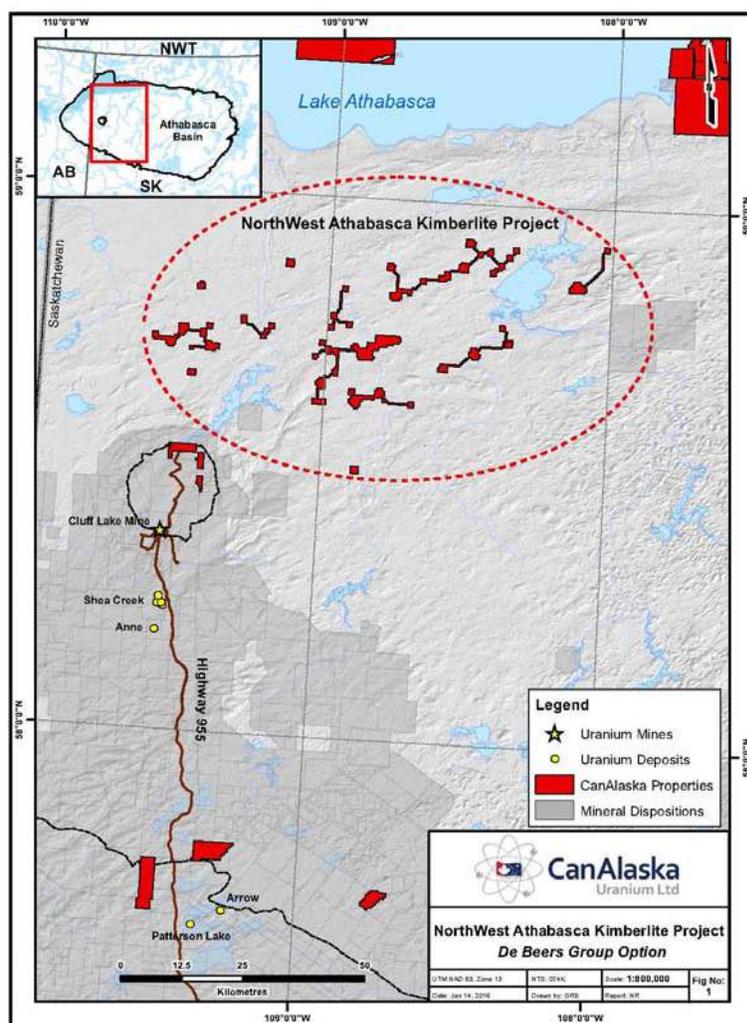


NEWS RELEASE

CanAlaska enters in to \$20.4 million option with De Beers for diamond exploration in the Western Athabasca

Deal covers 75 kimberlite-style targets identified by recent Saskatchewan Government airborne survey

Vancouver, Canada, May 18, 2016 – CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) “CanAlaska” and “Company” is pleased to report that it has entered into an Option-Participation Agreement with De Beers Canada Inc. “De Beers” for expenditures up to \$20.4 million on kimberlite-style targets staked by CanAlaska in the Northwestern Athabasca basin, Saskatchewan.



The claims staked by CanAlaska and optioned to De Beers cover 75 kimberlite-style targets developed from a recent high resolution airborne geophysical survey carried out on behalf of the Saskatchewan Geological Survey. The 2011 airborne magnetic survey, flown at 400 metre line spacing, reveals a series of discrete magnetic anomalies northeast of the Carswell structure and close to the large crustal suture related to the Grease River Fault zone. The Saskatchewan Government’s Kimberlite Indicator Minerals (KIM) sampling programs reached close to the Carswell structure, but the northern most samples are southeast of the down-ice trend from these magnetic anomalies.

There is little exploration work in this area of the Athabasca basin. In the Fort McMurray area of Alberta, the sampling for KIM shows a grouping of KIM dominated by chromite, with

some pyrope and eclogitic garnets. These appear to be down-ice from the kimberlite-style targets

identified within the Athabasca Sandstone in the northwestern Athabasca. Basement rocks below the Athabasca Sandstone form part of the Rae Province, with a projected lithospheric thickness in excess of 150 kilometres, thereby within the diamond stability field. The Rae Province, north of the Athabasca in the Nunavut, hosts diamondiferous kimberlites which have been briefly investigated in the past.

The multi-stage C\$20.4 million option agreement allows De Beers to carry out a series of work programs to earn-in to the Project as follows:

Phase	Duration	Funding	Interest acquired
1	One year	C\$1.4 million	51%
2	Two years	C\$2.0 million	70%
3	One year	C\$3.0 million	80%
4	Three years	C\$14.0 million	90%

De Beers is required to progress through the options within the time periods or return the property to CanAlaska, however the sequential options are subject to CanAlaska's right to participate in the exploration as a Joint Venture partner. CanAlaska's participation rights (to prevent further dilution of its interest) start once De Beers has earned its 70 per cent interest. The work programs will be operated by De Beers, but with assistance from CanAlaska. The priority work will include a detailed airborne survey, diamond indicator sampling in the vicinity of the targets, followed by drill testing prioritized targets.

Peter Dasler, President, CanAlaska, said: "These 75 circular targets fit all the geological and geophysical criteria of kimberlites. The location of the targets within a thick sequence of crustal rocks and their clustering around major structural features, provides a compelling target for CanAlaska and De Beers. We are very pleased to have joined forces with the world's premier diamond explorer to evaluate this 17,400 hectare (43,000 acre) claim package, which hosts numerous targets. Our alliance with De Beers will allow rapid first pass evaluation, and we look forward to the ability to participate with De Beers as a partner as the project grows."

For more information about CanAlaska's Athabasca kimberlite project visit <http://www.canalaska.com/s/AthabascaKimberliteProject.asp?ReportID=740492>

The qualified technical person for this news release is Dr Karl Schimann, P. Geo, VP Exploration, for CanAlaska.

About De Beers Canada Inc.

De Beers Canada Inc. is part of the De Beers Group of Companies, a member of the Anglo American Group. Established in 1888, De Beers is the world's leading diamond company with expertise in the exploration and development, mining, and marketing of diamonds. Together with its joint venture partners, De Beers employs more than 20,000 people (directly and as contractors) across the diamond pipeline, and is the world's largest diamond producer by value, with mining operations in Botswana, Canada, Namibia and South Africa. As part of the company's operating philosophy, the people of

De Beers are committed to *Living up to Diamonds* by making a lasting contribution to the communities in which they live and work, and transforming natural resources into shared national wealth.

For information about De Beers Canada Inc. visit www.debeersgroup.com/canada. For further information about the De Beers Group of Companies visit www.debeersgroup.com.

About CanAlaska Uranium

CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) holds interests in approximately 700,000 hectares (1.7 million acres), one of the largest land positions in Canada's Athabasca Basin region – the "Saudi Arabia of Uranium". CanAlaska's strategic holdings has attracted major international mining companies Cameco, Denison, KORES and KEPCO as partners at its core projects. CanAlaska is a project generator and is positioned for discovery success in the world's richest uranium district. For further information visit www.canalaska.com.

On behalf of the Board of Directors

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The TSX-V has not reviewed and does not accept responsibility for the adequacy or accuracy of this release: CUSIP# 13708P 10 2.