

CanAlaska Uranium Ltd

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CanAlaska's uranium exploration efforts bear no correlation to bombed out share price

CanAlaska (TSE:CVV, OTCBB:CVVUF), is a Canadian explorer that controls one of one of the largest uranium exploration portfolios in the Athabasca Basin of Saskatchewan. The properties cover 10,117 square kilometres and are strategically located next to high grade mines, historic production, and areas where new uranium resources are being defined.

The Company commenced its exploration effort in the Athabasca Basin in 2004, and has already expended over \$75 million on 21 exploration projects defining over 100 drillable targets for evaluation.

The Athabasca Basin hosts the richest uranium mines in the world that supply approximately 20% of the world's uranium supply, with the richest grades found at Cigar Lake with 20.67% U₃O₈, and McArthur River with 20.55% U₃O₈, and carries a value of \$20,000 to \$30,000 per tonne of ore. This creates a highly profitable business that can process approximately 200 tonnes per day of ore, and operate profitably in any kind of uranium pricing environment.

CanAlaska believes that there are more extremely rich uranium resources to be uncovered and has deployed one of the largest exploration teams in the Basin. This effort is led by Dr. Karl Schimann, who is a veteran geologist and was a senior member of the team that discovered Cigar Lake in 1981.

Most investors do not appreciate the fact that these types of extremely rich resources are contained within a relatively small volume, and in the case of McArthur River works out roughly at several hundred thousand tonnes of rock, which on a district wide basis is like trying to find a needle in a haystack. A quick calculation reveals that a 1 square kilometre target, with a shallow depth target down to 400 metres, carries approximately 1 billion tonnes of rock that is roughly 3,000 times bigger than the target sought.

Applying these calculations to the massive size of the project areas that CanAlaska is evaluating may help to explain why the exploration effort is measured in years. These efforts deploy modern airborne surveying technology that can sense the alteration "plume" or "halo" that surrounds a major uranium deposit and pick up signals from uranium enriched graphite that surround the unconformity style uranium deposits found in the Athabasca Basin.

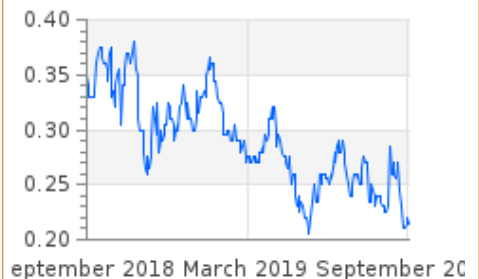
This exploration approach has already attracted Joint Venture funding of \$42 million on 5 of the 21 exploration projects currently under evaluation, with commitments to continue the current pace of exploration.

The partnerships include Mitsubishi Corporation, who invested \$13.9 million in the 50/50 venture at the West MacArthur Project, and the Korean Uranium Consortium who provided \$19 million in the 50/50 venture at the East Cree Project.

Price: \$0.22

Market Cap: \$9.98 m

1 Year Share Price Graph



Share Information

Code: CVV

Listing: TSX-V

52 week High Low
0.385 0.205

Sector: Mining

Website: www.canalaska.com

Company Synopsis:

CanAlaska Uranium Ltd. Is a leading uranium exploration company in Canada's Athabasca Basin region - the "Saudi Arabia of Uranium." With interests in approximately 500,000 hectares (1.2 million acres), CanAlaska has

one of the largest land holdings in the Athabasca region. CanAlaska's strategic properties have attracted major mining companies Cameco, Denison, KORES and KEPCO as partners to its uranium projects.

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Other partners include **Westcan Uranium (CVE:WCU)** who provided \$2.4 million out of \$8.5 million to evaluate Grease River, Key Lake, and Cree West Projects.

Prodigy Gold (CVE:PDG) has funded \$0.7 million of \$4 million for an option on the McTavish Project. **Mega Uranium (TSE:MGA)** has funded \$2.3 million of \$8 million for an option at the Poplar Project. Yellowcake Plc has funded \$1.8 million out of \$5 million for an option at the Grease River Project; and Northwestern Minerals funded \$1.3 million out of \$2.0 million for an option on the Waterbury Project.

First Nations have also allowed exploration on Reserve Lands at Fond du Lac and Black Lake, where a new uranium discovery has been made that is adjacent to a historic resource of 1 million pounds of uranium.

The West McArthur Project lies to the west of the extremely rich McArthur River Mine and covers multiple targets that include a target zone that extends in a dog leg over a strike length of approximately 8,000 metres containing numerous hydrothermally altered zones.

In 2010 the partners completed their first drilling program of 6,071 metres that was aimed at better defining uranium targets cloaked in clay alteration halos that are from 500 to 1,000 metres wide. These targets will each require approximately 10 to 20 drill holes in future drilling programs to reach the core of the underlying uranium mineralization that lies at the base of the halo.

The Cree East Project contains at least 10 targets at Zones A, C, D, E, F, G, H, I, J, and K that are contained within an area that measures approximately 8,000 by 6,000 metres. During 2010 and 2011 the partners drilled 16,324 metres on Zones A, I, C, and D, covering a strike length of 4,000 metres that is also closing in on the underlying uranium mineralization.

Zones A and I are connected, with drilling on Zone A identifying a strong geochemical and clay alteration halo that reaches to 250 metres above the unconformity, and drill-hole CRE037 at Zone I intersecting intense physical alteration that is expected near a significant uranium deposit.

Drilling at Cree East has defined increased levels of uranium mineralization below bedrock that is contained within sections of intermittent hematization that are outlined over a very large horizontal layer of unconformity. This layer carries multiple zones of over 100 metres of vertical unconformity offsets, and is a similar target model to rich uranium deposits in the Athabasca.

Drilling is scheduled to re-start in the winter of 2012.

The Fond du Lac Project is located around the remote fly-in community of Fond du Lac, which is situated on the east side of Lake Athabasca. The Company has already confirmed multiple uranium targets that lie close to the surface, and has drilled down to basement rock at several locations where it has found new mineralized structures. The Grease River Project is evaluating extensive uranium mineralization that occurs in pegmatitic granite sills that are found over a 3,000 metre strike line and width of 300 metres.

The Collins Bay Project is located north and east of the Rabbit Lake Mine that hosts U3O8 grading 0.88% over a strike of 12 kilometres, and operates the second largest uranium mill facilities in the western world. CanAlaska drilled on

targets in 2010, and intersected a major diatreme-breccia pipe containing alteration and uranium.

The Carswell Project is located in the western part of the Athabasca Basin, where a ZTEM survey confirmed basement conductors, and abuts historic uranium mines at Claude, Cluff Lake, Dominique, Peter and Op. Carswell is directly north of discoveries by **Areva (BSE:A9RB)**, and **UEX (TSE:UEX)** at Shea Creek that contain resources of 88 million tonnes at grades of 1.041 – 1.540% U3O8 at Collette, 5B, Kianna and Anne, and constitute the largest undeveloped uranium resource in the Basin.

Hodgson, which is 27 kilometres to the north of the McArthur River Mine, and 21 kilometres west of Cigar Lake, contains a conductive trend of 35 kilometres. Hodgson was tested with a ZTEM survey, geochemistry and ground geophysics that identified 5 areas with significant basement conductors.

CanAlaska's land position in the Athabasca exceeds the combined holdings of uranium majors Areva, and **Cameco (TSE:CCO)**, but carries a miniscule market capitalization of \$9.5 million. UEX is capitalized at \$117.7 million, has already had success at Shea Creek, and may be more indicative of the potential within CanAlaska's exploration efforts.

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