



# CanAlaska Uranium Ltd.

CVV - TSX-V CVVUF - OTCQX DH7N – Frankfurt

## Management Discussion and Analysis For the Three Months Ended July 31, 2023

**Dated September 26, 2023**

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR Plus. Information is also available at the Company's website [www.canalaska.com](http://www.canalaska.com). In addition, reference should be made to the risk factors section of the most recently filed Annual Information Form ("AIF") or the Company's audited consolidated financial statements for the year ended April 30, 2023. The following information is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and denominated in Canadian dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended July 31, 2023.

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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 AND STRATEGY

- ✓ 18 projects covering over 365,000 hectares focused on Uranium, 1 project covering 18,000 hectares focused on Diamonds and 12 projects covering 70,000 hectares focused on nickel, copper and other minerals (section 1.1)
- ✓ Cash and cash equivalent of \$10.2 million (as at July 31, 2023)
- ✓ 125,070,842 common shares issued and outstanding (September 26, 2023)

### 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 has been the exploration for high-grade uranium deposits in the Athabasca Basin area of Saskatchewan and the exploration for copper/nickel deposits in the Thompson Nickel Belt, Manitoba. There are several projects on which the Company has expended recent efforts. The West McArthur project is under a joint venture 17.63% with Cameco Corporation ("Cameco"), the Cree East project was under a 50% joint venture with Hanwha Corporation, Korea Electric Power Corporation, Korea Resources Corp. and SK Energy Co. Ltd. (together the "Korean Consortium") up to early July 2017, the Moon Lake South project is under a joint venture 75% with Denison Mines, the NW Manitoba project is under a joint venture 70% with Northern Uranium Corp ("Northern Uranium"), the Mouse Mountain project is under option to Omineca Mining and the Geikie, Marshall and North Millennium projects are under option to Basin Energy Limited. Going forward it is expected that the Company will focus its effort on West McArthur, Geikie, Moon, Key Extension, and selected base metal and precious metal opportunities. The Company is actively marketing the remainder of its projects for option, joint venture or sale.

As at the date of this MD&A, the Company holds the following properties in its property portfolio:

Table 1: Canadian Strategic Uranium Property Summary		
Property / Project Name	Notes	Hectares
West McArthur	Joint Venture with Cameco Corporation	35,831
Cree East	Seeking Venture Partner	57,752
Key Extension	Seeking Venture Partner	13,706
Waterbury (South and East)	Seeking Venture Partner	2,325
Moon Lake South	Joint Venture with Denison Mines	2,716
NE Wollaston	Seeking Venture Partner	45,909
North Millennium	Option Agreement with Basin Energy Ltd.	5,872
Geikie	Option Agreement with Basin Energy Ltd.	51,707
Chymko	Seeking Venture Partner	32,602
McTavish	Seeking Venture Partner	2,865
Taggart	Seeking Venture Partner	28,328
Carswell	Seeking Venture Partner	13,352
NW Manitoba	Joint Venture with Northern Uranium Corp.	22,765
Patterson West	Seeking Venture Partner	3,014
Enterprise	Seeking Venture Partner	14,344
Frontier	Seeking Venture Partner	15,929
Voyager	Seeking Venture Partner	5,633
Constellation	Seeking Venture Partner	11,142

<b>Table 2: Canadian Strategic Nickel Property Summary</b>		
<b>Property / Project Name</b>	<b>Notes</b>	<b>Hectares</b>
Hunter	Transfer to Core Nickel or seeking venture partner	8,232
Strong	LOI with Valterra Resources	6,165
Strong Extension	LOI with Valterra Resources	13,606
Halfway Lake	Transfer to Core Nickel or seeking venture partner	4,185
Resting Lake	Transfer to Core Nickel or seeking venture partner	2,322
Wilson	LOI with Valterra Resources	5,272
Moak North	LOI with Valterra Resources	5,240
Odei River	Transfer to Core Nickel or seeking venture partner	9,411
Mel	Transfer to Core Nickel or seeking venture partner	2,613

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims. It is expected that the spinout of the nickel properties would be effected through a statutory plan of arrangement pursuant to which CanAlaska would transfer the nickel properties to a wholly-owned subsidiary, Core Nickel Corp. (“Core Nickel”) in consideration for common shares of Core Nickel. The Core Nickel shares would then be distributed to CanAlaska’s shareholders pro rata their interest in CanAlaska resulting in CanAlaska’s shareholders owning shares in two public companies upon completion of the Arrangement. The Company makes no assurance that a spinout will occur as it is subject to many conditions that include the assessment of legal and tax consequences, determining the specific details of the Arrangement, Core Nickel satisfying stock exchange listing requirements, receipt of shareholder approval, receipt of all regulatory and other required approvals, the availability of financing for Core Nickel and market conditions.

<b>Table 3: Canadian Strategic Diamond and Copper Property Summary</b>		
<b>Property / Project Name</b>	<b>Notes</b>	<b>Hectares</b>
Ruttan Area	Seeking Venture Partner	1,822
Quesnel Mouse Mountain	Option Agreement with Omineca Mining and Metals Ltd.	2,275
West Athabasca Kimberlite	Seeking Venture Partner	18,301
Swan Bay	Seeking Venture Partner	9,262

The Company’s exploration activities are managed through CanAlaska offices maintained in Vancouver, BC and Saskatoon, SK.

The Company believes that the fundamentals of the nuclear power industry and the economic superiority of uranium over other energy fuels will ensure the long-term future of global uranium markets and prices. Since 1985, CanAlaska has expended over \$102 million of the total equity of \$110.1 million on exploration and research towards the advancement of uranium, nickel, copper, and diamond discovery on our project areas. The information gained from this work has provided the Company with significant evidence about the nature and location of mineral rich hydrothermal systems in areas of the Athabasca Basin and Thompson Nickel Belt where previous information was lacking. The increase in understanding of the geology of the target areas, and the integration of modern geophysical methods with data processing to get more precise target definition at depth gives management the confidence to continue exploration for large scale mineral deposits on our projects.

## 1.2 Strategic and Operating Intent

- Complete equity financing options over the next months
- Targeted marketing of uranium projects for financing
- Targeted marketing of non-core projects
- Strong commitment to option, joint venture, or sale of individual exploration projects
- Evaluate alternate commodities and projects suitable for market financing, or acquisition and sale
- Company believes that it has the projects, strategic partners, people and knowledge base, corporate treasury and fund raising ability to maintain a position in the uranium and nickel exploration sectors.

As of September 25, 2023, the Company had 125,070,842 shares outstanding with a total market capitalization of \$61.9 million. The Company's shares trade on the TSX Venture Exchange ("CVV") and are quoted on the OTCQX in the United States ("CVVUF") and the Frankfurt Stock Exchange ("DH7N").

The unaudited condensed interim consolidated financial statements have been prepared under IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the three months ended July 31, 2023, the Company reported a loss of \$1.1 million and as at that date had cash and cash equivalents of \$10.2 million, working capital balance of \$10.1 million and an accumulated deficit of \$110.1 million.

The Company does not generate recurring revenues from operations and other factors may cast significant doubt regarding the Company's ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months from July 31, 2023. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management is working to option, joint venture or sell its individual exploration projects.

## 2. PROJECT UPDATES

### 2.1 Overview

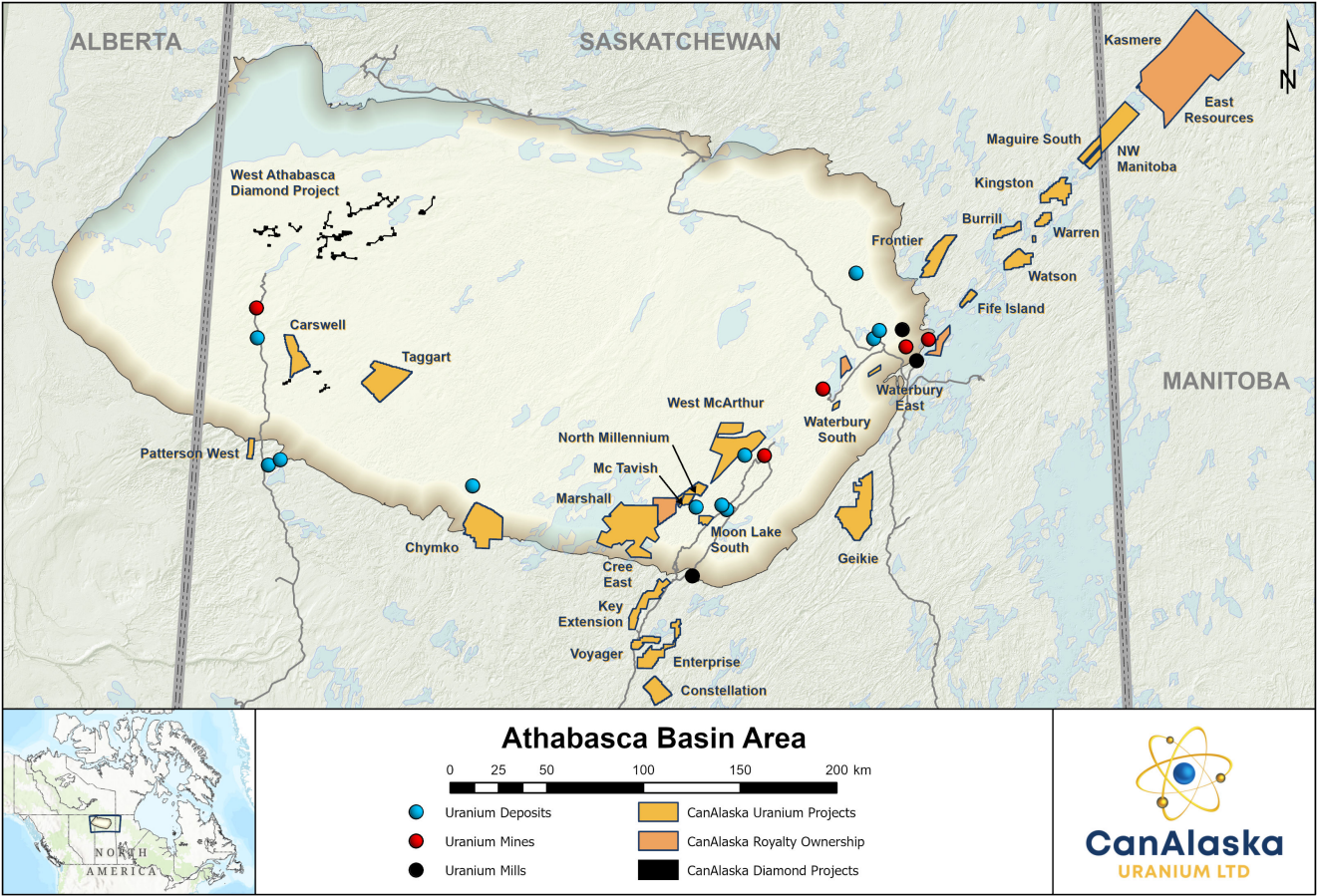
The Company currently has 31 projects within the Athabasca Basin, Thompson Nickel Belt, and other areas. The majority of the first quarter 2024 exploration spend was carried out on the Company's West McArthur project, which was under an option to Cameco and is now under a 82.37/17.63% joint venture with Cameco with CanAlaska holding 82.37%, and the Geikie project under option with Basin Energy Limited. In the first three months of fiscal 2024, the Company spent approximately \$1.8 million on exploration and recovered approximately \$1.2 million for net exploration expenditures of \$0.6 million.

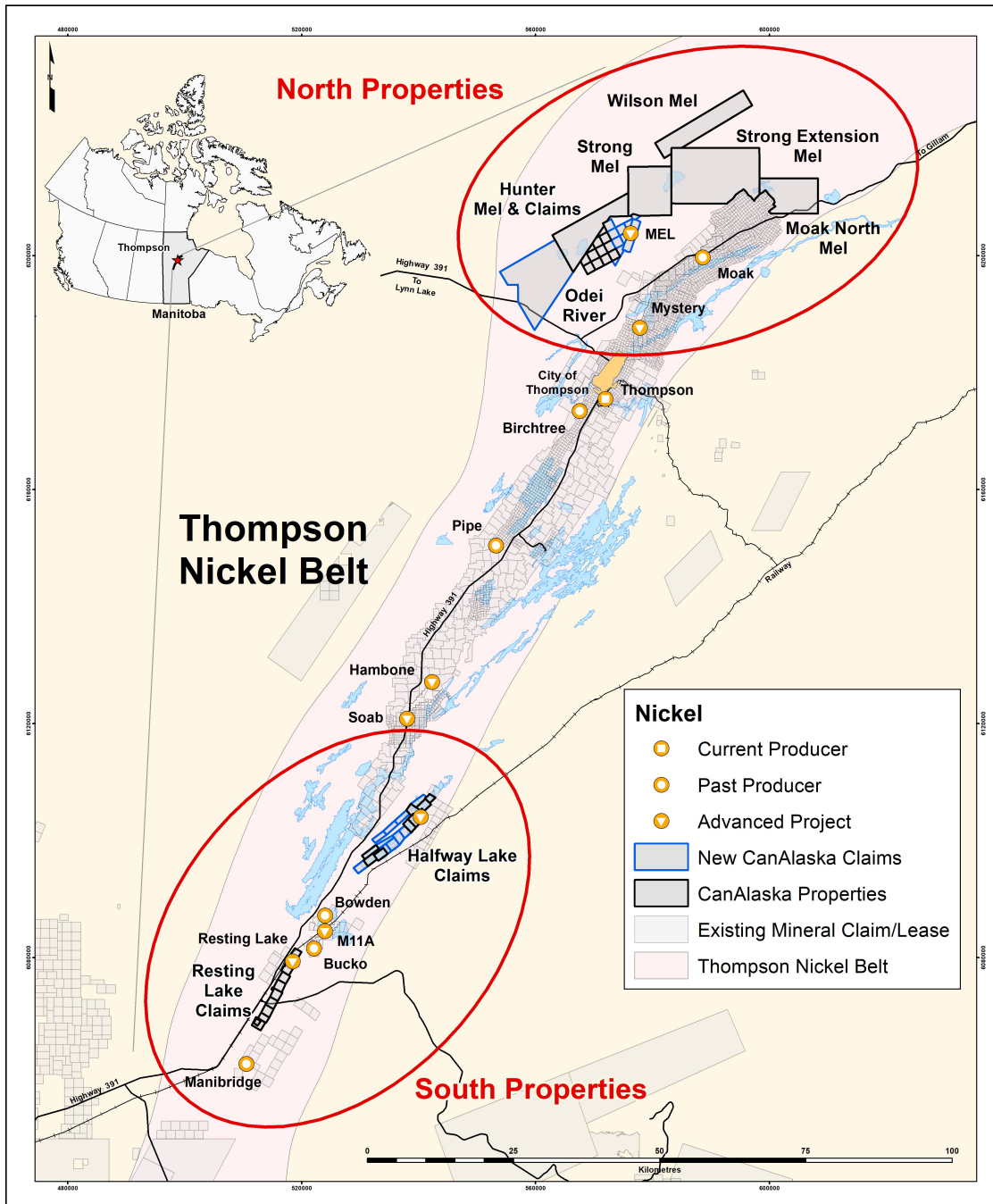
Exploration spending in the first quarter of 2024 is down compared to the same comparative quarter in 2023. The decrease exploration spend is primarily due to reduced exploration activities for the West McArthur project. The majority of the exploration activities in Q1 2024 were at the Geikie property which is being funded under option agreement with Basin Energy Limited.

The following table summarizes the Company's expenditures for the three months ended July 31, 2023.

<b>Table 4: (\$000's)</b>	<b>West</b>				<b>Other</b>	
<b>Total Exploration</b>	<b>McArthur</b>	<b>Geikie</b>	<b>McTavish</b>	<b>Moon</b>	<b>Projects</b>	<b>Total</b>
Camp Cost & Operations	73	153	-	43	13	282
Drilling	6	902	-	-	9	917
General & Admin	128	57	1	9	35	230
Geochemistry	63	6	-	11	1	81
Geology	9	103	-	8	-	120
Geophysics	56	17	71	-	12	156
Other	2	1	-	10	9	22
<b>Gross Expenditures</b>	<b>337</b>	<b>1,239</b>	<b>72</b>	<b>81</b>	<b>79</b>	<b>1,808</b>
Reimbursement	-	(1,233)	-	-	(3)	(1,236)
<b>Net Expenditures</b>	<b>337</b>	<b>6</b>	<b>72</b>	<b>81</b>	<b>76</b>	<b>572</b>

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





### 2.2.1 West McArthur Project, Saskatchewan – Cameco

The West McArthur project is located in the Eastern Athabasca Basin in Saskatchewan, between 6 and 30 kilometers west of the producing McArthur River mine. Cameco's Fox Lake deposit is located immediately east of the property. The West McArthur property was staked by CanAlaska in 2004 and optioned in April 2007 to Mitsubishi Development Pty Ltd., a subsidiary of Mitsubishi Corporation of Japan. In January 2016, CanAlaska Uranium Ltd. bought Mitsubishi's 50% interest to hold 100% in the West McArthur property. In February 2016, the Company then entered into an option agreement with Cameco Corporation. The option agreement enabled Cameco to earn up to a 60% interest in the West McArthur project through total expenditures of \$12.5 million until February 2022 consisting of cash payments (\$725,000 received) to the Company and accelerated exploration programs, culminating in a joint venture. Under the option agreement drilling confirmed a new zone of high-grade uranium mineralization, the '42 Zone' at Grid 5. In late 2018 CanAlaska resumed Operatorship, with Cameco as a 30% joint venture partner. Since 2018, CanAlaska has been

sole-funding exploration on the project, with the current ownership at 82.37% CanAlaska, 17.63% Cameco. In 2022, CanAlaska announced the discovery of the high-grade uranium basement-hosted Pike Zone on the West McArthur project.

The project is accessible during the winter drill season by seasonal winter ice roads and winter trails and during the summer exploration season by land, air and water. There is no physical plant or permanent infrastructure on the property and no source of power. However, the property is in close proximity to the McArthur River uranium mine operated by Cameco. There are multiple extensive lakes, which can provide a source of water for the project.

From 2004 to 2012, CanAlaska compiled historical exploration work on the project, which consisted of airborne and ground geophysics, lithochemical surveys, and lake sediment surveys covering more than half of the property, documented in over 60 assessment reports. CanAlaska then completed numerous airborne and ground geophysical surveys to locate targets for drilling. Eight main target areas have been defined on the project area, of which four have been drilled. Prospective alteration zones and mineralization were located in all four, with Grid 1 and Grid 5 producing the best results. Grid 5 is located on the Eastern edge of the project and the Grid 5 basement conductor appears to be a continuation of the C10 conductor corridor, which hosts Cameco's Fox Lake deposit off property to the east.

Starting in 2016, once the Cameco option was signed, drilling by Cameco focused almost exclusively on Grid 5, tracing the structure that is host to the Fox Lake deposit. These efforts lead to the discovery of a new zone of high-grade uranium mineralization in August of 2017, which the company now refers to as the '42 zone'. Over the course of five drill seasons, Cameco continued to evaluate the Grid 5 trend, identifying significant structure and zones of alteration along the trend to the southwest of the '42 zone'.

In late 2018, upon formation of the joint venture, CanAlaska took over operatorship of the project. The Company focused on evaluating the mineralization, structures, and alteration immediately along strike to the southwest of the '42 Zone'.

In 2022, the Company announced a new discovery, referred to as the Pike Zone, that consists of high-grade basement-hosted uranium mineralization. The Pike Zone is approximately 6 kilometres to the southwest of the '42 zone' along the C10S conductive corridor. The discovery hole, WMA067 intersected 9.0 m @ 2.4%  $U_3O_8$  over 100 m into the basement, including 6.0 m @ 3.5%  $U_3O_8$ . Additional drillhole results include WMA072-3, which returned several high-grade intersections over a 12.6-metre-wide zone, highlighted by 3.98%  $U_3O_8$  over 2.3 metres from 845.9 metres, which contained a sub-interval of 25.40%  $U_3O_8$  over 0.3 metres from 846.4 metres. The Company has since concentrated its efforts on expanding this mineralized zone, as well as developing regional exploration targets along this open mineralized trend.

In May 2023, the Company announced the completion of the winter drilling program highlighted by WMA079 that intersected 2.3 metres at 0.58%  $eU_3O_8$  and 3.9 metres at 1.39%  $eU_3O_8$ , including 0.5 metres at 7.16%  $eU_3O_8$ . During the winter program, uranium mineralization was intersected in six of the nine drill holes completed with step out drill fences 100 and 160 metres northeast of the original basement-hosted discovery and includes the first ever intersection of unconformity-associated uranium mineralization at Pike Zone. The mineralization drilled to date at Pike Zone remains open in all directions.

In August 2023, the Company mobilized crews for the upcoming summer exploration drilling program at West McArthur. In addition, the Company announced geochemical results from the winter exploration program that confirm the equivalent uranium results. These results are highlighted by WMA079 that intersected 2.5 metres at 0.77%  $U_3O_8$  and 2.6 metres at 2.80%  $U_3O_8$ , including 0.3 metres at 20.20%  $U_3O_8$ .

The mineral rights to West McArthur are valid and in good standing with the earliest claim requiring renewal in May 2042 with no further exploration expenditures required. The West McArthur property is without known reserves and any proposed program is exploratory in nature.

## **2.2.2 Cree East Project, Saskatchewan**

The Cree East project is located in the southeastern portion of the Athabasca Basin, 35 kilometres west of the formerly producing Key Lake mine and 5 to 22 kilometres north of the south rim of the Athabasca Basin. The project is comprised of 17 contiguous mineral claims totalling 57,752 hectares.

Due to the project's proximity to the Key Lake mine, the area has been explored since the early 1970's. Most of this exploration was on the southern rim of the project area, as previous airborne geophysical surveys had limited depth penetration, and the depth to the



unconformity increases to the north. Regional geochemical studies and geophysics have located numerous conductors around the southern and eastern edge of the property. Some of these conductors have been drilled, but the results were inconclusive.

CanAlaska carried out versatile time-domain electromagnetic (“VTEM”) airborne surveys across the property area in 2005 and determined priority targets. In 2006, detailed collection of over 2,000 surface rock samples and over 400 lake sediment samples by the Company’s field crews defined three large areas of dravite and clay alteration on surface, and localized boulder samples containing anomalous uranium. By 2007, initial ground geophysical data from the first lines of IP-Resistivity surveys, had provided the Company with evidence of strong alteration in the sandstone horizons overlying these basement conductors. Additional IP-Resistivity and Audio Magneto Telluric geophysical surveys were used to further define these targets. Drill programs started on the project in late February 2008 and large zones of alteration were intercepted. Extreme clay alteration and unconsolidated sands prohibited the Company from completing the majority of the winter 2008 drill holes.

During the summer of 2008, CanAlaska undertook a multi-faceted \$1.6 million exploration program consisting of IP/Resistivity surveying on land and high-resolution single channel seismic data collection on Cree and McIntyre Lakes, lake sediment sampling on Cree Lake, and a 5- hole diamond drilling program. All of the drill holes reached their target depth in basement. The 2008 summer-drilling produced positive results.

The winter 2009 Cree East exploration program was successful in drilling 15 holes for a total length of 6,747 metres, with only one drill-hole abandoned in bad ground near surface. All of the holes but one reached their targeted depth and showed multiple zones of uranium and base metal enrichment, as well as basement offsets and hydrothermal alteration.

Further geophysical surveys were conducted in 2009, 2010, 2011 and 2012 to better define the drill targets on the Cree East property. These surveys include IP/Resistivity and both SQUID Time Domain EM as well as borehole Time Domain EM.

Drilling continued on Cree East in 2010, 2011, and 2012, bringing the total drilled to 34,638 metres in 91 drill holes. A total of 9 target zones have been tested, all of which showed indications of hydrothermal alteration and/or uranium mineralization.

The most notable results were obtained on Area B, where a zone of intense alteration was intersected that extends from below the unconformity at about 400 metres depth to near surface, with large intersections of re-healed breccias, large rotated blocks and fine pyrite impregnations. A broad arsenic geochemical halo characterizes this alteration, associated with some uranium enrichment. Horizontally this alteration zone has been observed in an area about 80 metres wide and which appears to extend 400 metres along the basement conductor.

In the 2014, a program of geophysics (DCIP, TDEM and gravity) and geochemistry (radon) was conducted to detail this area in preparation for further drilling.

The Cree East Project was previously funded by a Korean consortium, comprising Hanwha Corporation, Korea Electric Power Corporation, Korea Resources Corporation and SK Energy Co. Ltd. In July 2017, the company and its Korean partners entered into a buy back agreement. CanAlaska now owns 100% interest in the Cree East uranium project and is actively seeking joint venture partners to advance exploration efforts on the project. It is anticipated the next substantial work programs on the property will consist mainly of drill testing the current target inventory.

The mineral rights to Cree East are valid and in good standing with the earliest claim requiring renewal in December 2027 with no further exploration expenditures required. The Cree East property is without known reserves and any proposed program is exploratory in nature.

### **2.2.3 Moon Lake South**

The Company holds a 25% ownership in the Moon Lake South JV operated by our partner Denison Mines Corporation. The property is host to a five-kilometre-long northeast trending conductive corridor known as the CR-3 conductor. The CR-3 conductor is located two kilometres west of the K-trend, host to the Gryphon Deposit on Denison’s adjacent Wheeler River property. Drill programs in 2016 and 2021 identified uranium mineralization along the CR-3 conductor trend in three drillholes. This was followed up by the discovery of high-grade uranium mineralization in the winter of 2023.



In 2022, the drill program focused on advancing the five-kilometre-long CR-3 conductive corridor where uranium mineralization was intersected in drill holes MS-21-02 (0.14% eU<sub>3</sub>O<sub>8</sub> over 0.2 m from 488.5 m) and MS-21-06 (0.12 eU<sub>3</sub>O<sub>8</sub> over 0.2 m from 550.6 m).

In the winter of 2023, the Company announced a new discovery in MS-23-10A, which contained 8.0 metres at 2.46% U<sub>3</sub>O<sub>8</sub>, including 4.5 metres at 3.71% U<sub>3</sub>O<sub>8</sub>. The MS-23-10A mineralized intersection remains open for 1,200 metres to the northeast. Additionally, the Moon Lake South JV has doubled the 2023 exploration budget with the approval of a newly planned supplemental drill program that will test for extensions of the high-grade uranium mineralization intersected this winter. CanAlaska currently holds a 25% ownership in the project and will fund the Company's share of the 2023 exploration program.

#### **2.2.4 Waterbury Projects (South and East)**

The project is located in the northeastern Athabasca Basin in Saskatchewan and consists of two claims that lie 10 and 30 kilometres from the Cigar Lake mine site. The project area was explored historically by Saskatchewan Mining Development Corporation ("SMDC"), Noranda, COGEMA, and Cameco who performed a variety of geochemical surveys, airborne and ground based geophysical surveys. In the 1980's, Noranda exploration completed a drill fence on the south project, identifying basement-hosted uranium mineralization, assaying 0.12% U<sub>3</sub>O<sub>8</sub> over 0.1 metres from 283 metres. In the early 2000's, Cameco completed an EM survey and three drill holes on the south project. SOD-253, was abandoned before reaching the unconformity but intersected pervasively bleached sandstone with weak sooty pyrite. On the Waterbury South claim, CanAlaska has completed a GEOTEM and airborne magnetic survey. In addition, a DC Resistivity Survey was completed on the project that has identified sandstone resistivity low breaches, a typical response for post-Athabasca structure and alteration on other projects in the area.

In 2021, the Company completed three drillholes on the south project. This drill program was highlighted by WAT009 which intersected a strongly altered lower sandstone column with bleaching, sooty pyrite, desilicification, and chlorite, which contained polymetallic mineralization at the unconformity. The polymetallic mineralization is characterized by 0.5 metres with 405 ppm uranium, 2.42% nickel, 2.34% arsenic, 0.5% zinc, and 801 ppm cobalt from 349 – 349.5 metres.

In 2022, the Company completed a drilling program on the south project. This drill program was highlighted by a complex structural network with associated sandstone and basement alteration. Future exploration programs should focus on expansion of these results.

The Company is actively seeking joint venture partners to advance exploration efforts on the project.

#### **2.2.5 Key Extension**

This project is located in the Southeastern Athabasca Basin in Saskatchewan and lies 15 kilometres from the Key Lake mill complex. The past producing Key Lake Deposits are located 15 kilometers from the project boundary, which have historically produced over 150 million lbs U<sub>3</sub>O<sub>8</sub> from the Gaertner and Deilmann open pits. The project lands have been subject to historical regional and project scale ground and airborne geophysical surveys. Focused airborne magnetics and VTEM (Versatile Time Domain Electromagnetic) surveys were completed by past operators of the project in the early 2000's, outlining an east-northeast oriented conductive corridor coincident with a magnetic lineament that trends towards the historically producing Key Lake deposits. In addition, the surveys identified a prominent 10-kilometre-long NE-trending conductor corridor that is parallel to the Mudjatik-Wollaston transition. The Company is actively seeking joint venture partners to advance exploration efforts on the project.

In 2022, the Company conducted a high-resolution helicopter-borne airborne radiometrics and aeromagnetics survey on the property.

During the winter of 2023, the Company's drill program focused on initial drill testing of newly defined targets generated through a series of geophysical programs completed in 2022. The Company identified multiple graphitic packages with large reactivated and brecciated fault zones, associated hydrothermal alteration, and elevated radioactivity. The 2023 drill program consisted of 2,239 metres in seven drill holes. This program represents the Company's first drill holes on the Key Extension project and significant results were received in three main target areas. The 2023 drilling program successfully intersected graphitic host rocks showing evidence of multiple post-Athabasca structural reactivation events, hydrothermal alteration, and elevated radioactivity.

In April 2023, pursuant to an option agreement with Durama, the Company exercised its option to acquire 100% interest in the Key Extension project by issuing 300,000 common shares with a fair value of \$106,500 and paying \$45,000 cash to Durama.

#### **2.2.6 NE Wollaston Area**

The NE Wollaston project area consists of five sub-projects (Watson, Warren, Kingston, Burrill, Fife Island) totalling 45,909 hectares of non-contiguous claims located 20 to 90 kilometres northeast of the present-day Athabasca Basin. The main target on the NE

Wollaston project is basement-hosted uranium deposits, similar to the Eagle Point deposit. The NE Wollaston projects host the structural extensions of the Collins Bay Fault zone, which is host to the Rabbit Lake, Collins Bay A, B, and D, and Eagle Point orebodies to the southwest of the claim block. Since acquiring the land package, the Company has identified several new uranium targets coincident with electromagnetic and gravity anomalies. The Company is actively seeking joint venture partners to advance exploration efforts on the project.

### **2.2.7 North Millennium**

The North Millennium property, totaling 5,873 ha, is located in the Eastern Athabasca Basin, Saskatchewan, Canada. The property is located seven kilometres from Cameco's Millennium uranium deposit. Northeast trending conductors on the project are disrupted and offset by a north-south trending lineament that can be traced down through the Millennium deposit. This north-south feature is interpreted to be the continuation of the Mother Fault, which has been interpreted to be the main conduit for ore-bearing fluids to enter the basement rocks and form the Millennium deposit.

In 2022, the Company entered into a property option agreement with Basin Energy to earn up to an 80% interest in the North Millennium project. Basin Energy may earn up to 80% interest in stages in the property by making cash payments, issuing shares of Basin Energy, granting the Company 2.75% NSR and incurring AUD\$7,500,000 in exploration expenditures.

### **2.2.8 Geikie**

The Geikie property, totaling 35,084 ha, is located 7 kilometres southeast of the present-day Athabasca Basin edge, in Saskatchewan, Canada. The property straddles the extension of a fertile corridor of biotite gneisses hosting the Agip S high-grade uranium showing (up to 58%  $U_3O_8$ ), and the recent Baselode Energy radioactive intersections near Beckett Lake. These uranium showings appear similar to 92 Energy's GMZ uranium zone and Baselode Energy's ACKIO uranium zone, recently discovered approximately 10 kilometres away. On the Geikie property, the Mud Lake uranium-molybdenum showing, containing up to 0.225%  $U_3O_8$ , 5.2% Mo, and 1.4% Cu, and the Marina lead-zinc showings, containing up to 2.03% Pb, 7.2% Zn and 0.93 oz/t Ag, have been documented. With its partner, Basin Energy, CanAlaska has completed multiple high-resolution airborne surveys and one drill program on the project.

In 2022, the Company entered into a property option agreement with Basin Energy to earn up to a 80% interest in the Geikie project. Basin Energy may earn up to 80% interest in stages in the property by making cash payments, issuing shares of Basin Energy, granting the Company 2.75% NSR and incurring AUD\$7,500,000 in exploration expenditures.

The Company recently announced results from the 2023 summer drill program representing CanAlaska's first drill holes on the Geikie project. The 2023 summer drill program consisted of 2,217 metres in eight drill holes on its 60%-owned Geikie project. The drill program was focused on a 15-kilometre-long conductive structural corridor with three main target areas. Results from the program confirmed the presence of hydrothermal alteration systems hosted within a complex structural framework at Geikie which is important in the formation of basement-hosted high-grade uranium deposits.

### **2.2.9 McTavish**

The McTavish property is located in the Eastern Athabasca Basin, Saskatchewan, Canada. The project is located 5 kilometres northwest of Cameco's Millennium uranium deposit. The project area has been periodically explored for unconformity-type uranium deposits since the late 1970's with work on and adjacent to the project consisting of airborne and ground geophysical surveys, boulder prospecting, and diamond drilling. The most recent work, conducted by Kodiak Exploration Ltd. and CanAlaska Uranium Ltd., between 2006 and 2010, included airborne and ground geophysical surveys which identified two conductive corridors, the D-1 and D-2, that transect the project, followed by five drillholes on the project grounds. The most encouraging drill results in the area are 400 metres to the south of the property along the D-2 conductive corridor in WM-09-04, which intersected a mineralized fracture immediately above the unconformity (0.05 m at 0.13%  $U_3O_8$ ) and a wide graphitic-pyritic pelite interval in the basement. The company is actively seeking joint-venture partners for its McTavish project.

### **2.2.10 Chymko**

The Chymko property, totaling 32,603 ha, straddles the south-central edge of the present-day Athabasca Basin in Saskatchewan, Canada. The property is adjacent to the Virgin River Shear Zone, which hosts the Centennial and Dufferin Lake unconformity uranium deposits. The project area has been historically explored by regional airborne geophysical and ground lake sediment surveys. The Chymko property has experienced minimal drill testing with only two drillholes reaching the target depth, one of which intersected graphitic metasediments. The magnetic and electromagnetic surveys on the property define a prominent NW-SE structural pattern where electromagnetic conductors are concentrated in the magnetic lows. This geophysical relationship is typical of many unconformity uranium deposits in the Eastern Athabasca Basin. The property also contains the Chymko uranium showing, SMDI

#2061, which consists of vein-controlled uranium mineralization in hydrothermally altered felsic gneisses in the basement rocks outside of the present-day Athabasca Basin. The company is actively seeking joint-venture partners for its Chymko project.

#### **2.2.11 Taggart**

The Taggart property, totalling 28,328 ha, is located in the western Athabasca Basin, Saskatchewan, Canada. The property is 60 kilometres northeast of the Triple R and Arrow uranium deposits along the mineralized Patterson Lake Corridor. Geophysical and geological compilation work suggest that the basement rocks of the Patterson Lake Corridor, consisting of granitic to tonalitic gneisses, with local bodies of structurally-controlled graphitic and chloritic shear zones, trend into the project area. To the southwest, these structurally-reactivated graphitic intervals are host to the uranium mineralization at the large Arrow and Triple R deposits. Historical exploration on the property was focused on ground-based geophysical surveys, prospecting, and lake sediment geochemistry. Airborne magnetic, electromagnetic (VTEM), and radiometrics surveys were available to guide the staking of the property and highlighted conductive zones within the Athabasca sandstone that are interpreted to represent alteration zones. The lake sediment surveys in and around the property identified several samples with anomalous uranium, generally between 2 to 5 ppm uranium, with several samples exceeding 5 ppm uranium, including one sample containing highly anomalous uranium at 240 ppm. Four historic drillholes were attempted on the property, none of which reached the unconformity. In these drillholes, structural reactivation and alteration of the sandstone is associated with the contacts of diabase dykes. The documented structural reactivation in the sandstone, leads to an interpretation of deep-seated basement structures, which are often associated with uranium deposition in the Athabasca region. This under-explored project contains uranium lake sediment anomalies, diabase-related structures in the sandstone, and interpreted hydrothermal alteration zones. The company is actively seeking joint-venture partners for its Taggart project.

#### **2.2.12 Carswell**

The Carswell property, totaling 13,352 ha, is located in the western Athabasca Basin, Saskatchewan, Canada. Within the western Athabasca Basin, some of the most significant undeveloped uranium resources exist in the Shea Creek, Triple R, and Arrow deposits. The property covers a conductive structural corridor that joins the Beatty River fault zone to Carswell area, wrapping around a large magnetic-high body, which on the opposite side of the magnetic feature, is mirrored by the Saskatoon Lake conductor. The presence of conductive corridors along the edge of magnetic-high features creates a strong competency contrast that is important in the formation of large structural traps. The Saskatoon Lake conductor, which is host to the high-grade Shea Creek uranium deposits, shows an apparent correlation to these structural corridors between the Beatty River fault zone and Carswell area, presenting a compelling exploration target. The company is actively seeking joint-venture partners for its Carswell project.

#### **2.2.13 Frontier**

The Frontier property, totaling 15,929 ha, is located in the northeastern Athabasca Basin. The Frontier project is located approximately 30 kilometres northeast of the McClean Lake mill complex and Roughrider uranium deposit, and 35 kilometres north of Cameco's Eagle Point uranium mine. The project is five kilometres northeast of the present-day Athabasca Basin edge along the regional-scale Roughrider Mineralized Corridor (RMC). The RMC is host to multiple uranium deposits and showings, including Roughrider, Midwest, J Zone, Dawn Lake, Moonlight, Osprey, and the McClean Lake mine (Jeb deposit) and mill complex. On the property, the RMC is bound by magnetic high bodies to the east and west with major corridor parallel and cross-cutting magnetic structural lineaments. The interplay between structures along long linear magnetic low corridors is typical of many unconformity uranium deposits in the Athabasca Basin and allows for the creation of structural traps for potential uranium deposition. Historical exploration on the project has been limited to regional airborne and prospecting which identified the Point Lake anomaly. More recent work on the project includes a detailed property-wide aeromagnetic survey and a small VTEM survey on the very southern portion. The company is actively seeking joint-venture partners for its Frontier project.

#### **2.2.14 Enterprise**

The Enterprise property, totaling 14,344 ha, is located in the southeastern Athabasca Basin. The project is twenty kilometres south of the present-day Athabasca Basin edge and the Key Lake Mine and Mill complex along Highway 914. Historical exploration on the project consists of prospecting and geological mapping that were completed in conjunction with airborne radiometric, electromagnetic, and magnetic surveys in the 1970's and 1980's. In the early 2000's, a helicopter-borne AeroTEM electromagnetic and magnetic survey was completed and followed up by a series of ground-based gravity and Horizontal Loop EM (HLEM) surveys. The gravity and HLEM surveys identified two conductive corridors on the northern claims, Target Corridor 1 and Target Corridor 2, that have associated gravity low anomalies. These target corridors represent drill-ready target areas on the project. The Company believes the Enterprise project is prospective for discovery of basement-hosted uranium targets and that modern property-wide high-resolution geophysical surveys followed by ground-based prospecting may aid in identifying additional priority targets. The company is actively seeking joint-venture partners for its Enterprise project.

In June 2023, the Company had expanded the Enterprise project, adding 2,284 hectares, for a new total of 14,344 hectares. The Enterprise project is part of the Company's strategy to increase its landholdings in the infrastructure-rich southeastern Athabasca Basin.

#### **2.2.15 Voyager**

The Voyager property, totaling 5,634 ha, is located in the southeastern Athabasca Basin. The project is thirty kilometres south of the present-day Athabasca Basin edge and the Key Lake Mine and Mill complex along Highway 914. Historical exploration on the project consists of prospecting and geological mapping that were completed in conjunction with airborne radiometric, electromagnetic, and magnetic surveys. Within the property area, historical prospecting identified a series of showings, most notably the Scurry-Rainbow group and the Marline-5 showing. The Scurry-Rainbow showings consist of five different zones in the southwest corner of the property. The most significant uranium mineralization was noted in Scurry-Rainbow Zone E, associated with a siliceous calcsilicate unit that had up to 0.65%  $U_3O_8$  in a grab sample. The Marline-5 showing, hosted within a biotite gneiss, contains historical prospecting results up to 0.797%  $U_3O_8$  in a grab sample. In the late 2000's a helicopter-borne AeroTEM electromagnetic and magnetic survey was flown in the area that covered the current project grounds. A small-scale prospecting program completed in the mid-2000's confirmed some of the historical occurrences on the project. The main target areas on the Voyager project consist of three northeast-southwest trending magnetic low corridors. Two of these corridors, each approximately five-kilometres long, are host to the numerous uranium showings that have been historically identified. The Company believes that these target areas represent underexplored structural corridors prospective for the discovery of basement-hosted uranium deposits. The company is actively seeking joint-venture partners for its Voyager project.

#### **2.2.16 Hunter**

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims. It is expected that the spinout of the nickel properties would be effected through a statutory plan of arrangement pursuant to which CanAlaska would transfer the nickel properties to a wholly-owned subsidiary, Core Nickel Corp. ("Core Nickel") in consideration for common shares of Core Nickel. The Core Nickel shares would then be distributed to CanAlaska's shareholders pro rata their interest in CanAlaska resulting in CanAlaska's shareholders owning shares in two public companies upon completion of the Arrangement. The Company makes no assurance that a spinout will occur as it is subject to many conditions that include the assessment of legal and tax consequences, determining the specific details of the Arrangement, Core Nickel satisfying stock exchange listing requirements, receipt of shareholder approval, receipt of all regulatory and other required approvals, the availability of financing for Core Nickel and market conditions.

The impact of this spinout transaction would result in the reduction in the Company's mineral properties interest related to the acquisition costs of the nickel properties along with a reduction in cash funds which would be transferred to Core Nickel to fund its first year of anticipated operations. The Company would also anticipate additional legal and professional fees related to completing this transaction. By spinning out the nickel properties, the Company believes that it would be able to focus principally on exploration of its uranium properties.

The Hunter Project is located 20 kilometres north of Thompson, Manitoba and consists of one Mineral Exploration License and 11 claims in the northern extension of the Thompson Nickel Belt. The area is underlain by Archean, Ospwagan Group and ultramafic intrusions. Locally Kisseynew metasediments are infolded with the Ospwagan and Archean. The project area was explored by a variety of companies in the 1950's to the 1970's, which led to the discovery of the Mel deposit located immediately to the East of the Hunter property. Inco (Vale) explored the Hunter property and the Mel area from 1999 to 2005 in JV with Nuinsco Resources Ltd (Victory Nickel).

Significant exploration targets have been defined on the MEL and the claims, based on a compilation of historical exploration. Extensive UTEM and AMT surveys in 2000-2005 resulted in a number of drill targets, only some of which have been drilled by Vale (Inco). Some of the nickel intersections from older drilling also require follow-up. A 2022 VTEM survey highlighted several prospective target areas on the project.

#### **2.2.17 Strong**

The Strong Project consists of one Mineral Exploration Licenses totaling 6,140 hectares, located 26 kilometres north of Thompson, Manitoba. The project area was explored by a variety of companies in the 1950's to the 1970's which led to the discovery of the Mel deposit located immediately to the East of the Hunter property. Falconbridge, in JV with Crowflight Minerals Inc (Canickel Mining Ltd) was active on the Strong Property from 1998 to 2005. In 2007 Crowflight flew a VTEM survey that was processed in 2008 by Condor Consulting but there was no drill follow-up. Significant exploration targets have been defined based on a compilation of historical exploration. The VTEM survey completed in 2007 and re-processed in 2019 provides a revised geology. Combining this

revised geology and the VTEM conductor picks and a 3D electromagnetic inversion of the VTEM survey data has provided a series of targets ready to be drilled.

In July 2023, the Company announced that it has entered into a LOI with Valterra Resources Corporation (“Valterra”) to allow Valterra to earn up to 80% interest in four of the Company’s 100% owned north Thompson Nickel Belt projects in Manitoba. Valterra may earn up to 80% by undertaking work and payments in three-defined earn-in stages. The project consists of the Strong, Strong Extension, Moak North and Wilson mineral exploration licenses with a total combined area of 30,283 hectares.

#### **2.2.18 Resting Lake**

The Resting property consists of eleven mineral claims with a total area of 2,322 hectares located in the southern Thompson Nickel Belt 5 kilometres south of Wabowden and the Bucko deposit and northwest of the Manibridge. The area has been explored from 1958 to 1974 and then again from 1992 to 2005 and some work in 2016. Historical work included airborne and ground electromagnetic and magnetic surveys and diamond drilling. A total of 12,209 metres in 63 holes were drilled on the property. The majority of holes are short with an average of 194 metres and a maximum of 583 metres. The main contributors were Falconbridge, Inco, Amax, and Granges. A GEOTEM survey covered the whole property in 1991 and a MEGATEM the northern half in 2004. Falconbridge covered the property and surrounding areas with ground magnetics, AFMAG, and, at least partly, HLEM. This work resulted in the discovery of two significant zones of mineralization occur adjacent to the property, the Resting deposit in the North, which has been described as holding 90 Mt at 0.3% nickel, the Reed zone in the South with several high-grade intersections, up to 1.5m @ 2% nickel. A third occurrence, the Amax zone, occurs in the centre of the belt with 2.44m at 0.63% Ni and 0.42% Cu.

A high-definition magnetic survey was flown in 2021 to provide a better mapping of the geology. This was combined with a compilation of the historical drill logs to produce a series of target zones. The next stage is a VTEM survey to provide accurate drill targets.

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims.

#### **2.2.19 Halfway Lake**

The Halfway property consists of eight mineral claims with a total of 1,876 hectares. It is located in the southern Thompson Nickel Belt, 12 kilometres northeast of Wabowden and less than 2 kilometres from highway 6. The area has been explored from 1958 to 1974 and then again from 1992 to 2007. Historical work included airborne and ground electromagnetic and magnetic surveys and diamond drilling. The main contributors were Falconbridge, Inco, and Marbemor. A 2007 Anglo-American VTEM survey overlaps the northern end of the Halfway Lake structure. Falconbridge covered the property and surrounding areas with ground magnetics, AFMAG, and, at least partly, HLEM. V. A GEOTEM survey covered the whole property in 1991. This work led the discovery of the Halfway Lake deposit, 0.9Mt at 1.2% Ni. In the southern claim block, drill hole W118-29 has a combined 15m at 0.62% Ni with a tenor of 10% in four intercepts between 164m and 210m. Nearby drill hole W118-37 has a combined 8.1m at 0.65% Ni with a tenor of 12% in five intercepts between 133m and 168m.

A high-definition magnetic survey was flown in 2021 to provide a better mapping of the geology. Compilation of the historical drill logs is in progress.

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims.

#### **2.2.20 Wilson**

The Wilson property consists of one Mineral Exploration License totaling 5,272 hectares in the Thompson Nickel Belt, Manitoba. The claim covers extensions of known mineralized nickel zones or prospective geology and are adjacent to the Strong and Hunter properties. The claim is located close to major roads and benefit from nearby rail and power infrastructure.

In July 2023, the Company announced that it has entered into a LOI with Valterra to earn up to 80% interest in The Wilson project by undertaking work and payments in three-defined earn-in stages.

#### **2.2.21 Strong Extension**

The Strong Extension property consists of one Mineral Exploration License totaling 13,606 hectares in the Thompson Nickel Belt, Manitoba. The claim covers extensions of known mineralized nickel zones or prospective geology and are adjacent to the Strong and Hunter properties. the claim is located close to major roads and benefit from nearby rail and power infrastructure.

In July 2023, the Company announced that it has entered into a LOI with Valterra to earn up to 80% interest in The Strong Extension project by undertaking work and payments in three-defined earn-in stages.

#### **2.2.22 Moak North**

The Moak North property consists of one Mineral Exploration License totaling 5,240 hectares in the Thompson Nickel Belt, Manitoba. The claim covers extensions of known mineralized nickel zones or prospective geology and are adjacent to the Strong and Hunter properties. The claim is located close to major roads and benefit from nearby rail and power infrastructure.

In July 2023, the Company announced that it has entered into a LOI with Valterra to earn up to 80% interest in The Moak North project by undertaking work and payments in three-defined earn-in stages.

#### **2.2.23 Mel**

The Mel Project is comprised of one mineral lease and ten mineral claims covering a total of 2,613 hectares in the Thompson Nickel Belt, Manitoba. The Mel project is located within 25 kilometres from Vale Canada Limited's processing facilities in Thompson, Manitoba. The mineral lease contains the Mel deposit, which has a historical indicated resource estimate of 4.3 million tonnes at 0.875% nickel for 82.5 million pounds of contained nickel and a historical inferred resource estimate of 1.0 million tonnes at 0.839% nickel for 18.7 million pounds of contained nickel. The Company believes the Mel property is underexplored, with previous focus being mostly on the immediate Mel lease and deposit.

In May 2023, the Company completed the acquisition of 100% interest in the Mel project by paying an aggregate of \$300,000 cash and issuing 2,000,000 common shares of CanAlaska to B. Riley Farber, in its capacity as Trustee in Bankruptcy of the property, assets and undertakings of Victory Nickel Inc.

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims.

#### **2.2.24 Odei River**

The Odei River North property consists of one Mineral Exploration License totaling 9,411 hectares in the Thompson Nickel Belt, Manitoba. The claim covers extensions of known mineralized nickel zones or prospective geology and are adjacent to the Hunter property. The claim is located close to major roads and benefit from nearby rail and power infrastructure.

In June 2023, the Company announced that it intends to spinout five of its nickel properties, Halfway Lake, Resting, Hunter, Odei River and its recently acquired Mel nickel deposit lease and claims.

#### **2.2.25 Quesnel Mouse Mountain**

Mouse Mountain is a well-known Cu-Au porphyry located in the central Quesnellia terrane between Mt Polley and Mt Milligan. The Company acquired the property by staking in 2012 and 2014 based on the results of field observations, regional geophysics and historical work. It consists of seven mineral claims with a total area of 911ha. The Mouse Mountain showings are easily accessible from Quesnel, 12 kilometres to the East, along highway 26; the northern end of the property is at the same distance from Quesnel along highway 97. The project is currently under an option agreement with Omineca Mining and Metals.

#### **2.2.26 Other Projects**

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

### 3. FINANCIAL POSITION AND CAPITAL RESOURCES

#### 3.1 Cash and Working Capital

<b>Table 5: (\$000's)</b>	<b>As at July</b>	<b>As at April</b>
<b>Cash and Working Capital</b>	<b>31, 2023</b>	<b>30, 2023</b>
Cash and cash equivalents	10,243	11,527
Prepaid and deposits	218	511
Equity securities	1,630	1,552
Trade and other payables	(1,027)	(1,295)
Current portion of lease liabilities	(90)	(88)
Deferred flow-through premium	(889)	(1,168)
<b>Working capital</b>	<b>10,085</b>	<b>11,009</b>

For analysis and discussion of the movement in cash and cash equivalents reference should be made to Section 5 of this MD&A. Reference should be made to note 4 of the unaudited condensed interim consolidated financial statements for further details.

As at July 31, 2023, included within prepaid and deposits is approximately \$61,000 in Goods and Services Tax ("GST") refunds, \$112,000 in receivables from Basin Energy Limited, \$3,000 in prepaid market related services expenses, \$6,000 in prepaid insurance, \$25,000 in mineral property application deposits and \$10,000 in lease deposits. The increase in equity securities is largely attributable to the increase in the market value of two of its shareholdings (Northern Uranium and Metal Energy) in the Company's portfolio of equity securities at period end. The decrease in trade and other payables is consistent with the corporate activities compared with the fourth quarter of 2023 as the Company was less active during the first quarter of 2024. The Company will need to expend a further \$2.7 million of Canadian exploration expenditures by March of 2025 in order to recognize the remaining deferred flow-through premium of approximately \$889,000 as at July 31, 2023.

#### 3.2 Other Assets and Liabilities

<b>Table 6: (\$000's)</b>	<b>As at July</b>	<b>As at April</b>
<b>Other Assets and Liabilities</b>	<b>31, 2023</b>	<b>30, 2023</b>
Reclamation bonds	113	107
Property and equipment	1,109	1,126
Mineral property interests (Section 2.2)	1,574	593

During the three months ended July 31, 2023, the company made a net cash-in-lieu payment of approximately \$6,000 for the NW Manitoba project. Also during the three months ended July 31, 2023, the Company acquired mineral property interests of approximately \$981,000 for our Mel, NE Wollaston, Geikie, Constellation and Swan Bay properties.

#### 3.3 Equity and Financings

<b>Table 7: (\$000's)</b>	<b>As at July</b>	<b>As at April</b>
<b>Shareholders' Equity</b>	<b>31, 2023</b>	<b>30, 2023</b>
Common shares	102,594	101,924
Equity reserve	22,791	22,354
Investment revaluation reserve	(3,099)	(3,207)
Deficit	(110,140)	(108,994)
<b>Total shareholders' equity</b>	<b>12,146</b>	<b>12,077</b>



<b>Table 8: (000's)</b>	<b>As at July 31, 2023</b>	<b>As at April 30, 2023</b>
<b>Equity Instruments</b>		
Common shares outstanding	125,071	123,071
Options outstanding		
Number	12,495	10,000
Weighted average price	\$0.45	\$0.49
Warrants outstanding		
Number	30,706	36,957
Weighted average price	\$0.74	\$0.70

### Equity instruments

As of September 26, 2023, the Company had the following securities outstanding. Common shares – 125,070,842; stock options – 12,355,000 and warrants – 30,705,487.

On May 12, 2023, the Company issued 2,000,000 to B. Riley Farber Inc., in its capacity as Trustee in Bankruptcy of the property, assets and undertaking of Victory Nickel Inc. with a fair value of \$670,000.

On April 5, 2023, the Company issued 300,000 common shares to Durama Enterprise Limited with a fair value of \$106,500. The issuance was pursuant to an option agreement to acquire 100% interest in the Key Extension project in Saskatchewan.

During the year ended April 30, 2023, the Company issued 3,221,675 common shares from the exercise of share purchase warrants for total gross proceeds of \$932,925.

On November 1, 2022, the Company completed a non-brokered private placement and issued 13,173,212 flow-through units for gross proceeds of \$6,850,070.24 and 4,499,900 charity flow-through units for gross proceeds of \$3,149,930, for total gross proceeds of \$10,000,000.24. Each flow-through unit was sold at a price of \$0.52 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each charity flow-through unit was sold at a price of \$0.70 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.75. In connection with this financing, the Company paid cash finder's fees of \$594,363, legal and filing fees of \$63,666 and issued a total of 1,049,545 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.52/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$230,732 using the Black Scholes option pricing model. Also, the Company recorded a flow-through premium of \$3,284,218. As the Company has incurred approximately \$6.4 million of exploration expenditures related to the flow-through financing, it has recognized \$2,105,066 of the \$3,284,218 flow-through premium in the consolidated statement of net loss and comprehensive loss.

<b>Table 9: Proceeds from Financings</b>			
<b>Date</b>	<b>Type</b>	<b>Use of Proceeds</b>	<b>Use of Funds</b>
November 2022	\$10.0 million – 13,173,212 Flow through units and 4,499,900 Charity flow through units	Acquisition for uranium and other mineral exploration in Saskatchewan, Manitoba and British Columbia as well as for general corporate purposes	Funds used and to be used as intended

## 4. EXPENDITURES REVIEW

<b>Table 10: (\$000's)</b>		<b>Quarterly</b>						
<b>Quarterly Net Earning (Loss) &amp; Comprehensive Earnings (Loss)</b>								
<b>Summary</b>	<b>Q2 22</b>	<b>Q3 22</b>	<b>Q4 22</b>	<b>Q1 23</b>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>	<b>Q1 24</b>
<b>Exploration Cost</b>								
Mineral property expenditures net of Reimbursements	1,677	1,073	1,820	2,262	1,681	1,817	4,501	572
Mineral property write-offs	-	-	-	-	10	12	1	-
Recoveries on option payments received	(19)	(7)	(499)	-	(2,222)	-	-	-
	1,658	1,066	1,321	2,262	(531)	1,829	4,502	572
<b>Other Expenses (Income)</b>								
Consulting, labour and professional fees	248	370	279	263	317	1,001	346	411
Depreciation	26	28	36	33	34	48	53	49
Gain on disposal of property and equipment	(7)	-	(8)	-	-	(14)	(11)	-
Foreign exchange loss (gain)	1	(24)	(6)	(1)	(45)	14	(10)	16
Insurance, licenses and filing fees	43	51	21	49	91	43	26	15
Interest expense	8	7	7	7	6	13	17	18
Interest income	(5)	(9)	(19)	(35)	(70)	(123)	(158)	(87)
Other corporate costs	17	25	36	55	60	57	57	40
Investor relations and presentations	40	105	55	136	123	121	147	177
Rent	9	8	7	9	9	8	9	7
Share-based payments	-	523	-	541	-	987	203	437
Travel and accommodation	4	4	9	20	23	28	11	17
Management fee	-	(5)	(103)	(7)	(106)	(33)	(54)	(247)
Flow-through premium	(75)	(317)	(682)	(867)	(106)	(649)	(1,468)	(279)
	309	766	(368)	203	336	1,501	(832)	574
<b>Net earning (loss) for the period</b>	<b>(1,967)</b>	<b>(1,832)</b>	<b>(953)</b>	<b>(2,465)</b>	<b>195</b>	<b>(3,330)</b>	<b>(3,670)</b>	<b>(1,146)</b>
<b>Other comprehensive loss</b>								
<b>Items that will not be subsequently reclassified to profit or loss:</b>								
Gain (loss) on equity securities	423	(281)	(129)	(311)	881	(57)	(2,077)	108
<b>Total comprehensive earning (loss)</b>	<b>(1,544)</b>	<b>(2,113)</b>	<b>(1,082)</b>	<b>(2,776)</b>	<b>1,076</b>	<b>(3,387)</b>	<b>(5,747)</b>	<b>(1,038)</b>
Basic and diluted earnings (loss) per share	(0.02)	(0.02)	(0.01)	(0.02)	0.00	(0.03)	(0.03)	(0.01)

## For the three months ended July 31, 2023 and 2022

In the three months ended July 31, 2023, the Company spent approximately \$0.6 million on exploration costs net of reimbursements. The majority of the exploration expenditures were allocated to the Geikie, West McArthur, Moon Lake and McTavish projects with \$0.3 million of the \$0.6 million being allocated to the West McArthur project. During the three months ended July 31, 2023, as operator of the Geikie project, the Company expended approximately \$1.2 million in exploration activities and received reimbursements from Basin Energy Limited of approximately the same amount as part of their option agreement. During Q1 24, the Company spent approximately \$0.6 million compared to \$2.3 million in Q1 23.

Consulting, labour, and professional fees are higher in Q1 24 than the same comparative prior period. The increase is primarily attributed to an increase in the number of employees relative to the same comparative period. We have increased the number of geologists at our Saskatoon office to execute on our planned exploration activities. During Q1 24, the Company incurred consulting, labour, and professional fees of approximately \$411,000 compared to \$263,000 in Q1 23.

Insurance, licenses and filing fees are lower in Q1 24 compared to Q1 23. The decrease is primarily due to the decrease in filing fees and the number of press release filings compared the same comparative prior period. During Q1 23, the Company incurred higher filing fees related to the Company's OTCQX listing. During Q1 24, the Company incurred insurance, licenses and filing fees of approximately \$18,000 compared to \$7,000 in Q1 23.

Interest income is higher in Q1 24 compared to Q1 23. The increase was attributed to the increase in the cash balances held during the quarter along with the increase in rate of interest on those balances. During Q1 24, the Company recognized interest income of approximately \$87,000 compared with \$35,000 in Q1 23.

Investor relations expenses were higher in Q1 24 compared to Q1 23. The increase is primarily attributed to an increase in the use of an investor relations consultant and the usage of print and web-based media and attendance to investor relations conferences in Q1 24 relative to Q1 23. During Q1 24, the Company incurred investor relation expenses of approximately \$177,000 compared to \$136,000 in Q1 23.

The share-based payments amount for Q1 24 is lower than the amount for Q1 23. The decrease was primarily due to the decrease in the fair value calculation on the options granted in Q1 24 relative to Q1 23. During Q1 24, there were 2,505,000 options granted with an average fair value of \$0.18. During Q1 23, there were 2,170,000 options granted with an average fair value of \$0.25 per option. During Q1 24, the Company recorded share-based payments of approximately \$437,000 compared to \$541,000 in Q1 23.

Management fee income was higher in Q1 24 compared to Q1 23. The increase was primarily attributed to the management fees charged for being the operator of the exploration activities at the Geikie project during Q1 24 compared to exploration activities at the Manibridge project during Q1 23. During Q1 24, the Company recorded management fee income of approximately \$247,000 compared to \$7,000 in Q1 23.

During the fiscal 2023 and 2022, the Company completed several flow-through private placements transactions whereby the flow-through unit price was greater than the market price of the Company's shares at the time of closing and the Company recognized a flow-through premium for fiscal 2023 and 2022. During Q1 24 and Q1 23, the Company recognized approximately \$279,000 and \$867,000, respectively.

## **5. CASHFLOW AND LIQUIDITY REVIEW**

As of July 31, 2023, the Company had \$10.2 million in cash and cash equivalents and working capital of \$10.1 million and as of April 30, 2023, the Company had \$11.5 million in cash and cash equivalents and working capital of \$11.0 million.

Cash and cash equivalents have decrease by approximately \$1.3 million since April 30, 2023. The Company's cash flow from operating, financing and investing activities during the three months ended July 31, 2023 and 2022 are summarized as follows:

### **5.1 Operating Activities**

The Company's operating activities resulted in net cash outflows of \$1.1 million and \$2.3 million for the three months ended July 31, 2023 and 2022 respectively. Operating activities for the three months ended July 31, 2023 were lower than three months ended July 31, 2022. The decrease was primarily due to the decrease in Company exploration activities at the West McArthur project and other project as well as in the increase in management fees received as operator of the Geikie, Marshall and North Millenium projects.

### **5.2 Financing Activities**

Financing activities resulted in net cash outflows of \$39,000 and net cash inflows of \$6,000 for the three months ended July 31, 2023 and 2022 respectively. During the three months ended July 31, 2023, the Company made lease payments of approximately \$39,000. During the three months ended July 31, 2022, the Company received warrant exercise proceeds totalling approximately \$28,000 and made lease payments of approximately \$22,000. The Company is working to sell option or joint venture non-core assets.

### **5.3 Investing Activities**

Investing activities resulted in net cash outflows of \$155,000 and \$5,000 for the three months ended July 31, 2023 and 2022 respectively. During the three months ended July 31, 2023, the Company acquired claims for the Mel, NE Wollaston, Geikie, Constellation and Swan Bay projects totalling approximately \$116,000, purchased property and equipment for approximately \$33,000, and made a reclamation bond payment for approximately \$6,000. During the three months ended July 31, 2022, the Company purchased property and equipment for approximately \$5,000.

### **5.4 Off-Balance Sheet Arrangements**

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

## 5.5 Liquidity and Capital Resources

The Company has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, the Company will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for metal exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

## 5.6 Cash and Financial Condition

The Company's working capital was approximately \$10.1 million at July 31, 2023, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. The Company will need to seek financing in the near term to fund future planned exploration programs. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

The Company has no debt, does not have any unused lines of credit or other arrangement in place to borrow funds. The Company has no current plans to use additional debt financing.

## 5.7 Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, prepaid and deposits equity securities, and trade and other payables. The fair value of cash and cash equivalents are measured based on Level 1 of the fair value hierarchy. Equity securities are measured based on Level 1 and Level 2 of the fair value hierarchy. The fair value of prepaid and deposits and trade and other payables approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## 6. OTHER FINANCIAL INFORMATION

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, 2023, which are available on the Company's website at [www.canalaska.com](http://www.canalaska.com) and on SEDAR Plus at [www.sedarplus.ca](http://www.sedarplus.ca).

### 6.1 Related Party Transactions

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

The remuneration of directors and key management of the Company for the three months ended July 31, 2023 and 2022 were as follows.

Table 11: Compensation to Related Parties (\$000's)	Three months ended July 31	
	2023	2022
	\$	\$
Short-term employee benefits	160	202
Exploration consulting fees	-	34
Directors fees	18	9
Share-based compensation	332	428

Included in trade and other payables at July 31, 2023 is \$324,568 (July 31, 2022 - \$18,112) due to officers and directors and companies with directors and/or officers in common.

On December 30, 2022, the Company terminated the employment agreement with Mr. Dasler as President of the Company and agreed to pay \$513,280.80 as termination pay. Per the termination agreement, the termination pay would be paid in two equal instalments, with \$256,640.40 being paid on or before January 15, 2023 and \$256,640.40 on or before January 15, 2024.

On December 22, 2022, the Company terminated the Consulting agreement with Schimann Consulting and agreed to pay \$135,000 as termination pay. Per the termination agreement, the termination pay would be paid in two equal instalments, with \$67,500 being paid on or before January 10, 2023 and \$67,500 on January 1, 2024. And, on December 31, 2022, Karl Schimann resigned as a director of the Company.

The directors and key management were awarded the following share options under the employee share option plan during the three months ended July 31, 2023:

<b>Table 12: Share Option Issuance</b>			
<b>Date of grant</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry</b>
July 28, 2023	1,825,000	\$0.30	July 28, 2026

## **6.2 Financing**

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

## **6.3 Accounting Policies and Significant Accounting Judgements and Estimates**

### **6.3.1 Use of Estimates and Judgement**

In preparing these condensed interim consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements for the year ended April 30, 2023.

### **6.3.2 Share-Based Payment Plan**

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

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in note 11 of the audited consolidated financial statements for the year ended April 30, 2023 and note 10 of the unaudited condensed interim consolidated financial statements for the three months ended July 31, 2023. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the fair value amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period of the options with a corresponding increase in equity reserve.

### **6.3.3 Mineral Property Interest**

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as mineral property costs represent net acquisition costs incurred to date and do not necessarily represent current or future values of the mineral properties.

### **6.3.4 Going Concern**

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

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development,

and upon future profitable production or proceeds from disposition of the mineral properties. Due to the difficult market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate recurring revenues from operations and other factors as noted, material uncertainties exist which may cast significant doubt regarding the Company's ability to continue as a going concern. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of the Company's exploration projects. Refer to section 1.1. Due to changing market conditions facing junior uranium exploration companies there is no assurance that the Company will be successful in raising additional financing.

#### **6.4 Controls and Procedures**

The CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim condensed financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificate for non-venture issuers under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **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 Future Changes in Accounting Policies Not Yet Effective**

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

In October 2022, the IASB published amendments to IAS 1 Presentation of Financial Statements to clarify whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current (based on a substantive right to defer settlement). This amendment is effective January 1, 2024 with early adoption permitted. The Company has not yet determined the effect of adoption of this amendment on its consolidated financial statements.

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

The Company has limited financial resources, no sources of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available. If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its projects. The sources of funds currently available to the Company are the sale of marketable securities, the raising of equity capital or the offering of an ownership interest in its projects to a third party. There is no assurance that the Company will be successful in raising sufficient funds to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements, in which case the Company may have to delay or indefinitely postpone further exploration and development, or forfeit its interest in its projects or prospects. Without further financing and exploration work on its properties the Company expects its current 454,505 ha of property to reduce to 317,674 ha by December 31, 2023, and 211,587 ha by December 31, 2024. The Cree East and West McArthur projects, with current work filings are in good standing for a minimum 10 years from the current date. Refer to section 1.1.

### **6.7.2 Commodity Prices**

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

### **6.7.3 Competition**

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

### **6.7.4 Foreign Political Risk**

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

### **6.7.5 Government Laws, Regulation and Permitting**

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

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



**6.7.6 Title to Properties**

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

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

**6.7.7 Estimates of Mineral Resources**

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

**6.7.8 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.

**6.7.12 Failure to Obtain Necessary Approvals for Completion of the Plan of Arrangement ("Arrangement") – Spin out of nickel properties**

There is no assurance that the Arrangement can be completed as proposed. The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of CanAlaska, including the approvals of the TSXV, the CSE, the Court and the CanAlaska shareholders. There can be no certainty, nor can CanAlaska provide any assurances, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Should the Arrangement fail to receive the required approvals, the Arrangement will not proceed and Core Nickel will remain a wholly-owned subsidiary of CanAlaska.

## 7. QUARTERLY FINANCIAL INFORMATION

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

<b>Table 13: (\$000's)</b>		<b>Quarterly</b>						
<b>Loss &amp; Comprehensive Loss Summary</b>	<b>Q222</b>	<b>Q322</b>	<b>Q422</b>	<b>Q123</b>	<b>Q223</b>	<b>Q323</b>	<b>Q423</b>	<b>Q124</b>
<b>Revenue</b>	-	-	-	-	-	-	-	-
<b>Loss for the period</b>	(1,967)	(1,832)	(953)	(2,465)	195	(3,330)	(3,670)	(1,146)
<b>Loss per share</b>	(0.02)	(0.02)	(0.01)	(0.02)	0.00	(0.03)	(0.03)	(0.01)

<b>Table 14: (\$000's) Financial Position</b>		<b>As at</b>						
<b>summary</b>	<b>Oct 31, 2021</b>	<b>Jan 31, 2022</b>	<b>Apr 30, 2022</b>	<b>Jul 31, 2022</b>	<b>Oct 31, 2022</b>	<b>Jan 31, 2023</b>	<b>Apr 30, 2023</b>	<b>Jul 31, 2023</b>
<b>Total Assets</b>	13,925	17,445	16,190	13,579	16,929	22,805	15,386	14,887
<b>Total Liabilities</b>	641	2,395	2,108	1,704	1,131	5,291	3,309	2,741
<b>Total Equity</b>	13,284	15,050	14,082	11,875	15,798	17,514	12,077	12,146

While the information set out in the foregoing table is mandated by National Instrument 51-102, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter



## **CanAlaska Uranium Ltd.**

Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	July 31 2023 \$000's	April 30 2023 \$000's
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	10,243	11,527
Prepaid and deposits	218	511
Equity securities (note 5)	1,630	1,522
<b>Total current assets</b>	12,091	13,560
<b>Non-current assets</b>		
Reclamation bonds	113	107
Property and equipment (note 6)	1,109	1,126
Mineral property interests (note 7)	1,574	593
<b>Total assets</b>	14,887	15,386
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,027	1,295
Current portion of lease liabilities (note 8)	90	88
Deferred flow-through premium (note 9)	889	1,168
	2,006	2,551
Non-current portion of lease liabilities (note 8)	735	758
	2,741	3,309
<b>Equity</b>		
Common shares (note 9)	102,594	101,924
Equity reserve (note 9)	22,791	22,354
Investment revaluation reserve	(3,099)	(3,207)
Accumulated deficit	(110,140)	(108,994)
	12,146	12,077
	14,887	15,386

### Subsequent Events (note 14)

### Approved by the Board of Directors

“Peter Dasler”

Director

“Jean Luc Roy”

Director

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

# CanAlaska Uranium Ltd.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended July 31 2023 (\$000's)	Three months ended July 31 2022 (\$000's)
<b>EXPLORATION COSTS</b>		
Mineral property expenditures net of reimbursements	572	2,262
<b>OTHER EXPENSES (INCOME)</b>		
Consulting, labour and professional fees	411	263
Depreciation and amortization (note 6)	49	33
Foreign exchange loss (gain)	16	(1)
Insurance, licenses and filing fees	15	49
Interest expense	18	7
Interest income	(87)	(35)
Other corporate costs	40	55
Investor relations and presentations	177	136
Rent	7	9
Share-based payments (note 10)	437	541
Travel and accommodation	17	20
Management fee	(247)	(7)
Flow-through premium (note 9)	(279)	(867)
	<u>574</u>	<u>203</u>
<b>Loss for the period</b>	(1,146)	(2,465)
<b>Other comprehensive loss</b>		
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
Gain (loss) on equity securities	108	(311)
<b>Total comprehensive loss for the period</b>	<u>(1,038)</u>	<u>(2,776)</u>
<b>Basic and diluted loss per share (\$ per share)</b>	(0.01)	(0.02)
<b>Basic and diluted weighted average common shares outstanding (000's)</b>	124,832	101,966

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 three months ended July 31, 2023 and 2022

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve	Investment Revaluation Reserve	Accumulated Deficit	Total Equity
	Shares 000's	Amount \$000's	\$000's	\$000's	\$000's	\$000's
<b>Balance-April 30, 2022</b>	<b>101,876</b>	<b>96,227</b>	<b>19,222</b>	<b>(1,643)</b>	<b>(99,724)</b>	<b>14,082</b>
Loss for the period	-	-	-	-	(2,465)	(2,465)
Other comprehensive loss	-	-	-	(311)	-	(311)
<b>Total comprehensive loss for the period</b>	<b>101,876</b>	<b>96,227</b>	<b>19,222</b>	<b>(1,954)</b>	<b>(102,189)</b>	<b>11,306</b>
Issued on the exercise of warrants	100	34	(6)	-	-	28
Share-based payments	-	-	541	-	-	541
<b>Balance-July31, 2022</b>	<b>101,976</b>	<b>96,261</b>	<b>19,757</b>	<b>(1,954)</b>	<b>(102,189)</b>	<b>11,875</b>
<b>Balance-April 30, 2023</b>	<b>123,071</b>	<b>101,924</b>	<b>22,354</b>	<b>(3,207)</b>	<b>(108,994)</b>	<b>12,077</b>
Loss for the period	-	-	-	-	(1,146)	(1,146)
Other comprehensive loss	-	-	-	108	-	108
<b>Total comprehensive loss for the period</b>	<b>123,071</b>	<b>101,924</b>	<b>22,354</b>	<b>(3,099)</b>	<b>(110,140)</b>	<b>11,039</b>
Issued to acquire mineral property interests	2,000	670	-	-	-	670
Share-based payments	-	-	437	-	-	437
<b>Balance-July31, 2023</b>	<b>125,071</b>	<b>102,594</b>	<b>22,791</b>	<b>(3,099)</b>	<b>(110,140)</b>	<b>12,146</b>

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)

	Three months ended July 31 2023 \$000's	Three months ended July 31 2022 \$000's
<b>Cash flows used in operating activities</b>		
Loss for the period	(1,146)	(2,465)
Items not affecting cash		
Depreciation and amortization (note 6)	49	33
Flow-through premium (note 9)	(279)	(867)
Share-based payments	437	541
Foreign exchange loss (gain) unrealized	16	(1)
Interest income	(87)	(35)
Interest expense	18	7
Interest received	112	37
Change in non-cash operating working capital		
Decrease in prepaid and deposits	74	18
(Decrease) increase in trade and other payables	(268)	477
	(1,074)	(2,255)
<b>Cash flows (used in) from financing activities</b>		
Proceeds on exercise of warrants	-	28
Lease liability payments	(39)	(22)
	(39)	6
<b>Cash flows used in investing activities</b>		
Additions to mineral property interests	(116)	-
Additions to property and equipment	(33)	(5)
Reclamation bonds	(6)	-
	(155)	(5)
<b>Effect of exchange rate changes</b>	(16)	1
<b>Decrease in cash and cash equivalents</b>	(1,284)	(2,253)
<b>Cash and cash equivalents - beginning of period (note 4)</b>	11,527	14,012
<b>Cash and cash equivalents - end of period (note 4)</b>	10,243	11,759

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



# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **1 Nature of Operations**

CanAlaska Uranium Ltd. (the “Company” or “CanAlaska”) and its subsidiaries are principally engaged in the exploration of uranium, nickel and diamond properties. The Company may 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 and its mineral interests are considered to be in the exploration stage. From time to time, the Company evaluates new properties and directs exploration on these properties based on the Board of Director’s evaluation of financial and market considerations at the time. The Company’s shares trade on the TSX Venture Exchange under the symbol “CVV”. The Company’s shares are also quoted on the OTCQX in the United States under the symbol “CVVUF” and the Frankfurt Stock Exchange under the symbol “DH7N”. The Company’s registered office is located at 625 Howe Street, Suite 580, Vancouver, British Columbia, V6C 2T6, Canada.

## **2 Going Concern**

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

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

Given that the Company does not generate recurring revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative, and selected exploration activities for at least the next twelve months. At July 31, 2023, the Company had cash and cash equivalents of \$10.2 million (April 30, 2023: \$11.5 million). The Company has a loss of \$1.1 million for the three months ended July 31, 2023 (July 31, 2022: \$2.5 million). Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of the Company’s exploration projects. Management is working to option, joint venture or sell its individual exploration projects.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **3 Basis of Consolidation and Presentation**

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

These condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting (“IAS 34”). These condensed interim consolidated financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in the Company’s April 30, 2023 consolidated annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on September 26, 2023.

### **b) Basis consolidation and preparation**

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

These condensed interim consolidated financial statements include the accounts of CanAlaska and its wholly owned subsidiaries, CanAlaska West McArthur Uranium Ltd. and Core Nickel Corp., B.C. companies.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has power over its investee; is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases. All inter-company transactions, balances, income and expenses have been eliminated on consolidation.

The Company’s operations comprise a single operating segment engaged in mineral exploration in Canada. As the operations comprise a single operating segment, amounts disclosed in the condensed interim consolidated financial statements also represent segment amounts.

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **3 Basis of Consolidation and Presentation (continued)**

### **c) Future Changes in Accounting Policies Not Yet Effective**

The following amendment to accounting standards has been issued but not yet adopted in the consolidated financial statements:

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities Arising from a Single Transaction which amended IAS 12, Income Taxes ("IAS 12"). The amendments narrowed the scope of the recognition exemption in IAS 12, relating to the recognition of deferred tax assets and liabilities, so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as leases and reclamation and closure cost provisions. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 to transactions that occur on or after the beginning of the earliest comparative period presented. Earlier application is permitted. The Company does not expect the adoption of these amendments to have a material impact on its consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current. The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The Company anticipates that the application of these amendments may not have an impact on the consolidated financial statements in future periods.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **3 Basis of Consolidation and Presentation (continued)**

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier

application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements

### **d) Future Changes in Accounting Policies Not Yet Effective**

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

In October 2022, the IASB published amendments to IAS 1 Presentation of Financial Statements to clarify whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current (based on a substantive right to defer settlement). This amendment is effective January 1, 2024 with early adoption permitted. The Company has not yet determined the effect of adoption of this amendment on its consolidated financial statements.

### **e) Use of Estimates and Judgments**

In preparing these condensed interim consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Significant judgments made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements for the year ended April 30, 2023.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 4 Cash and Cash Equivalents

	July 31, 2023 \$000's	April 30, 2023 \$000's
Cash	827	1,218
Cash equivalents	9,416	10,309
<b>Total</b>	<b>10,243</b>	<b>11,527</b>

## 5 Equity Securities

Fair value through other comprehensive (loss) income:

	July 31, 2023 \$000	April 30, 2023 \$000
Balance – May 1	1,522	963
Acquisitions	-	2,122
Change in fair value gain/(loss)	108	(1,390)
Investment written off	-	(173)
<b>Balance – end of period</b>	<b>1,630</b>	<b>1,522</b>

Carrying value and fair value has been disclosed as under:

	July 31, 2023		April 30, 2023		
	Carrying Value \$000's	Fair Value \$000's	Carrying Value \$000's	Fair Value \$000's	Fair value hierarchy
Northern Uranium Corp.	700	180	700	120	1
Fjordland Exploration Inc.	120	23	120	23	1
Canterra Minerals Corp.	180	13	180	12	1
Voyageur Minerals Explorer Corp	80	78	80	100	1
Omineca Mining and Metals Ltd.	116	24	116	27	1
Metal Energy Corp	878	492	878	410	1
Basin Energy Limited	1,747	798	1,747	808	2
Other equity securities	455	22	455	22	1
<b>Total</b>	<b>4,276</b>	<b>1,630</b>	<b>4,276</b>	<b>1,522</b>	

The Company holds equity securities as strategic investment and has less than 10% equity interest in each of the investees.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

## 6 Property and Equipment

	<b>Mining equipment \$000's</b>	<b>Office equipment \$000's</b>	<b>Automobile \$000's</b>	<b>Right of Use Asset \$000's</b>	<b>Total \$000's</b>
<b>Cost</b>					
<b>At May 1, 2022</b>	<b>427</b>	<b>601</b>	<b>139</b>	<b>353</b>	<b>1,520</b>
Additions	-	71	144	607	822
Disposals	-	-	(139)	-	(139)
<b>At April 30, 2023</b>	<b>427</b>	<b>672</b>	<b>144</b>	<b>960</b>	<b>2,203</b>
Additions	-	32	-	-	32
<b>At July 31, 2023</b>	<b>427</b>	<b>704</b>	<b>144</b>	<b>960</b>	<b>2,235</b>
<b>Accumulated Depreciation and Amortization</b>					
<b>At May 1, 2022</b>	<b>(426)</b>	<b>(456)</b>	<b>(38)</b>	<b>(58)</b>	<b>(978)</b>
Depreciation and amortization	-	(36)	(41)	(91)	(168)
Disposal	-	-	69	-	69
<b>At April 30, 2023</b>	<b>(426)</b>	<b>(492)</b>	<b>(10)</b>	<b>(149)</b>	<b>(1,077)</b>
Depreciation and amortization	-	(10)	(10)	(29)	(49)
<b>At July 31, 2023</b>	<b>(426)</b>	<b>(502)</b>	<b>(20)</b>	<b>(178)</b>	<b>(1,126)</b>
<b>Carrying Value</b>					
<b>At April 30, 2023</b>	<b>1</b>	<b>180</b>	<b>134</b>	<b>811</b>	<b>1,126</b>
<b>At July 31, 2023</b>	<b>1</b>	<b>202</b>	<b>124</b>	<b>782</b>	<b>1,109</b>

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements

### For the three months ended July 31, 2023

#### (Unaudited)

(Expressed in Canadian dollars except where indicated)

## 7 Mineral Property Interests

The Company holds approximately 452,000 hectares of mining claims in the Athabasca region located across the provinces of Saskatchewan, Manitoba and Alberta in Canada. The holdings are comprised of 30 projects which are in various stages of exploration and discovery.

The Company also holds mining claims in British Columbia.

Details of acquisition costs and mineral property impairments for the twelve and three months ended April 30, 2023 and July 31, 2023 are as follows:

Project (\$000's)	May 1, 2022	Additions/ write-offs/ recoveries	April 31, 2023	Additions/ write-offs/ recoveries	July 31, 2023
Key Extension (a)	5	152	157	-	157
Mel (b)	-	-	-	970	970
Halfway Lake (c)	20	80	100	-	100
Other Projects <sup>(1)</sup>	324	12	336	11	347
<b>Total</b>	<b>349</b>	<b>244</b>	<b>593</b>	<b>981 <sup>(2)</sup></b>	<b>1,574</b>

(1) Other Projects consists of the following properties: West McArthur, Cree East, Waterbury (South and East), Moon Lake South, NE Wollaston, North Millennium, Geikie, Chymko, McTavish, Taggart, Carswell, NW Manitoba, Patterson West, Enterprise, Frontier, Voyager, Constellation, Hunter, Strong, Strong Extension, Resting, Wilson, Moak North and Odei River.

(2) During the three months ended July 31, 2023, the Company acquired mineral property interests of approximately \$981,000 for the Mel, NE Wollaston, Geikie, Constellation and Swan Bay properties.

Summary of optionees' commitments to maintain certain interest in CanAlaska's properties in the years ending April 30	Total		
	Cash \$000's	Spend \$000's	Shares
Less than 1 year	-	-	-
1 – 3 years	-	5,758	-
3 – 5 years	-	8,858	4,500,000
<b>Total due</b>	<b>-</b>	<b>14,616</b>	<b>4,500,000</b>



# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements  
**For the three months ended July 31, 2023**  
**(Unaudited)**  
(Expressed in Canadian dollars except where indicated)

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## 7 Mineral Property Interests

### a) Key Extension, Saskatchewan

On April 5, 2023, the Company issued 300,000 common shares with a fair value of \$106,500 and on April 12, 2023, paid \$45,000 to Durama Enterprises Limited (“Durama”) as part of an option agreement. The issuance of shares and payment of cash was pursuant to an option agreement to acquire 100% interest in the Key Lake project in Saskatchewan.

On April 30, 2023, the Company provided notice to Durama of exercise of 100% interest in the option under the Key Extension project option agreement.

### b) Mel, Manitoba

In May 2023, the Company entered into a property purchase agreement with B. Riley Farber Inc, in its capacity as the Trustee in Bankruptcy of Victory Nickel Inc., to purchase 100% interest in the Mel property. The Mel property is comprised of one mineral lease and ten mineral claims covering a total of 2,613 hectares in the Thompson Nickel Belt, Manitoba. The Company paid an aggregate of \$300,000 cash (inclusive of a deposit of \$195,000 cash paid on March 3, 2023) and issued 2,000,000 common shares with a fair market value of \$670,000 on May 12, 2023 to complete the acquisition.

### c) Halfway Lake, Manitoba

In August and September 2022, the Company staked 11 claim blocks totaling 2,279 hectares in the Athabasca Basin for \$80,769.

## 8 Lease Liability

The Company’s lease liability consists of a lease for office and warehouse space in Saskatoon, Saskatchewan. The lease liabilities for these leases were measured at the present value of remaining lease payments, discounted at the Company’s incremental borrowing rate. The average incremental borrowing rate used was 9% (April 30, 2023 – 9%).

At July 31, 2023, the Company’s lease liability is as follow:

		<b>July 31, 2023</b>		<b>April 31, 2023</b>
		<b>\$000's</b>		<b>\$000's</b>
Opening balance	\$	846	\$	305
Addition/(disposition)		-		607
Interest		18		43
Lease payment		(39)		(109)
Ending balance	\$	825	\$	846

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 8 Lease Liability (continued)

		July 31, 2023		April 31, 2023
		\$000's		\$000's
Current portion	\$	90	\$	88
Long-term portion		735		758
Ending balance	\$	825	\$	846

At July 31, 2023, the Company is committed to minimum undiscounted lease payments as follows:

		July 31, 2023		April 31, 2023
		\$000's		\$000's
Less than one year	\$	157	\$	156
One to five years		651		649
Six to eight years		288		329
Total undiscounted lease liabilities	\$	1,096	\$	1,134

## 9 Share Capital

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

### Share Issuances

- On May 12, 2023, the Company issued 2,000,000 common shares to B. Riley Farber Inc. in its capacity as Trustee in Bankruptcy of the property, assets and undertaking of Victory Nickel Inc. with a fair value of \$670,000. The issuance was pursuant to a property purchase agreement to acquire the Mel property in Manitoba.
- During the year ended April 30, 2023, the Company issued 3,221,675 common shares from the exercise of share purchase warrants for total gross proceeds of \$932,925.
- On April 5, 2023, the Company issued 300,000 common shares to Durama Enterprise Limited with a fair value of \$106,500. The issuance was pursuant to an option agreement to acquire 100% interest in the Key Lake project in Saskatchewan.

# CanAlaska Uranium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements

### For the three months ended July 31, 2023

#### (Unaudited)

(Expressed in Canadian dollars except where indicated)

## 9 Share Capital (continued)

d) On November 1, 2022, the Company completed a non-brokered private placement and issued 13,173,212 flow-through units for gross proceeds of \$6,850,070.24 and 4,499,900 flow-through units for gross proceeds of \$3,149,930, for total gross proceeds of \$10,000,000.24. Each flow-through unit was sold at a price of \$0.52 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each flow-through unit was sold at a price of \$0.70 and consists of one common share and one-half of one transferable warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.75. In connection with this financing, the Company paid cash finder's fees of \$594,363, legal and filing fees of \$63,666 and issued a total of 1,049,545 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.52/share for three years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$230,732 using the Black Scholes option pricing model. Also, the Company recorded a flow-through premium of \$3,284,218. As the Company has incurred approximately \$6.4 million of exploration expenditures related to the flow-through financing, it has recognized \$2,105,066 of the \$3,284,218 flow-through premium in the consolidated statement of net loss and comprehensive loss.

## 10 Share Stock Options and Warrants

The Company has an omnibus equity incentive plan that permits the granting of stock options, RSUs, DSUs, PSUs and other share-based compensation awards to directors, officers, key employees and consultants. The omnibus plan is a rolling up to 10% and fixed up to 10% plan. Terms and pricing of options are determined by board and management at the date of grant. Under the plan, stock options of up to 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance and RSUs, DSUs, PSUs and other share-based compensation awards of up to 10,197,605 in respect of such awards may be granted. No RSUs, DSUs, PSUs and other share-based compensation have been issued.

As at July 31, 2023, the following summary of change in stock options:

	Number of options 000's	Weighted average exercise price \$
<b>Outstanding – April 30, 2022</b>	<b>7,940</b>	<b>0.57</b>
Granted	6,740	0.44
Forfeited	(60)	0.69
Expired	(4,620)	0.56
<b>Outstanding – April 30, 2023</b>	<b>10,000</b>	<b>0.49</b>
Granted	2,505	0.30
Forfeited	(10)	0.40
<b>Outstanding – July 31, 2023</b>	<b>12,495</b>	<b>0.45</b>

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 10 Share Stock Options and Warrants (continued)

As at July 31, 2023, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	5,635	5,635	\$0.43 - \$0.68	2025
	4,355	4,355	\$0.40 - \$0.49	2026
	2,505	2,405	\$0.30	2027
<b>Total</b>	<b>12,495</b>	<b>12,395</b>		

For the three months ended July 31, 2023 total share-based compensation expense was \$437,565 (July 31, 2022: \$541,404).

### Warrants

	Number of warrants 000's	Weighted average exercise price \$
<b>Outstanding - May 1, 2022</b>	<b>33,829</b>	<b>0.65</b>
Granted	9,886	0.75
Exercised	(3,222)	0.29
Expired	(3,536)	0.72
<b>Outstanding – April 30, 2023</b>	<b>36,957</b>	<b>0.70</b>
Expired	(6,251)	0.48
<b>Outstanding – July 31, 2023</b>	<b>30,706</b>	<b>0.74</b>

At July 31, 2023, the following warrants were outstanding:

Number of warrants outstanding 000's	Exercise price \$	Expiry date
7,863	1.00	November 17, 2023
11,552	0.60	May 16, 2024
520	0.60	July 18, 2024
885	0.60	August 15, 2024
8,837	0.75	November 1, 2025
1,049	0.52	November 1, 2025
<b>Total</b>	<b>30,706</b>	

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

## 10 Share Stock Options and Warrants (continued)

Option and warrant pricing models require the input of assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange or the TSX Venture Exchange. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense with the resulting weighted average fair value for the three months ended July 31, 2023 and 2022: During the three months ended July 31, 2023, there were no warrants issued.

Options	Three months ended July 31	
	2023	2022
Weighted average fair value	\$0.18	\$0.25
Forfeiture rate	0%	0%
Risk-free interest rate	4.38%	3.16%
Expected life	3.0 years	2.0 years
Expected volatility	90.0%	97.3%
Expected dividend	0%	0%

## 11 Related Party Transactions

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

The remuneration of directors and officers of the Company for the three months ended July 31, 2023 and 2022 were as follows.

(\$000's)	Three months ended July 31	
	2023	2022
	\$	\$
Short-term employee benefits	160	202
Exploration consulting fees	-	34
Directors fees	18	9
Share-based compensation	332	428

Included in trade and other payables at July 31, 2023 is \$324,568 (July 31, 2022 - \$18,112) due to officers and directors and companies with former directors and/or officers in common.

# CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements  
**For the three months ended July 31, 2023**  
**(Unaudited)**  
(Expressed in Canadian dollars except where indicated)

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## 11 Related Party Transactions

On December 30, 2022, the Company terminated the employment agreement with Mr. Dasler as President of the Company and agreed to pay \$513,280 as termination pay. Per the termination agreement, the termination pay would be paid in two equal instalments, with \$256,640 being paid on or before January 15, 2023 (paid) and \$256,640 on or before January 15, 2024.

On December 22, 2022, the Company terminated the Consulting agreement with Schimann Consulting and agreed to pay \$135,000 as termination pay. Per the termination agreement, the termination pay would be paid in two equal instalments, with \$67,500 being paid on or before January 10, 2023 (paid) and \$67,500 on January 1, 2024. And, on December 31, 2022, Karl Schimann resigned as a director of the Company.

The directors and key management were awarded the following share options under the employee share option plan during the three months ended July 31, 2023 (July 31, 2022 – 1,670,000):

Date of grant	Number of options	Exercise price	Expiry
July 28, 2023	1,825,000	\$0.30	July 28, 2026

## 12 Financial Instruments

The fair value of the Company's equity securities are measured based on level 1 of the fair value hierarchy except as disclosed in note 5 where the fair value is disclosed for Level 2 instruments. There have been no transfers between levels of hierarchy of fair value in the current period. The fair value of the Company's cash and cash equivalents and trade and other payables approximate their carrying values due to the short-term nature of these instruments.

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

### a) Credit Risk

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

As at April 30, 2023, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and prepaid and deposits.

### b) Liquidity Risk

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

# **CanAlaska Uranium Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

**For the three months ended July 31, 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **13 Management of Capital**

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

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

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

## **14 Subsequent Events**

On September 13, 2023, the Company completed a Management Information Circular which outlines an arrangement agreement dated September 1, 2023 between the Company and Core Nickel Corp., a wholly owned subsidiary of the Company pursuant to which the Company will transfer five nickel properties and \$1 million in cash to Core Nickel in exchange for approximately 25 million Core Nickel common shares which will subsequently be distributed to CanAlaska shareholders on a pro rata basis. The transaction will be completed by way of a statutory plan of arrangement. The transaction will require the approval of (i) 66.67% of votes of the Company at the annual general meeting to be held on October 25, 2023, (ii) court approval, and (iii) regulatory approvals.