interest in the Partnership. The Company has elected to apply the proportionate consolidation method to account for its interest in the Partnership.

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

(i) At January 31, 2011:
   a) cash decreased by $2,378,000
   b) non-controlling interest decreased by $19,000,000
   c) dilution gain resulting from above credited to deficit in the amount of $2,692,000 for the three months ended January 31, 2011 and $4,859,000 for the nine months ended January 31, 2011

(ii) At April 30, 2011:
   a) cash decreased by $1,774,000
   b) non-controlling interest decreased by $19,000,000
   c) dilution gain resulting from above credited to deficit in the amount of $5,462,000

2.2.2 West McArthur Project, Saskatchewan – Mitsubishi

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

Table 4: ($000's)				Quarterly					
West McArthur Project	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**	**LTD**
Camp Cost & Operations	432	6	6	4	-	-	-	143	2,754
Drilling	749	-	-	34	-	-	-	72	5,580
General & Admin	34	33	27	30	26	40	32	27	1,997
Geochemistry	26	12	8	-	-	8	4	1	296
Geology	136	66	36	14	15	19	49	10	759
Geophysics	406	165	147	16	977	652	161	63	5,274
Other	197	45	24	20	59	50	29	53	1,540
Gross Expenditures	**1,980**	**327**	**248**	**118**	**1,077**	**769**	**275**	**369**	**18,200**
Reimbursement	(2,005)	(169)	(129)	(59)	(563)	(403)	(144)	(193)	(13,954)
Net Expenditures	**(25)**	**158**	**119**	**59**	**514**	**366**	**131**	**176**	**4,246**

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

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

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

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

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

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

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

2.2.3 Fond Du Lac Project, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008 and September 10, 2010, CanAlaska optioned the Fond Du Lac project from the Fond Du Lac Denesuline First Nation. The project spans approximately 17,000 hectares and contains a uranium deposit with a historical (non 43-101 compliant) resource. CanAlaska may earn a 50% interest in the project by funding $2 million in exploration over 5 years. In addition, the Company is committed to pay to the Fond Du Lac Denesuline First Nation a further $130,000 in cash consideration ($130,000 paid), 40,000 shares (40,000 issued) and work commitments of $2.0 million ($1.2 million by June 2011 and an additional $800,000 by June 2012). As of January 31, 2012, the Company had met the work commitment and had incurred cumulative $4.5 million in exploration expenditures on the property.

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

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

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

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

2.2.4 Grease River Project, Saskatchewan

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

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

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

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

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

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

2.2.5 Cree West Project, Saskatchewan

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

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

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

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

2.2.6 Key Lake Project, Saskatchewan

The Key Lake project comprises of 5 mineral claims in three separate blocks totalling approximately 3,000 hectares located within 15 kilometres of the formerly producing Key Lake uranium mine. In March 2006, the Company optioned to Westcan up to a 75% interest in the Key Lake project. Westcan may have earned a 50% interest in the property by making cash payments of $150,000 (received), issuing 300,000 shares (received), and making exploration expenditures of $2 million.

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

In winter 2007, three holes costing $0.2 million were drilled on a conductor on one claim, providing one intersection of minor uranium mineralization (0.058% U_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. Only minimal activity occurred through fiscal 2011 and the first three quarters of Q312.

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

2.2.7 Carswell Project, Saskatchewan

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

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

In June 2011, the Company commenced an airborne ZTEM geophysical survey. Previous surveys in this area have been hampered by layers of conductive units in the upper portions of the Athabasca sandstone. The new ZTEM survey technique should make it possible to provide images of the conductive horizons in the basement below these conductive units, due to the longer wavelength signals being used to collect data.

2.2.8 Other Projects

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

Table 5:

Other projects update	Status	Recent work undertaken
Alberta	Seeking Venture Partner	Viable drill targets identified
Arnold	Seeking Venture Partner	ZTEM surveys completed
BC Copper	Option with private third party	Three claim groups staked
Black Lake	Option with Black Lake Denesuline	Mapping and sampling program
Carswell	Seeking Venture Partner	ZTEM survey completed
Collins Bay Extension	Option with Bayswater Uranium	Preparation for drill testing
Cree West	Seeking Venture Partner	Termination of previous option
Fond Du Lac	Option with Fond Du Lac Denesuline	Evaluating drill targets
Grease River	Seeking Venture Partner	Termination of previous option
Helmer	Seeking Venture Partner	Reports of work
Hodgson	Seeking Venture Partner	ZTEM survey completed
Kasmere	Under application	Exploration permits pending
Key	Seeking Venture Partner	Termination of previous option
Lake Athabasca	Seeking Venture Partner	43-101 report completed
McTavish	Seeking Venture Partner	Evaluating drill targets
Moon	Seeking Venture Partner	Evaluating drill targets
NW Manitoba	Seeking Venture Partner	Community MOU geophysics planned
Poplar	Seeking Venture Partner	Evaluating drill targets
Waterbury	Seeking Venture Partner	Evaluating drill targets
Rainbow Hill AK	Seeking Venture partner	No significant work undertaken
Zeballos	Seeking Venture Partner	Consolidating ownership
Glitter Lake	Disposed, NSR retained	
Rise and Shine, NZ	10 year Lease expired October 2010	Lease expired ground forfeited
Reefton Property,NZ	Seeking Venture Partner	Sampling and mapping completed

The company researched copper projects and staked three claim groupings in south central British Columbia in the quarter. An option agreement was entered into with a non-related third party to fund the first $30,000 of acquisition costs, and a further $720,000 of exploration expenditure to earn a 50% interest in the projects.

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

2.2.9 Project Expenditure Summary

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

Table 6: ($000's)	Life to Date - April 30, 2011				Life to Date - January 31, 2012			
Project	**Acquisition Costs**	**Exploration Expenditures**	**Reimbursement**	**Net LTD**	**Acquisition Costs**	**Exploration Expenditures**	**Reimbursement**	**Net LTD**
Cree East	-	16,010	-	16,010	-	16,757	-	16,757
West McArthur	65	15,722	(12,214)	3,573	65	17,135	(12,954)	4,246
Poplar	166	3,626	(3,210)	582	166	3,637	(3,210)	593
Fond Du Lac	120	4,274	-	4,394	120	4,374	-	4,494
Black Lake	147	1,503	-	1,650	147	1,581	-	1,728
Grease River	133	3,444	(2,800)	777	133	3,494	(2,850)	777
Cree West	48	1,112	(1,137)	23	48	1,112	(1,137)	23
Key Lake	24	1,027	(1,047)	4	24	1,027	(1,047)	4
NW Manitoba	16	6,708	-	6,724	16	6,779	-	6,795
Helmer	107	5,030	-	5,137	107	5,032	-	5,139
Lake Athabasca	118	5,966	-	6,084	118	5,966	-	6,084
Alberta	11	2,329	-	2,340	11	2,329	-	2,340
Hodgson	109	1,230	-	1,339	109	1,479	-	1,588
Arnold	35	1,340	-	1,375	35	1,341	-	1,376
Collins Bay	-	1,288	-	1,288	-	1,308	-	1,308
McTavish	74	671	(108)	637	74	683	(108)	649
Carswell	173	435	-	608	173	727	-	900
Other	53	2,854	(1,919)	988	53	2,939	(1,919)	1,073
Rise and Shine, NZ	301	416	(407)	310	301	416	(407)	310
Reefton and Other NZ Projects	24	669	(481)	212	24	739	(481)	282
Other Projects, Various	73	357	(343)	87	80	375	(343)	112
Total	**1,797**	**76,011**	**(23,666)**	**54,142**	**1,804**	**79,230**	**(24,456)**	**56,578**

3. FINANCIAL POSITION AND CAPITAL RESOURCES

3.1 Cash and Working Capital

Table 7: ($000's) Cash and Working Capital	Apr-11	Jan-12
Cash and cash equivalents	9,642	5,869
Trade and other receivables	422	252
Available-for-sale securities	559	217
Trade and other payables	(2,461)	(1,519)
Working capital	**8,162**	**4,819**

For analysis and discussion of the movement in cash and cash equivalents reference should be made to Section 5 of this MD&A. Included within cash and cash equivalents are $1.4 million in funds from the CKU Partnership which are dedicated to the Cree East project. Reference should be made to note 5 of the condensed interim consolidated financial statements for further details.

As at January 31, 2012, included within trade and other receivables is approximately $57,000 in HST refunds associated with exploration programs. The decrease in available-for-sale securities is a result of marking the securities to market and recording the decrease in investment revaluation reserve. The decrease in accounts payable is consistent with the decrease in exploration activities compared with the fourth quarter 2011.

The adoption of IFRS has had no material impact on the net cash flows of the Company.

3.2 Other Assets and Liabilities

Table 8: ($000's) Other Assets and Liabilities	Apr-11	Jan-12
Reclamation bonds	343	345
Property and equipment	616	536
Mineral property interests (Section 2.2)	1,797	1,804

During the nine months ended January 31, 2012, exploration and evaluation expenditures were made primarily on West McArthur, Cree East, Carswell, Hodgson and Fond Du Lac projects (Section 2).

3.3 Equity and Financings

Table 9: ($000's) Shareholders' Equity	Apr-11	Jan-12
Common shares	72,108	72,449
Contributed surplus reserve	10,170	10,488
Investment revaluation reserve	267	(75)
Deficit	(71,627)	(75,358)
Total shareholders' equity	**10,918**	9,023

Table 10: (000's) Equity Instruments	Apr-11	Jan-12
Common shares outstanding	18,114	20,253
Options outstanding		
Number	1,790	2,910
Weighted average price	$1.03	$0.82
Warrants outstanding		
Number	3,439	1,238
Weighted average price	$2.44	$1.90

Equity instruments

As of March 12, 2012, the Company had the following securities outstanding. Common shares - 20,253,136; Stock options – 2,910,250; and Warrants – 1,238,427.

On November 2011, 1,158,500 stock options were granted with an exercise price of $0.50.

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

In May 2011, the Company issued 418,141 flow-through common shares for gross proceeds of $472,500.

Table 11: Proceeds from Financings

Date	Type	Intended Use	Actual Use
May 2011	$0.5 million – 418,141 flow through units	Uranium exploration in Saskatchewan	As Intended
December 2010	$2.75 million – 1,721,708 ordinary units	Uranium exploration in Saskatchewan	As Intended
December 2010	$0.71 million – 446,167 flow-through units	Uranium exploration in Saskatchewan	As Intended

IFRS impact on flow-through share financings

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

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

Pursuant to the above policy the allocation of the proceeds from flow-through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The effects of this transitional change are as follows:

(i) Premium on flow-through shares:
a) decreased share capital and deficit at May 1, 2010 by $792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features
b) increased deferred premium (liability) and decreased share capital by $149,000 for the year ended April 30, 2011

(ii) Renouncement of flow-through tax credits:
a) increased share capital and deficit by $7,569,000 at May 1, 2010
b) decreased share capital and deferred tax provision expense by $149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred

4. EXPENDITURES REVIEW

In the nine months ended January 31, 2012, the Company spent $3.1 million on exploration costs and recovered $0.8 million from our exploration partners for a net mineral property expenditure of $2.3 million.

Camp and other miscellaneous exploration equipment owned by the Company is maintained at our La Ronge warehouse. Equipment rental income is comprised of income (cost recapture) from charging exploration projects for the rental of this equipment. In Q312, the equipment rental income is related to the winter drill programs for the Cree East and West McArthur projects. In Q311, exploration expenditures were higher as the Company ran winter exploration programs for the Cree East, West McArthur, Collins Bay Extension and Fond Du Lac projects.

Consulting, labour, and professional fees are lower than prior periods. The decrease is primarily attributed to a decrease in salaries expense. The usage of professionals and consultant were consistent with the same period last year.

Insurance, licenses and filing fees are consistent with prior periods. Insurance, license and filing fees have decreased slightly in the three month period ended, however, are consistent with the nine month periods ended. During the nine month period ended January 31, 2012, the Company's graduation from the TSX Venture Exchange to the TSX.

Investor relations expenses were lower in Q312 compared to Q311. The decrease is primarily attributed to a decrease in various sponsorship opportunities relative to Q311. Investor related expenses of the Company include the retention of the services of an established Canadian investor relations firm.

Share-based payments increased in Q312 compared to Q311. The increase was attributed to the grant of 1,158,500 stock options on November 8, 2011 to management, directors and employees.

Management fees were higher in Q312 compared to Q311. This was primarily due to the increase in our exploration activities relative to last year. During same period last year, the Company spent $3.1 million on exploration, of which $2.2 million were related to our joint venture projects where management fees were generated. During Q312, the Company spent $1.0 million on exploration, of which the majority of the expenditures was related to our joint venture projects.

IFRS impact on share based payments

Under IFRS graded vesting awards are accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition is as follows: decreased share-based payments expense and contributed surplus by $16,000 for the three months ended January 31, 2011 and $94,000 for the nine months ended January 31, 2011.

5. CASHFLOW AND LIQUIDITY REVIEW

As of January 31, 2012, the Company had $5.9 million in cash and cash equivalents and working capital of $4.8 million and as of April 30, 2011, the Company had $9.6 million in cash and cash equivalents and working capital of $8.2 million.

5.1 Operating Activities

The Company's operating activities resulted in net cash outflows of $4.2 million and an inflow of $0.1 million for the nine months ended January 31, 2012 and 2011 respectively. The majority of the net cash outflow in the nine months ended January 31, 2012 are attributed to the exploration activities of the period which accounts for approximately $3.7 million.

5.2 Financing Activities

Financing activities resulted in net cash inflows of $0.5 million and $3.7 million for the nine months ended January 31, 2012 and 2011 respectively. During the nine month period ended January 31, 2012, the Company raised $0.5 million from a flow-through financing completed in May 2011. During the nine month period ended January 31, 2011, the Company raised $3.3 million from an ordinary and a flow-through financing in December 2010. The remaining funds of $0.4 million were from our Korean joint venture partners.

5.3 Investing Activities

Investing activities resulted in net cash outflows of $9,000 for the nine months ended January 31, 2012. During the nine months ended January 31, 2012, the Company purchased additional property and equipment of approximately $30,000 and also receive proceeds on the sale of equipment of approximately $16,000.

5.4 IFRS Impact

As described in Section 2.2.1, IFRS impact on accounting for Cree East Project, the deconsolidation of CKULP resulted in a decrease in cash and cash equivalents as follows:

(i) At January 31, 2011:
  a) cash decreased by $2,378,000
(ii) At April 30, 2011:
  a) cash decreased by $1,774,000

6. OTHER MATTERS

For a full version of the risks and critical accounting estimates and policies reference should be made to the Company's audited consolidated financial statements for the year ended April 30, 2011, which are available on the Company's website at www.canalaska.com and the risk factor section of the most recently filed Form 20-F on EDGAR.

6.1 Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the three and nine months ended January 31, 2012 and 2011 were as follows.

Table 12: ($000's) Compensations to Related Parties ($000's)	**Three months ended January 31**		**Nine months ended January 31**	
	2012	**2011**	**2012**	**2011**
Aggregate compensation	161	208	525	539
Share based compensations	214	169	242	471

The directors and key management were awarded the following share options under the employee share option plan during the nine months ended January 31, 2012:

Table 13: Share Option Issuance			
Date of grant	**Number of options**	**Exercise price**	**Expiry**
July 25, 2011	100,000	$1.00	July 24, 2014
November 8, 2011	888,750	$0.50	November 7, 2014

6.2 Financing

Management believes that the funds on hand at January 31, 2012 are sufficient to meet corporate, administrative, exploration activities for the next twelve months given the continuing funding from our joint venture partners. Due to increasingly difficult market conditions facing junior uranium exploration companies management is currently in the process of evaluating its priorities and taking steps to streamline non discretionary expenditures. Should management be successful in its coming exploration programs it may either need to dilute its ownership in its properties and/or secure additional financing to continue to advance the development of its projects.

6.3 Critical Accounting Estimates

6.3.1 Share-Based Payment Plan

The Company has in effect a Stock Option Plan. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black Scholes model with the assumptions described in the notes to the financial statements. These assumptions are estimated by management based on available information and may be subject to change.

6.4 Disclosure Controls and Internal Control over Financial Reporting

No changes were made to the Company's internal control over financial reporting during period beginning on May 1, 2011 and ended on January 31, 2012, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

6.5 Forward Looking Statements

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

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

6.6 Recently Adopted Standards and Future Accounting Changes

There were no changes in significant accounting policies of the Company for the fiscal year ended April 30, 2011, except as noted below and noted in the Company's audited financial statements.

IFRS Transition

Effective January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the Company's effective transition date is May 1, 2010. The three months ended July 31, 2011 is the Company's first reporting period under IFRS.

The Company's IFRS conversion team identified three phases to our conversion: (i) Initial diagnostic phase; (ii) Impact analysis, evaluation and solution development phase; and (iii) Implementation and review phase. Post-implementation will continue in future periods, as outlined below.

The following outlines the Company's transition project, IFRS transitional impacts and the on-going impact of IFRS on the financial results. Note 14 to the condensed interim consolidated financial statements provides more detail on the key Canadian GAAP to IFRS difference, the accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards, optional exemptions for significant or potentially significant areas that have had an impact on the financial statements on transition to IFRS or may have an impact in future periods.

6.6.1 Transitional Financial Impact

The tables below outline:

a) Adjustments to the Company's equity on adoption of IFRS on January 31, 2011 and April 30, 2011 for comparative purposes.

b) Adjustments to statement of loss for the three and nine months ended January 31, 2011.

The following tables should be read in conjunction with the more detailed note 14 in the condensed interim consolidated financial statements as referenced in the tables. Selected sections of note 14 in the condensed interim consolidated financial statements have also been reproduced under applicable discussions throughout this MD&A.

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

	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
	April 30, 2011			January 31, 2011			May 1, 2010		
Assets									
Current assets									
Cash and cash equivalents	11,416	(1,774)	9,642	14,009	(2,378)	11,631	8,722	(836)	7,886
Trade and other receivables	422	-	422	260	-	260	1,148	-	1,148
Available-for-sale securities	559	-	559	573	-	573	261	-	261
Total current assets	12,397	(1,774)	10,623	14,842	(2,378)	12,464	10,131	(836)	9,295
Non-current assets									
Reclamation bonds	343	-	343	350	-	350	391	-	391
Property and equipment	616	-	616	659	-	659	743	-	743
Mineral property interests	54,142	(52,345)	1,797	50,969	(49,177)	1,792	46,245	(44,542)	1,703
Total assets	67,498	(54,119)	13,379	66,820	(51,555)	15,265	57,510	(45,378)	12,132
Liabilities									
Current liabilities									
Trade and other payables	2,461	-	2,461	1,702	-	1,702	1,626	-	1,626
Non- current liabilities									
Deferred income tax liability	3,596	(3,596)	-	3,131	(3,131)	-	3,399	(3,399)	-
	6,057	(3,596)	2,461	4,833	(3,131)	1,702	5,025	(3,399)	1,626
Equity									
Common shares	65,182	6,926	72,108	65,232	6,777	72,009	60,878	6,777	67,655
Contributed surplus reserve	9,798	372	10,170	9,858	374	10,232	9,665	469	10,134
Investment revaluation reserve	267	-	267	204	-	204	10	-	10
Deficit	(32,806)	(38,821)	(71,627)	(32,307)	(36,575)	(68,882)	(30,668)	(36,625)	(67,293)
	42,441	(31,523)	10,918	42,987	(29,424)	13,563	39,885	(29,379)	10,506
Non-controlling interest	19,000	(19,000)	-	19,000	(19,000)	-	12,600	(12,600)	-
	61,441	(50,523)	10,918	61,987	(48,424)	13,563	52,485	(41,979)	10,506
	67,498	(54,119)	13,379	66,820	(51,555)	15,265	57,510	(45,378)	12,132

Reconciliation of consolidated statement of comprehensive loss.

	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)
	For the three months ended January 31, 2011			For the nine months ended January 31, 2011			For the year ended April 30, 2011		
EXPLORATION COSTS									
Mineral property expenditures	129	660	789	206	4,635	4,841	223	7,803	8,026
Equipment rental income	(78)	-	(78)	(213)	-	(213)	(303)	-	(303)
Net option payments	-	-	-	(6)	-	(6)	(6)	-	(6)
	51	660	711	(13)	4,635	4,622)	(86)	7,803	7,717
OTHER EXPENSES (INCOME)									
Consulting, labour and professional fees	457	-	457	998	-	998	1,299	-	1,299
Depreciation and amortization	45	-	45	133	-	133	178	-	178
Gain on disposal of properties and equipment	-	-	-	-	-	-	(11)	-	(11)
Foreign exchange (gain) loss	1	-	1	(3)	-	(3)	4	-	4
Insurance, licenses and filing fees	20	-	20	87	-	87	130	-	130
Interest income	(26)	-	(26)	(79)	-	(79)	(90)	-	(90)
Other corporate costs	53	-	53	120	-	120	159	-	159
Investor relations and presentations	46	-	46	115	-	115	163	-	163
Rent	31	-	31	105	-	105	118	-	118
Share-based payments	178	(16)	162	712	(94)	618	719	(96)	623
Travel and accommodation	34	-	34	64	-	64	94	-	94
Impairment loss on disposal of Available-for-sale securities	-	-	-	-	-	-	(28)	-	(28)
Management fees	(42)	-	(42)	(332)	-	(332)	(560)	-	(560)
	797	(16)	781	1,920	(94)	1,826	2,175	(96)	2,079
Loss before income taxes	(848)	(644)	(1,492)	(1,907)	(4,541)	(6,448)	(2,089)	(7,707)	(9,796)
Deferred income tax recovery (expense)	150	(150)	-	268	(268)	-	(49)	49	-
Loss for the period	(698)	(794)	(1,492)	(1,639)	(4,809)	(6,448)	(2,138)	(7,658)	(9,796)
Other comprehensive loss									
Unrealized loss (gain) on available-for-sale securities	(156)	-	(156)	(194)	-	(194)	(257)	-	(257)
Comprehensive Loss for the period	(542)	(794)	(1,336)	(1,445)	(4,809)	(6,254)	(1,881)	(7,658)	(9,539)

The Company has assessed the impact of the IFRS transition project on our key ratios. The transition did not significantly impact the Company's key ratios.

6.6.2 Information Technology and Systems

The IFRS transition project did not have a significant impact on our information systems for the convergence periods. The Company does not expect significant changes in the post-convergence periods.

6.6.3 Post-Implementation

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. The Company notes that the standard-setting bodies that determine IFRS have significant ongoing projects that could impact the IFRS accounting policies that have been selected. In particular, there may be additional new or revised IFRSs or IFRICs in relation to consolidation, joint ventures, financial instruments, hedge accounting, discontinued operations, leases, employee benefits, revenue recognition and stripping costs in the production phase of a surface mine. The International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact the Company's financial statements. The Company has processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations will be evaluated as they are drafted and published.

6.7 Risk Factors

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

6.7.1 Commodity Prices

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

6.7.2 Competition

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

6.7.3 Foreign Political Risk

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

6.7.4 Government Laws, Regulation and Permitting

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

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

6.7.5 Title to Properties

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

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

6.7.6 Estimates of Mineral Resources

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

6.7.7 Cash Flows and Additional Funding Requirements

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects.

6.7.8 Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

6.7.9 Volatility of Share Price

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

6.7.10 Foreign Currency Exchange

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

6.7.11 Conflict of Interest

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

7. QUARTERLY FINANCIAL INFORMATION

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

Table 14: ($000's)	Quarterly							
Loss & Comprehensive Loss Summary	**Q410**	**Q111**	**Q211**	**Q311**	**Q411**	**Q112**	**Q212**	**Q312**
Revenue	-	-	-	-	-	-	-	-
Net loss before taxes	(659)	(1,928)	(3,028)	(3,126)	(1,715)	(1,580)	(765)	(1,386)
Net loss after taxes	(641)	(1,928)	(3,028)	(3,126)	(1,715)	(1,580)	(765)	(1,386)
Loss per share	(0.03)	(0.11)	(0.18)	(0.17)	(0.08)	(0.08)	(0.04)	(0.07)

Table 15: ($000's) Financial Position summary	As at							
	Apr 30, 2010	**Jul 31, 2010**	**Oct 31, 2010**	**Jan 31, 2011**	**Apr 30, 2011**	**Jul 31, 2011**	**Oct 31, 2011**	**Jan 31, 2012**
Total Assets	57,510	11,192	8,628	15,265	13,379	10,723	9,458	9,023
Total Liabilities	5,025	1,080	358	1,702	2,461	997	745	1,519
Total Shareholders' Equity	39,885	10,112	8,270	13, 563	10,918	9,726	8,713	7,504
Non-Controlling Interest	12,600	-	-	-	-	-	-	-

The quarterly data relating to fiscal 2010 has not been adjusted for IFRS.

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Financial Statements
Third Quarter - January 31, 2012
(Unaudited)
(Expressed in Canadian dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements required to be filed, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Notes	January 31 2012 $000's	April 30 2011 $000's (note 14)	May 1 2010 $000's (note 14)
Assets				
Current assets				
Cash and cash equivalents	*5*	5,869	9,642	7,886
Trade and other receivables		252	422	1,148
Available-for-sale securities	*6*	217	559	261
Total current assets		6,338	10,623	9,295
Non-current assets				
Reclamation bonds		345	343	391
Property and equipment	*7*	536	616	743
Mineral property interests	*8*	1,804	1,797	1,703
Total assets		9,023	13,379	12,132
Liabilities				
Current liabilities				
Trade and other payables		1,519	2,461	1,626
Equity				
Common shares	*9*	72,449	72,108	67,655
Contributed surplus reserve	*9*	10,488	10,170	10,134
Investment revaluation reserve		(75)	267	10
Deficit		(75,358)	(71,627)	(67,293)
		7,504	10,918	10,506
		9,023	13,379	12,132

Approved by the Audit Committee of the Board of Directors

"Peter Dasler" — Director

"Emil Fung" — Director

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

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Notes	Three months ended January 31 2012 ($000's)	Three months ended January 31 2011 ($000's)	Nine months ended January 31 2012 ($000's)	Nine months ended January 31 2011 ($000's)
EXPLORATION COSTS					
Mineral property expenditures		758	789	2,377	4,841
Equipment rental income		(28)	(78)	(28)	(213)
Net option payment		-	-	-	(6)
		730	711	2,349	4,622
OTHER EXPENSES (INCOME)					
Consulting, labour and professional fees		341	457	899	998
Depreciation and amortization	7	34	45	102	133
Gain on disposal of property and equipment		(1)	-	(7)	-
Foreign exchange (gain) loss		(5)	1	(10)	(3)
Insurance, licenses and filing fees		10	20	86	87
Interest income		(23)	(26)	(101)	(79)
Other corporate costs		29	53	100	120
Investor relations and presentations		27	46	97	115
Rent		27	31	98	105
Share-based payments	10	279	162	312	618
Travel and accommodation		15	34	50	64
Management fees		(77)	(42)	(110)	(332)
Premium on flow-through shares	9	-	-	(134)	-
		656	781	1,382	1,826
Loss for the period		(1,386)	(1,492)	(3,731)	(6,448)
Other comprehensive loss					
Unrealized loss (gain) on available-for-sale securities		103	(156)	342	(194)
Total comprehensive loss for the period		(1,489)	(1,336)	(4,073)	(6,254)
Basic and diluted loss per share ($ per share)		(0.07)	(0.08)	(0.18)	(0.37)
Basic and diluted weighted average common shares outstanding (000's)		20,253	18,297	20,212	17,565

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

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

For the periods January 31, 2012 and 2011

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Notes	Common Shares		Contributed Surplus Reserve	Investment Revaluation Reserve	Accumulated Deficit	Total Equity
		Shares 000's	Amount $000's	$000's	$000's	$000's	$000's
Balance-May 1, 2010		17,187	67,655	10,134	10	(67,293)	10,506
Issued on private placement for cash		2,168	3,468	-	-	-	3,468
Issued on private placement for non cash		31	48	-	-	-	48
Issued on exercise of stock options		399	399	-	-	-	399
Issued to acquire mineral property interest		25	24	-	-	-	24
Warrants issued on private placement		-	(297)	297	-	-	-
Share issuance costs		-	(227)	-	-	-	(227)
Share-based payments		-	-	740	-	-	740
Transfer on stock option exercise		-	939	(939)	-	-	-
Unrealized gain on available-for-sale securities		-	-	-	194	-	194
CKULP dilution gain		-	-	-	-	4,859	4,859
Loss for the period		-	-	-	-	(6.448)	(6,448)
Balance-January 31, 2011		19,810	72,009	10,232	204	(68,882)	13,563
Balance-May 1, 2011		19,830	72,108	10,170	267	(71,627)	10,918
Issued on private placement for cash		418	339	-	-	-	339
Issued to acquire mineral property interest		5	3	-	-	-	3
Share issuance costs		-	(1)	-	-	-	(1)
Share-based payments		-	-	318	-	-	318
Unrealized loss on available-for-sale securities		-	-	-	(342)	-	(342)
Loss for the period		-	-	-	-	(3,731)	(3,731)
Balance-January 31, 2012		20,253	72,449	10,488	(75)	(75,358)	7,504

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

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Notes	Nine months ended January 31 2012	Nine months ended January 31 2011
		$000's	**$000's**
Cash flows from operating activities			
Net loss for the period		(3,731)	(6,448)
Items not affecting cash			
Gain on disposal of property and equipment		(7)	-
Depreciation and amortization	7	102	133
Premium on flow-through shares	9	(134)	-
CKULP dilution gain		-	4,858
Other		-	(8)
Share-based payments	10	312	618
		(3,458)	(847)
Change in non-cash operating working capital			
Decrease (increase) in trade and other receivables		170	913
(Decrease) increase in trade and other payables		(945)	76
		(4,233)	142
Cash flows from financing activities			
Issuance of common shares (net of share issue costs)		469	3,288
Funding from Korean Consortium		-	399
		469	3,687
Cash flows from investing activities			
Mineral property interests		7	(89)
Acquisition of property and equipment		(30)	(48)
Option payments received		-	12
Proceeds from sale of property and equipment		16	-
Reclamation bond		(2)	41
		(9)	(84)
(Decrease) increase in cash and cash equivalents		(3,773)	3,745
Cash and cash equivalents - beginning of period	5	9,642	7,886
Cash and cash equivalents - end of period	5	5,869	11,631

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

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

CanAlaska Uranium Ltd. (the "Company" or "CanAlaska") and its subsidiaries are principally engaged in the exploration of uranium properties. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage. On June 21, 2011, the Company's shares commenced trading on the Toronto Stock Exchange ("CVV") and ceased trading on the TSX Venture Exchange. The Company's shares are also quoted on the OTCBB in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N"). The Company's registered office is located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

Basis of Presentation

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

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

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

These consolidated financial statements also include the proportionate share of each of the assets, liabilities, revenues and expenses of its interest in CanAlaska Korean Uranium Limited Partnership ("CKULP") and CanAlaska Korean Uranium Limited. The Company also proportionately consolidates its interest in the Rise and Shine joint venture.

2 Going Concern

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

(Expressed in Canadian dollars except where indicated)

2 Going Concern (continued)

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

At January 31, 2012, the Company had cash and cash equivalents of $5.9 million (April 30, 2011: $ 9.6 million) (note 5) and working capital of $4.8 million (April 30, 2011: $8.2 million). Management believes that the cash on hand at January 31, 2012 is sufficient to meet corporate, administrative and selected exploration activities for the coming twelve months. Should management be successful in its forthcoming exploration programs it may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

3 Summary of Significant Accounting Policies

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with *International Accounting Standard 34, Interim Financial Reporting ("IAS 34")* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB"). These IFRS interim consolidated financial statements cover part of the period to be covered by the Company's first annual consolidated financial statements and are prepared in accordance with IFRS for the year ending April 30, 2012. Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in the opening IFRS statement of financial position as at May 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 14 discloses the impact of the transition to IFRS on the Company's reported consolidated statements of financial position, statement of comprehensive loss and statement of cash flows, including the nature and effect of significant changes in accounting policies from those used in the financial statements for the year ended April 30, 2011.

The policies applied in these condensed interim consolidated financial statements are presented in note 3 and are based on IFRS issued and outstanding as of March 12, 2012, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the annual financial statements for the year ending April 30, 2012 could result in restatement of these interim condensed consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended April 30, 2011. Note 14 discloses IFRS information for the year ended April 30, 2011 that is material to the understanding of these interim consolidated financial statements.

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

b) Basis of preparation

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

c) Share-based payments

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

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

d) Deferred taxes

Income tax expense consists of current and deferred tax expense. Income tax is recognized in the consolidated statement of comprehensive loss.

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

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

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

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

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

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

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

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

e) Flow-through shares

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

The allocation of the proceeds is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

f) Property and equipment

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

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

The Company provides for amortization of its property and equipment at the following annual rates:

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

g) Exploration and evaluation expenditures

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

Acquisition costs, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

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

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

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

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

3 Summary of Significant Accounting Policies (continued)

h) Impairment of non-financial assets

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

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

i) Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

j) Financial assets and liabilities

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

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

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

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

The Company has classified its financial instruments as follows:

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

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

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

Impairment of financial assets

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

For all other financial assets objective evidence of impairment could include:

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

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

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

k) Investment revaluation reserve

Investment revaluation reserve includes unrealized gains and losses on available-for-sale securities, none of which are included in the calculation of net earning or losses until realized.

l) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in banks, bankers' acceptances and certificates of deposits (note 5). The Company does not hold any asset backed commercial paper.

m) Decommissioning liabilities

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

There are no decommissioning liabilities obligations as at January 31, 2012.

n) Equity

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

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

o) Provisions

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

p) Interest income

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

q) Loss per share

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

r) Segment reporting

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

s) Accounting standards issued in the period but not yet effective

IFRS 9, Financial Instruments: Classification and Measurement, issued in December 2009, effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2015 and has not yet considered the potential impact of the adoption of IFRS 9.

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

t) New accounting standards impacting annual periods beginning on or after January 1, 2012

IFRS 7 Financial Instruments: Disclosures (Amendment), the amendment, effective for annual periods beginning on or after July 1, 2011, with early application permitted, requires additional quantitative and qualitative disclosures relating to transfers of financial assets, where: financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them; financial assets that are not derecognized in their entirety.

IAS 12 Income Taxes (Amendment), IAS 12 Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets introduces an exception to the existing principle for the measurement of deferred tax assets and liabilities arising on investment property measured at fair value, and the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after January 1, 2012.

IAS 1 Presentation of Financial Statements (Amendment), the amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRS to group together items within OCI that may be reclassified to the profit or loss section of the income statement. The amendments retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). In addition, the tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendment is effective for annual periods beginning on or after July 1, 2012.

u) New accounting standards impacting on or after January 1, 2013

IFRS 10 Consolidated Financial Statements replaces the portion of *IAS 27 Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements, and *SIC12 Consolidation - Special Purpose Entities*. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as a basis for consolidation; (iii) sets out how to apply the principle of control whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRS 10 may be adopted to an earlier accounting period, but in doing so, an entity must disclose the fact that it has early adopted the standard and apply *IFRS 11 Joint Arrangements*, *IFRS 12 Disclosure of Interests in Other Entities*, *IAS 27 Separate Financial Statements* (as amended in 2011), *IAS 28 Investments in Associates and Joint Ventures*)as amended in 2011).

(Expressed in Canadian dollars except where indicated)

3 Summary of Significant Accounting Policies (continued)

IFRS 11 replaces *IAS 31 Interest in Joint Ventures* and *SIC-13 Jointly-Controlled Entities – Non-Monetary Contributions by Venturers.* This standard establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement (joint operations or joint ventures). This standard is effective for annual periods on or after January 1, 2013, with early adoption permitted.

IFRS 12 combines the disclosure requirements for an entity's interest in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard. This standard requires the disclosure of information that enable users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, and entities are permitted to incorporate any of the new disclosures into their financial statements before that date.

IFRS 13 Fair Value Measurement provides guidance on how to measure fair value, but does not change when fair value is required or permitted under IFRS. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payments transactions within the scope of *IFRS 2 Share-based Payments*; leasing transactions with the scope of *IAS 17 Leases*; measurements that have some similarities to fair value that are not fair value, such as net realizable value in *IAS 2 Inventories*; or value in use *IAS 36 Impairment of Assets*. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, jointly controlled entities, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

IAS 28 prescribes the accounting for investments in associates and to set the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The Company does not anticipate that the application of these standards, amendments and interpretations described above will have a material impact on the results and financial position of the Company.

(Expressed in Canadian dollars except where indicated)

4 Significant Accounting Judgments and Estimates

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

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

a) Critical judgments

The Company has determined that it will apply the proportionate consolidation method of accounting for its joint ventures (CanAlaska Korean Uranium Limited Partnership and CanAlaska Korean Uranium Limited). The company also proportionately consolidated the Rise and Shine joint venture.

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

The Company believes that the cash on hand at January 31, 2012 is sufficient to meet corporate, administrative and selected exploration activities for the coming twelve months.

b) Estimates

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

(Expressed in Canadian dollars except where indicated)

5 Cash and Cash Equivalents

	January 31, 2012 $000's	April 30, 2011 $000's
CKU Partnership funds	1,390	1,774
Option-in advances	863	911
Cash in bank and other short term deposits	3,616	6,957
Total	**5,869**	**9,642**

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

6 Available-for-Sale Securities

	January 31, 2012		April 30, 2011	
	Cost $000's	Market Value $000's	Cost $000's	Market Value $000's
Pacific North West Capital Corp.	53	93	53	292
Westcan Uranium Corp.	116	28	116	83
Mega Uranium Ltd.	48	10	48	25
Other available-for-sale securities	75	86	75	159
Total	**292**	**217**	**292**	**559**

The Company reviewed the carrying values of its available-for-sale securities, and where the decreases on market value were significant and provided evidence that the decline on the market values were other-than-temporary losses in value. The Company recorded total write-downs on available-for-sale securities of $nil for the three and nine months ended January 31, 2012 (three months ended January 31, 2011: $nil; nine months ended January 31, 2011: $nil).

An unrealized loss on available-for-sale securities of $103,126 (January 31, 2011: gain of $155,501) was recorded in other comprehensive income for the three months ended January 31, 2012. An unrealized loss on available-for-sale securities of $342,341 (January 31, 2011: gain of $193,516) was recorded in other comprehensive income for the nine months ended January 31, 2012.

(Expressed in Canadian dollars except where indicated)

7 Property and Equipment

	Automotive $000's	Leasehold improvements $000's	Mining equipment $000's	Office equipment $000's	Total $000's
Period ended January 31, 2012					
Opening carrying value	28	186	257	145	616
Additions	-	-	23	7	30
Disposals	(7)	-	(1)	-	(8)
Depreciation charge	(4)	(16)	(58)	(24)	(102)
Closing carrying amount	**17**	**170**	**221**	**128**	**536**
As at January 31, 2012					
Cost	82	270	1,027	501	1,880
Accumulated deprecation and impairment	(65)	(100)	(806)	(373)	(1,344)
Closing carrying amount	**17**	**170**	**221**	**128**	**536**

	Automotive $000's	Leasehold improvements $000's	Mining equipment $000's	Office equipment $000's	Total $000's
Year ended April 30, 2011					
Opening carrying value	39	208	326	170	743
Additions	-	-	39	18	57
Disposals	-	-	(6)	-	(6)
Depreciation charged	(11)	(22)	(102)	(43)	(178)
Closing carrying amount	**28**	**186**	**257**	**145**	**616**
As at April 30, 2011					
Cost	112	270	1,006	494	1,882
Accumulated deprecation and impairment	(84)	(84)	(749)	(329)	(1,266)
Closing carrying amount	**28**	**186**	**257**	**145**	**616**

During the nine months ended January 31, 2012, the Company had additions of $29,761 (January 31, 2011: $48,311) and disposals of $8,555 (January 31, 2011: $nil).

(Expressed in Canadian dollars except where indicated)

8 Mineral Property Interests

The Company holds approximately 913,000 hectares of mining claims in the Athabasca Basin located across the provinces of Alberta, Saskatchewan, and Manitoba in Canada. The holdings are comprised of 20 projects which are in various stages of exploration and discovery.

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

Details of acquisition costs for the twelve and six months ended April 30, 2011 and January 31, 2012 respectively are as follows:

Project ($000's)	**May 1, 2010**	**Additions**	**April 31, 2011**	**Additions**	**January 31, 2012**
Cree East (a)	-	-	-	-	-
West McArthur (b)	65	-	65	-	65
Poplar	166	-	166	-	166
Fond du Lac (c)	120	-	120	-	120
Black Lake	147	-	147	-	147
Grease River (d)	118	15	133	-	133
Cree West (e)	40	8	48	-	48
Key Lake (f)	24	-	24	-	24
NW Manitoba	16	-	16	-	16
Helmer	107	-	107	-	107
Lake Athabasca	112	6	118	-	118
Alberta	11	-	11	-	11
Hodgson	44	65	109	-	109
Arnold	35	-	35	-	35
Collins Bay	-	-	-	-	-
McTavish	74	-	74	-	74
Carswell	173	-	173	-	173
Other	53	-	53	-	53
Rise and Shine, NZ	301	-	301	-	301
Reefton and Other NZ Projects	24	-	24	-	24
Other Projects, Various (g)	73	-	73	7	80
Total	**1,703**	**94**	**1,797**	**7**	**1,804**

(Expressed in Canadian dollars except where indicated)

8 Mineral Property Interests (continued)

Summary of option payments remaining due in the years ending April 30	Cash $000's	Total Spend[1] $000's	Shares
2012	-	1,000	-
2013	-	3,000	-
2014	-	3,600	-
Thereafter	-	8,000	120,000

[1] Represents cumulative spend required not the spend per fiscal year.

Summary of option payments receivable in the years ending April 30[1]	Cash $000's	Total Spend[2] $000's	Shares
2012	-	-	-
2013	-	75	-
2014	-	375	-
Thereafter	-	720	-

[1] Excludes expenditures and payments on West McArthur (note 8 (b)) and Cree East (note 8(a))
[2] Represents cumulative spend required not the spend per fiscal year.

a) Cree East, Saskatchewan – Korean Consortium

Cree East consists of approximately 56,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium to develop Cree East. Under the terms of agreements, the Korean Consortium will invest $19.0 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period. As of January 31, 2012, the Korean Consortium has contributed $19.0 million (April 30, 2011: $19.0 million) and holds a 50% interest (April 30, 2011: 50%) in the CKU Partnership. The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred.

b) West McArthur, Saskatchewan - Mitsubishi

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

(Expressed in Canadian dollars except where indicated)

8 Athabasca Mineral Property Interests (continued)

c) Fond Du Lac, Saskatchewan

In an agreement dated October 18, 2006 and subsequently amended November 7, 2008 and September 10, 2010, the Company acquired from the Fond Du Lac Denesuline First Nation an option to earn a 50% interest in the Fond Du Lac property (comprising approximately 17,000 hectares in the Athabasca) for total payments of \$130,000 (paid), the issuance of 40,000 shares (issued) and work commitments of \$2.0 million (\$1.2 million by June 2011 and an additional \$800,000 by June 2012). As of January 31, 2012, the Company had fully met the work commitment and incurred \$4.5 million in exploration expenditures on the property.

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

d) Grease River, Saskatchewan

Grease River is comprised of approximately 38,000 hectares of mineral claims located in the Athabasca. In August 2010, the Company executed an option agreement with Westcan Uranium Corp. ("Westcan") to commence exploration of the Grease River project. Under the terms of the option agreement, Westcan may earn a 50% interest in the property by issuing up to 5% of the issued and outstanding shares of Westcan and making exploration expenditures of \$4.5 million by December 2013. The Company will act as the operator for the exploration project and will earn a management fee of 10% of the exploration expenditures incurred.

In November 2010, the Company received 804,808 common shares of Westcan to fulfill the share commitment related to the option agreement.

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

e) Cree West, Saskatchewan

Cree West is comprised of approximately 13,000 hectares of mineral claims located in the south-east of the Athabasca. In April 2006, the Company optioned the claims to Westcan. Westcan may have earned a 50% interest in the property by making payments of \$150,000 (received), issuing 600,000 shares (issued) and making exploration expenditures of \$3.6 million before May 2009.

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

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

(Expressed in Canadian dollars except where indicated)

8 Athabasca Mineral Property Interests (continued)

f) Key Lake, Saskatchewan

Key Lake is comprised of approximately 3,000 hectares of mineral claims located in the south-east of the Athabasca. In March 2006, the Company optioned the claims to Westcan. Westcan may have earned a 50% interest by making payments of $150,000 (received), issuing 300,000 shares (received) and completing work commitments of $2 million by May 2009.

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

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

g) Other Projects – BC Copper, British Columbia

BC Copper is comprised of approximately 25,000 hectares located in south central British Columbia. In November 2011, the Company optioned the claims to Tyrone Docherty. Tyrone Docherty may earn a 50% interest in the property by making payments of $30,000 (received) and making exploration expenditures of $720,000 before July 2014.

9 Share Capital

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

Share Issuances

a) On September 23, 2010, shareholders approved a share consolidation of ten to one. The shares of the Company began trading on a consolidated basis on November 8, 2010. All references to common shares, stock options, warrants and per share amounts for all periods have been adjusted on a retrospective basis to reflect the common share consolidation.

b) In May 2011, the Company issued 418,141 flow-through common shares for gross proceeds of $472,500.

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

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

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

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

Premium on Flow-Through Shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is reduced and the amount of reduction of premium liability is recorded in other income on a pro-rata basis based on the corresponding eligible expenditures that have been incurred and it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

10 Share Stock Options and Warrants

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

	Number of options 000's	Weighted average exercise price $
Outstanding - May 1, 2011	1,790	1.03
Granted	1,274	0.55
Expired	(121)	1.00
Forfeited	(33)	1.22
Outstanding – January 31, 2012	**2,910**	**0.82**

	Number of options 000's	Weighted average exercise price $
Outstanding - May 1, 2010	2,094	3.20
Granted	406	1.05
Exercised	(419)	1.00
Expired	(172)	4.46
Forfeited	(119)	2.02
Outstanding – April 30, 2011	**1,790**	**1.03**

(Expressed in Canadian dollars except where indicated)

10 Share Stock Options and Warrants (continued)

As at January 31, 2012, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	70	70	$1.00	2012
	661	661	$1.00 - $1.50	2013
	763	763	$1.00	2014
	1,416	1,415	$0.50 - $1.00	2015
Total	**2,910**	**2,909**		

For the three months ended January 31, 2012, total share-based compensation expense was $279,391 (January 31, 2012: $264,508) of which $nil was allocated to specific projects and expensed to mineral property expenditures on the income statement (January 31, 2011: $86,206). For the nine months ended January 31, 2012, total stock-based compensation expense was $317,882 (January 31, 2011: $834,242) of which $5,753 was allocated to specific projects and expensed to mineral property expenditures on the income statement (January 31, 2011: $122,385).

Warrants

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2011	3,439	2.44
Expired	(2,201)	2.74
Outstanding – January 31, 2012	**1,238**	**1.90**

	Number of warrants 000's	Weighted average exercise price $
Outstanding - May 1, 2010	2,847	3.20
Granted	1,238	1.90
Expired	(646)	4.78
Outstanding – April 30, 2011	**3,439**	**2.44**

At January 31, 2012, the following warrants were outstanding:

	Number of warrants Outstanding 000's	Exercise price $	Expiry date Fiscal year end
Total	**1,238**	**$1.90**	**2013**

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the period ended January 31, 2012:

(Expressed in Canadian dollars except where indicated)

10 Share Stock Options and Warrants (continued)

	Warrants	Options
Risk-free interest rate	-	1.08% - 1.74%
Expected life	-	2.45 – 2.79 years
Expected volatility	-	82% - 94%
Expected dividend	-	0%

11 Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the three and nine months ended January 31, 2012 and 2011 were as follows.

	Three months ended January 31		Nine months ended January 31	
	2012	2011	2012	2011
($000's)	$	$	$	$
Aggregate compensation	161	208	525	539
Share based compensations	214	169	242	471

The directors and key management were awarded the following share options under the employee share option plan during the nine months ended January 31, 2012:

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

12 Commitments

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

Fiscal Year Ending	Total $000's
2012	59
2013	198
2014	150
2015	150
Thereafter	140
Total	**697**

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

(Expressed in Canadian dollars except where indicated)

13 Geographic Segmented Information

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

January 31, 2012 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	2,359	1	325	2,685
Assets	8,671	1	351	9,023
Loss for the Year	3,652	5	74	3,731

April 30, 2011 ($000's)	Canada	U.S.A.	New Zealand	Total
Non-current Assets	2,430	1	325	2,756
Assets	13,036	1	342	13,379
Loss for the Year	9,713	18	65	9,796

14 Transition to IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

IFRS Exemptions and Choices

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

a) Share-based payments

The Company has applied the exemption in IFRS 1 to apply IFRS 2 “Share based Payments” only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

b) Business combinations

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

c) Leases

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

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

Mandatory exceptions to retrospective application

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

Estimates

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

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

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

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

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

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
		April 30, 2011			January 31, 2011			May 1, 2010		
Assets										
Current assets										
Cash and cash equivalents	*b*	11,416	(1,774)	9,642	14,009	(2,378)	11,631	8,722	(836)	7,886
Trade and other receivables		422	-	422	260	-	260	1,148	-	1,148
Available-for-sale securities		559	-	559	573	-	573	261	-	261
Total current assets		12,397	(1,774)	10,623	14,842	(2,378)	12,464	10,131	(836)	9,295
Non-current assets										
Reclamation bonds		343	-	343	350	-	350	391	-	391
Property and equipment		616	-	616	659	-	659	743	-	743
Mineral property interests	*b,d*	54,142	(52,345)	1,797	50,969	(49,177)	1,792	46,245	(44,542)	1,703
Total assets		67,498	(54,119)	13,379	66,820	(51,555)	15,265	57,510	(45,378)	12,132
Liabilities										
Current liabilities										
Trade and other payables		2,461	-	2,461	1,702	-	1,702	1,626	-	1,626
Non- current liabilities										
Deferred income tax liability	*d*	3,596	(3,596)	-	3,131	(3,131)	-	3,399	(3,399)	-
		6,057	(3,596)	2,461	4,833	(3,131)	1,702	5,025	(3,399)	1,626
Equity										
Common shares	*a*	65,182	6,926	72,108	65,232	6,777	72,009	60,878	6,777	67,655
Contributed surplus reserve	*c*	9,798	372	10,170	9,858	374	10,232	9,665	469	10,134
Investment revaluation reserve		267	-	267	204	-	204	10	-	10
Deficit	*a, b, c*	(32,806)	(38,821)	(71,627)	(32,307)	(36,575)	(68,882)	(30,668)	(36,625)	(67,293)
		42,441	(31,523)	10,918	42,987	(29,424)	13,563	39,885	(29,379)	10,506
Non-controlling interest	*b*	19,000	(19,000)	-	19,000	(19,000)	-	12,600	(12,600)	-
		61,441	(50,523)	10,918	61,987	(48,424)	13,563	52,485	(41,979)	10,506
		67,498	(54,119)	13,379	66,820	(51,555)	15,265	57,510	(45,378)	12,132

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

Reconciliation of consolidated statement of comprehensive loss.

	Notes	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)	Canadian GAAP ($000's)	Effect of transition to IFRS ($000's)	IFRS ($000's)
		For the three months ended January 31, 2011			For the nine months ended January 31, 2011			For the year ended April 30, 2011		
EXPLORATION COSTS										
Mineral property expenditures	*d*	129	660	789	206	4,635	4,841	223	7,803	8,026
Equipment rental income		(78)	-	(78)	(213)	-	(213)	(303)	-	(303)
Net option payments		-	-	-	(6)	-	(6)	(6)	-	(6)
		51	660	711	(13)	4,635	4,622	(86)	7,803	7,717
OTHER EXPENSES (INCOME)										
Consulting, labour and professional fees		457	-	457	998	-	998	1,299	-	1,299
Depreciation and amortization		45	-	45	133	-	133	178	-	178
Gain on disposal of properties and equipment		-	-	-	-	-	-	(11)	-	(11)
Foreign exchange (gain) loss		1	-	1	(3)	-	(3)	4	-	4
Insurance, licenses and filing fees		20	-	20	87	-	87	130	-	130
Interest income		(26)	-	(26)	(79)	-	(79)	(90)	-	(90)
Other corporate costs		53	-	53	120	-	120	159	-	159
Investor relations and presentations		46	-	46	115	-	115	163	-	163
Rent		31		31	105		105	118	-	118
Share-based payments	*c*	178	(16)	162	712	(94)	618	719	(96)	623
Travel and accommodation		34	-	34	64	-	64	94	-	94
Impairment loss on disposal of Available-for-sale securities		-	-	-	-	-	-	(28)	-	(28)
Management fees		(42)	-	(42)	(332)	-	(332)	(560)	-	(560)
		797	(16)	781	1,920	(94)	1,826	2,175	(96)	2,079
Loss before income taxes		(848)	(644)	(1,492)	(1,907)	(4,541)	(6,448)	(2,089)	(7,707)	(9,796)
Deferred income tax recovery (expense)		150	(150)	-	268	(268)	-	(49)	49	-
Loss for the period		(698)	(794)	(1,492)	(1,639)	(4,809)	(6,448)	(2,138)	(7,658)	(9,796)
Other comprehensive loss										
Unrealized loss (gain) on available-for-sale securities		(156)	-	(156)	(194)	-	(194)	(257)	-	(257)
Comprehensive Loss for the period		(542)	(794)	(1,336)	(1,445)	(4,809)	(6,254)	(1,881)	(7,658)	(9,539)

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

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

a) Flow through shares and deferred taxes

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

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

Pursuant to the above policy the allocation of the proceeds from flow through share issuance is made based on the difference between the quoted price of the shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors. The liability is reduced and the reduction of premium liability is recorded in other income upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred.

The effects of this transitional change are as follows:

(i) Premium on flow-through shares:
  a) decreased share capital and deficit at May 1, 2010 by $792,000, to recognize the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features
  b) increased deferred premium (liability) and decreased share capital by $149,000 for the year ended April 30, 2011

(ii) Renouncement of flow-through tax credits:
  a) increased share capital and deficit by $7,569,000 at May 1, 2010
  b) decreased share capital and deferred tax provision expense by $149,000 for the year ended April 30, 2011 to recognize an income tax provision upon filing of appropriate renunciation forms with the Canadian taxation authorities for qualifying expenditures previously incurred

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

b) Variable interest entity

Under Canadian GAAP, the Company accounted for its interest in CKULP ("Partnership") as a variable interest entity ("VIE") with the Company as the primary beneficiary. The Partnership was determined to be a VIE because the total equity investment at risk is not sufficient to permit the Partnership to finance its mine exploration and development activities without additional financial support from its partners. Consequently, the Company concluded that the primary beneficiary of the Partnership was the Company. Accordingly, the Company consolidated 100% of the Partnership, and previously reported a non-controlling interest. IFRS does not include the concept of a variable interest entity. IFRS requires the Company to consolidate entities including Special Purpose Entities only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. On application of IFRS, the Company has determined that it has joint control of the Partnership under the contractual provisions of the joint venture agreement (the "JV Agreement"). The Company does not control the Partnership based on voting interest and does not own more than half of the voting power. Furthermore, both the Consortium and the Company have equal rights and powers in governing the financial and operating policies of the Partnership or appointing and removing members of the Partnership's Board of Directors. Decision making is governed by the Partnership's Board of Directors, with equal representation from the Consortium and the Company. Under IFRS, the Company can elect to use either the equity method or proportionate consolidation method to account for its interest in the Partnership. The Company has elected to apply the proportionate consolidation method to account for its interest in the Partnership.

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

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

(ii) At January 31, 2011:
   a) cash decreased by $2,378,000
   b) non-controlling interest decreased by $19,000,000
   c) dilution gain resulting from above credited to deficit in the amount of $2,692,000 for the three months ended January 31, 2011 and $4,859,000 for the nine months ended January 31, 2011

(iii) At April 30, 2011:
   a) cash decreased by $1,774,000
   b) non-controlling interest decreased by $19,000,000
   c) dilution gain resulting from above credited to deficit in the amount of $5,462,000

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

c) Share based payments

Under IFRS graded vesting awards are accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP. The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition is as follows: (i) increased deficit and contributed surplus by $469,000 at May 1, 2010, (ii) decreased share-based payments expense and contributed surplus by $16,000 for the three months ended January 31, 2011 and $94,000 for the nine months ended January 31, 2011 and (iii) decreased share-based payments expense and contributed surplus by $97,000 for the year ended April 30, 2011.

d) Deferred mineral exploration costs

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

The Company considers exploration and development costs and expenditures to have the characteristics of property, plant and equipment and, as such, the Company capitalized all exploration costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties as incurred, until those properties are determined to be economically viable for mineral production. After the determination of economic feasibility and at the commencement of pre-production activities these deferred exploration costs will be transferred to mining properties and amortized through charges against income derived from mining operations. The Company will have a choice between retaining its existing policies with respect to mineral properties and deferred exploration costs or electing to change its policy retrospectively to expense all pre-feasibility costs.

The Company has decided to change its accounting policy to retrospectively expense all pre-feasibility exploration and evaluation costs.

The effects of this transitional change are as follows:

(i) At May 1, 2010:
   a) decrease deferred exploration assets of $44,542,000
   b) increase deficit of $44,542,000

(ii) At January 31, 2011:
   a) decrease deferred exploration assets of $49,177,000
   b) increase opening deficit by $44,542,000
   c) increase net loss by $794,000 for the three months ended January 31, 2011 and $4,809,000 for the nine months ended January 31, 2011

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

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

Impact of above on deferred taxes

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

(i) At May 1, 2010:
- a) decrease liability and deficit by $3,399,000

(ii) At January 31, 2011:
- a) decrease liability by $3,131,000
- b) decrease opening deficit by $3,399,000
- c) increase net loss by $150,000 for the three months ended January 31, 2011 and $268,000 for the nine months ended January 31, 2011

(iii) At April 30, 2011:
- a) decrease liability by $3,596,000
- b) decrease opening deficit by $3,399,000
- c) decrease net loss by $197,000

e) Impact on deficit

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

	Notes	May 1, 2010 $000's	January 31, 2011 $000's	April 30, 2011 $000's
Canadian GAAP:		(30,668)	(32,307)	(32,806)
Share-based payments	c)	(469)	(374)	(372)
Cumulative premium on flow-through shares	a)(i)a)	792	792	792
Deferred income tax – flow-through shares	a)(ii)	(7,569)	(7,569)	(7,718)
Mineral property written off to expense	d)	(44,542)	(49,177)	(52,345)
Deferred income tax – mineral assets	d)	3,399	3,131	3,596
CKULP dilution gain	b)	11,764	16,622	17,226
IFRS:		(67,293)	(68,882)	(71,627)

(Expressed in Canadian dollars except where indicated)

14 Transition to IFRS (continued)

f) Impact on cash flow

As described in note 14(b) the deconsolidation of CKULP resulted in a decrease in cash and cash equivalents as follows:

(i) At May 1, 2010: cash decreased by $836,000
(ii) At January 31, 2011: cash decreased by $2,378,000
(iii) At April 30, 2011: cash decreased by $1,774,000

A separate reconciliation has not been presented as the impact is limited to the above.