



CanAlaska Uranium Ltd.

CVV - TSX.V CVVUF - OTCBB DH7 - Frankfurt

FOR IMMEDIATE RELEASE

NEWS RELEASE

CANALASKA PROGRESSES EXPLORATION VENTURE WITH KOREAN CONSORTIUM

Vancouver, British Columbia, Canada – June 25th, 2007: CanAlaska Uranium Ltd. (TSX-V: CVV) – Further to the Company's May 7th, 2007 press release regarding the signing of an Memorandum Of Understanding for uranium exploration of CanAlaska's Cree East Project in conjunction with a Korean Consortium led by Hanwha Corporation, CanAlaska is pleased to announce further details regarding the progress of the proposed transaction.

Preliminary agreement has been reached between Hanwha and CanAlaska towards the overall contribution of Cdn\$19 million by the Korean Consortium to effect an earn-in of a 50% ownership interest in the Cree East Project over a 4-year period. Both the structure of the proposed transaction and the composition of the Korean Consortium are presently being finalized. It is the intention of the parties to execute a definitive Letter Agreement by no later than July 26th, 2007, which shall be subject to further approvals by the Boards and regulatory authorities of the respective parties.

Accordingly, the exclusivity period granted by CanAlaska to Hanwha Corporation for the commercial undertaking of the proposed transaction has been extended to July 26th, 2007.

The Cree East project is located in the southeastern Athabasca basin, approximately 25 km west of the Key Lake uranium mine, and 20 km south west of the newly announced Millenium uranium deposit of Cameco.

The project was staked by CanAlaska in 2004, and covers 559 sq km of the Wollaston-Mudjatik domain rocks. Historical drilling tested alteration zones and targets, generally to the south and east of the property, and current exploration by other companies is revisiting these areas. The depth to the unconformity varies from 100 metres in the south to an inferred 800 metres in the north. From geophysical evidence and past drilling, there appears to be a number of step structures at the unconformity boundary and in the basement.

CanAlaska carried out 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 CanAlaska's field crews defined three large areas of dravite and clay alteration on surface, and localised boulder samples containing anomalous uranium (highest at 13.1 ppm uranium).

It is thought that the dravite and clay alteration, coupled with the anomalous uranium in the lakes and boulders in this vicinity indicates the proximity of unconformity and basement style uranium mineralization. The shallow depth to basement also allows close definition of conductive zones and geological structures,

using the airborne survey data. Initial ground geophysical data from the first lines of IP-Resistivity surveys have also provided the Company with evidence of strong alteration in the sandstone horizons overlying these basement conductors.

About CanAlaska Uranium Ltd. -- www.canalaska.com

CanAlaska Uranium (CVV -- TSX.V, CVVUF -- OTCBB, DH7 -- Frankfurt) is undertaking uranium exploration in seventeen 100%-owned and two optioned uranium projects in Canada's Athabasca Basin. Since September, 2004, the Company has aggressively acquired one of the largest land positions in the region, comprising over 2,500,000 acres (10,117 sq. km or 3,906 sq. miles). In 2005/2006, CanAlaska expended over Cdn\$15 million exploring its properties in the Athabasca Basin and has delineated multiple uranium targets. Initial drilling results from the West McArthur Project revealed uranium mineralization and significant zones of hydrothermal alteration, indicative of a favourable environment for uranium deposition. Active drilling and exploration continues in the Summer, 2007 exploration season at West McArthur and at 4 other significant projects. The Company's high profile in the prominent Athabasca Basin has attracted the attention of major international strategic partners. Mitsubishi Development Pty., a subsidiary of Japanese conglomerate Mitsubishi Corporation, has undertaken to provide CanAlaska Cdn\$11 million in exploration funding to earn 50% of the West McArthur Project. An MOU has also been executed with Hanwha Corporation, a South Korean conglomerate, to enter into joint exploration of CanAlaska's Cree East Project.

On behalf of the Board of Directors



Peter Dasler, M.Sc., P.Geol.
President & CEO, CanAlaska Uranium Ltd.

Contact:

Emil Fung, Vice President, Corp. Dev.
Tel: +1.604.685.1870
Toll Free (N. America): 1-800-667-1870
Email: info@canalaska.com

The TSX Venture has not reviewed and does not accept responsibility for the adequacy or accuracy of this release: CUSIP# 13708P 10 2. This news release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the British Columbia Securities Commission and the United States Securities & Exchange Commission.