



CanAlaska Uranium Ltd.

Condensed Interim Consolidated Financial Statements

First Quarter - July 31, 2017

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	July 31 2017 \$000's	April 30 2017 \$000's
Assets		
Current assets		
Cash and cash equivalents (note 4)	900	1,197
Trade and other receivables	52	59
Available-for-sale securities (note 5)	558	589
Total current assets	1,510	1,845
Non-current assets		
Reclamation bonds	128	128
Property and equipment (note 6)	42	44
Mineral property interests (note 7)	148	65
Total assets	1,828	2,082
Liabilities		
Current liabilities		
Trade and other payables	148	196
Equity		
Common shares (note 8)	74,506	74,506
Equity reserve (note 8)	11,699	11,699
Investment revaluation reserve	198	202
Deficit	(84,723)	(84,521)
	1,680	1,886
	1,828	2,082

Going Concern (note 2)

Commitments (note 11)

Subsequent Events (note 13)

Approved by the Board of Directors

“Peter Dasler”

Director

“Jean Luc Roy”

Director

CanAlaska Uranium Ltd.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended July 31 2017 (\$000's)	Three months ended July 31 2016 (\$000's)
EXPLORATION COSTS		
Mineral property expenditures net of reimbursements	(32)	50
Mineral property write-offs (note 7)	2	90
Net option payments (note 7)	-	(260)
	<u>(30)</u>	<u>(120)</u>
OTHER EXPENSES (INCOME)		
Consulting, labour and professional fees	145	277
Depreciation and amortization (note 6)	2	10
Gain on disposal of property and equipment	-	(2)
Insurance, licenses and filing fees	26	31
Interest income	(2)	(1)
Other corporate costs	5	9
Investor relations and presentations	15	55
Rent (note 11)	5	2
Travel and accommodation	9	8
Impairment of available-for-sale securities (note 5)	27	-
Management fees	-	(4)
	<u>232</u>	<u>385</u>
Net loss for the period	(202)	(265)
Other comprehensive loss		
Unrealized loss (gain) on available-for-sale securities	4	(65)
Total comprehensive loss for the period	<u>(206)</u>	<u>(200)</u>
Basic and diluted loss per share (\$ per share)	(0.01)	(0.01)
Basic and diluted weighted average common shares outstanding (000's)	27,344	23,812

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, 2017 and 2016

(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
Balance-May 1, 2016	22,527	73,325	10,911	291	(82,405)	2,122
Issued on private placement for cash	2,000	1,120	-	-	-	1,120
Warrants issued on private placement	-	(502)	502	-	-	-
Share issuance costs	-	(84)	-	-	-	(84)
Issued on the exercise of stock options	1,871	456	(167)	-	-	289
Unrealized gain on available-for-sale securities	-	-	-	65	-	65
Loss for the period	-	-	-	-	(265)	(265)
Balance-July31, 2016	26,398	74,315	11,246	356	(82,670)	3,247
Balance-May 1, 2017	27,344	74,506	11,699	202	(84,521)	1,886
Unrealized loss on available-for-sale securities	-	-	-	(4)	-	(4)
Loss for the period	-	-	-	-	(202)	(202)
Balance-July31, 2017	27,344	74,506	11,699	198	(84,723)	1,680

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 2017 \$000's	Three months ended July 31 2016 \$000's
Cash flows used in operating activities		
Loss for the period	(202)	(265)
Items not affecting cash		
Depreciation and amortization (note 6)	2	10
Mineral property write-offs	2	90
Impairment of available-for-sale securities (note 5)	27	-
Gain on disposal of property and equipment	-	(2)
Recoveries on option payments received	-	(260)
	(171)	(427)
Change in non-cash operating working capital		
Decrease in trade and other receivables	7	46
(Decrease) increase in trade and other payables	(47)	63
	(211)	(318)
Cash flows from financing activities		
Issuance of common shares (net of share issuance costs)	-	1,036
Proceeds from exercise of stock options	-	289
	-	1,325
Cash flows (used in) from investing activities		
Additions to mineral property interests	(86)	(2)
Option payments received	-	20
Proceeds from disposal of property and equipment	-	3
	(86)	21
(Decrease) increase in cash and cash equivalents	(297)	1,028
Cash and cash equivalents - beginning of period (note 4)	1,197	943
Cash and cash equivalents - end of period (note 4)	900	1,971

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 month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

CanAlaska Uranium Ltd. (the “Company” or “CanAlaska”) and its subsidiaries are principally engaged in the exploration of uranium properties. The Company 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 OTCQB in the United States under the symbol “CVVUF” and the Frankfurt Stock Exchange under the symbol “DH7N”. The Company’s registered office is located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

2 Going Concern

These 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 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.

The Company does not generate recurring revenues from operations and other factors as noted 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, 2017, the Company had cash and cash equivalents of \$0.9 million (April 30, 2017: \$1.2 million) (note 4) and working capital of \$1.4 million (April 30, 2017: \$1.6 million) and has a deficit of \$84.7 million at July 31, 2017. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects. Management has taken steps to streamline non-discretionary expenditures and financial overheads and is working to option, joint venture or sell its individual exploration projects.

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

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 Financial Reporting Standards 34 Interim Financial Reporting (“IAS 34”) using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”). 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, 2017 consolidated annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on September 19, 2017.

b) Basis consolidation and preparation

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

These condensed interim consolidated financial statements include the accounts of CanAlaska and its wholly-owned subsidiary, CanAlaska West McArthur Uranium Ltd., a B.C. company.

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.

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

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

4 Cash and Cash Equivalents

	July 31, 2017 \$000's	April 30, 2017 \$000's
CKULP funds	-	61
Cash in cash equivalents	900	1,135
Total	900	1,197

CKULP funds are held by the Company for expenditures on the properties held by the CKULP. Also see note 8(a).

Cash and cash equivalents of the Company are comprised of the following:

	July 31, 2017 \$000's	April 30, 2017 \$000's
Cash	900	97
Cash equivalents	-	1,100
Total	900	1,197

5 Available-for-Sale Securities

	July 31, 2017		April 30, 2017	
	Carrying value \$000's	Market Value \$000's	Carrying value \$000's	Market Value \$000's
Northern Uranium Corp.	60	180	60	180
Fjordland Exploration Inc.	108	108	120	120
Bayswater Uranium Corp.	40	80	40	80
Canterra Minerals Corp.	80	80	90	90
Other available-for-sale securities	72	110	77	119
Total	360	558	387	589

The Company reviews the carrying values of its available-for-sale securities, and after considering where the decreases on fair value were significant or prolonged, the Company recognized an impairment on available-for-sale securities of \$26,500 for the three months ended July 31, 2017 (three months ended July 31, 2016: \$150).

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

6 Property and Equipment

	Automotive \$000's	Leasehold improvements \$000's	Mining equipment \$000's	Office equipment \$000's	Total \$000's
Cost					
At May 1, 2016	8	270	806	452	1,536
Disposals	(8)	(270)	(366)	-	(644)
At April 30, 2017	-	-	440	452	892
At July 31, 2017	-	-	440	452	892
Accumulated Depreciation and Amortization					
At May 1, 2016	(6)	(183)	(768)	(410)	(1,367)
Depreciation and amortization	-	(14)	(9)	(9)	(32)
Disposals	6	197	348	0	551
At April 30, 2017	-	-	(429)	(419)	(848)
Depreciation and amortization	-	-	(1)	(1)	(2)
At July 31, 2017	-	-	(430)	(420)	(850)
Carrying Value					
At April 30, 2017	-	-	11	33	44
At July 31, 2017	-	-	10	32	42

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Mineral Property Interests

The Company holds approximately 548,000 hectares of mining claims in the Athabasca region located across the provinces of Saskatchewan, Manitoba and Alberta in Canada. The holdings are comprised of 17 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, 2017 and July 31, 2017 are as follows:

Project (\$000's)	May 1, 2016	Additions/ write-offs/ recoveries	April 31, 2017	Additions/ write-offs/ recoveries	July 31, 2017
Athabasca Basin					
Cree East (a)	-	-	-	85	85
West McArthur (b)	-	-	-	-	-
Fond du Lac	-	-	-	-	-
Grease River	17	(17)	-	-	-
Key Lake	24	(24)	-	-	-
NW Manitoba	-	-	-	-	-
Poplar	87	(87)	-	-	-
Helmer	59	(59)	-	-	-
Lake Athabasca	52	(52)	-	-	-
Hodgson	10	(10)	-	-	-
Collins Bay	-	-	-	-	-
McTavish	74	(74)	-	-	-
Carswell	2	(2)	-	-	-
Ruttan	-	-	-	-	-
Patterson	-	-	-	-	-
Cable Bay	2	(2)	-	-	-
Other (c)	27	-	27	(2)	25
Other					
West Athabasca Kimberlite	24	(4)	20	-	20
Project Generation, Various	24	(6)	18	-	18
Total	402	(202)	65	83	148

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Mineral Property Interests (continued)

Summary of option payments receivable in the years ending April 30 ²	Cash \$000's	Total Spend ¹ \$000's	Shares
2018	-	8,230	-
2019	-	11,230	-
2020	-	13,230	-
Thereafter	-	18,005	-

¹Represents cumulative spend required not the spend per fiscal year to maintain certain interest in the Company's properties.

²Represents optionees' commitments to maintain certain interest in the Company's properties.

a) Cree East, Saskatchewan

Cree East consists of approximately 58,000 hectares of mineral claims in the Athabasca. In December 2007, the Company formed the CKU Partnership with the Korean Consortium ("Consortium") to develop Cree East. Under the terms of agreements, the Korean Consortium invested \$19.0 million towards the earn-in of a 50% ownership interest in the CKU Partnership over a four year period (April 30, 2017: 50%). The Company acts as the operator for the exploration project and earns a management fee of 10% of the exploration expenditures incurred. The total expenditures on the property for the three months ended July 31, 2017 was approximately \$nil (three months ended July 31, 2016: \$35,000) and has a carrying value of approximately \$85,000.

On July 7, 2017, the Company completed a buyback agreement with the Korean Consortium for the 50% interest in the Limited Partnership earned by the Korean partners in consideration for certain indemnities which it will provide to the partners. In addition, all funds previously invested by the partners that are held in the partnership's bank on the date of closing, was returned to the partners at closing.

b) West McArthur, Saskatchewan - Cameco

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

On January 13, 2016, the Company entered into a buy back agreement for the 50% interest in the West McArthur project held by Mitsubishi. The Company agreed to a staged cash payment of \$600,000 (paid) and a 1% royalty arrangement.

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Mineral Property Interests (continued)

In February 2016, the Company entered into an option agreement with Cameco Corporation for cash payments up to \$1.25 million (\$725,000 received) and staged property expenditures of up to \$11.25 million to earn up to 60% interest in the project.

The total expenditures on the property for the three months ended July 31, 2017 was \$nil (three months ended July 31, 2016: \$nil) and has a carrying value of \$nil.

c) Other

Moon, Saskatchewan

In July 2017, the Company recognized an impairment on its Moon claims of approximately \$2,000 as it did not renew its permits on these claims.

8 Share Capital

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

Share Issuances

- a) On July 8 2016, the Company completed a non-brokered private placement and issued 2,000,000 units at a price of \$0.56 per unit for gross proceeds of \$1,120,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share for a period of two years from the closing date, at a price of \$0.70 per share, provided that if the closing price of the Company's listed shares on the TSX-V exceeds \$1.00 per share for 10 consecutive trading days then thereafter the exercise period of the share purchase warrant will be reduced to a period of 10 calendar days following the date express written notice of such acceleration is provided by the Company to the warrant holder. The Company paid total finder's fee of \$78,400 and issued 140,000 finder's warrants in connection with this placement. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$109,403 using the Black Scholes option pricing model.

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

9 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options 000's	Weighted average exercise price \$
Outstanding - May 1, 2016	3,667	0.17
Granted	1,860	0.44
Exercised	(2,817)	0.14
Outstanding – April 30, 2017	2,710	0.38
Outstanding – July 31, 2017	2,710	0.38

As at July 31, 2017, the following stock options were outstanding:

	Number of options outstanding 000's	Number of options exercisable 000's	Exercise price	Expiry date (Fiscal Year)
	750,000	750,000	\$0.25	2018
	1,845,000	1,845,000	\$0.59 - \$0.41	2019
	60,000	60,000	\$0.12	2020
	55,000	55,000	\$0.20	2021
Total	2,710	2,710		

For the three months ended July 31, 2017, total share-based compensation expense was \$nil (July 31, 2016: \$nil).

Warrants

	Number of warrants 000's	Weighted average exercise price \$
Outstanding - May 1, 2016	-	-
Granted	2,140	0.70
Outstanding – April 30, 2017	2,140	0.70
Outstanding – July 31, 2017	2,140	0.70

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

9 Share Stock Options and Warrants (continued)

At July 31, 2017, the following warrants were outstanding:

	Number of warrants outstanding 000's	Exercise price \$	Expiry date
	2,140	\$0.70	July 8, 2018 ¹
Total	2,140		

¹ Expiry date of warrants will be on July 8, 2018, provided that if the closing price of the Company's listed shares on the TSX Venture Exchange exceeds \$1.00/share for 10 consecutive trading days then thereafter the exercise period of the warrants will be reduced to a period of 10 calendar days following the date express written notice of such acceleration is provided by the Company.

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange or the TSX Venture Exchange. During the three months ended July 31, 2017, there were no options or warrants granted or issued.

10 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, 2017 and 2016 were as follows. Certain compensation is paid to Schimann Consultants, a company controlled by the VP of Exploration and to a director of the Company.

	Three months ended July 31	
	2017	2016
(\$000's)	\$	\$
Short-term employee benefits	79	117
Consulting fees	36	74
Directors fees	-	55

CanAlaska Uranium Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three month period ended July 31, 2017

(Unaudited)

(Expressed in Canadian dollars except where indicated)

11 Commitments

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

Fiscal Year Ending	Total \$000's
2018	26
2019	21
2020	4
Total	51

12 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.

13 Subsequent Events

During the month of August 2017, the Company issued 45,000 common shares from the exercise of stock options for proceeds of \$11,250.