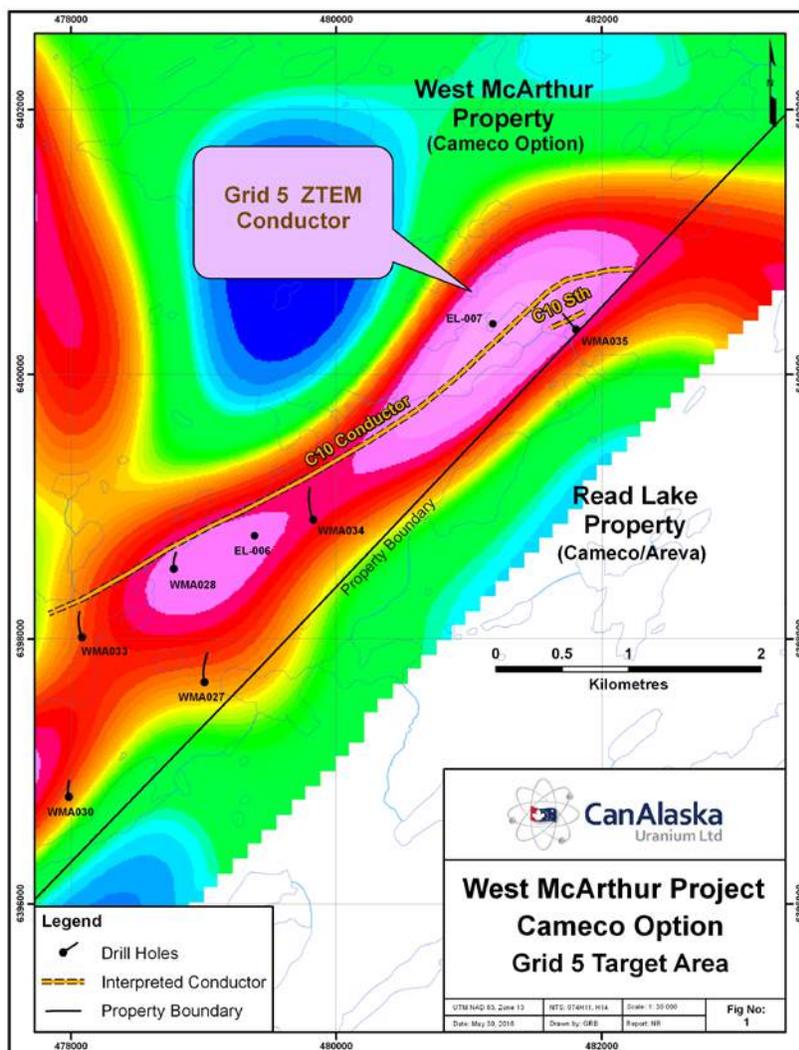


## NEWS RELEASE

### Cameco Plans Summer Drilling at CanAlaska's West McArthur Project

#### First Drill Hole Intercepts C10 South Structure

Vancouver, Canada, May 31, 2016 –CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) (“CanAlaska” or the “Company”) is pleased to announce that the first drill hole of Cameco’s (Cameco Corporation (TSX: [CCO](#); NYSE: [CCJ](#)) year 1 program at West McArthur (the “Project”), WMA035, has successfully intercepted the C10 south structure with strong sandstone alteration in what appears to be the hanging wall of the targeted conductor. Crews will move back onto the Project in early June, and drilling is due to start by mid-June, with an expected 3,000 metres of drilling. Under an option agreement, Cameco may earn up to a 60% interest in the Project through total expenditures of \$12.5 million consisting of cash payments to the Company and accelerated exploration programs, culminating in a joint venture.



#### Drill Hole WMA035:

Three significant south-southeast dipping fault zones were intersected in the sandstone of the C10 South structure, see figures 1 and 2. These faults are characterized by broken core, quartz dissolution, clay healed breccias, core loss, and localized sandy-clay gouge. The sandstone in and around these fault zones is bleached with weak sooty pyrite and structurally controlled clay. The main fault strand, is associated with pervasive silicification and elevated uranium as halos about fault zones.

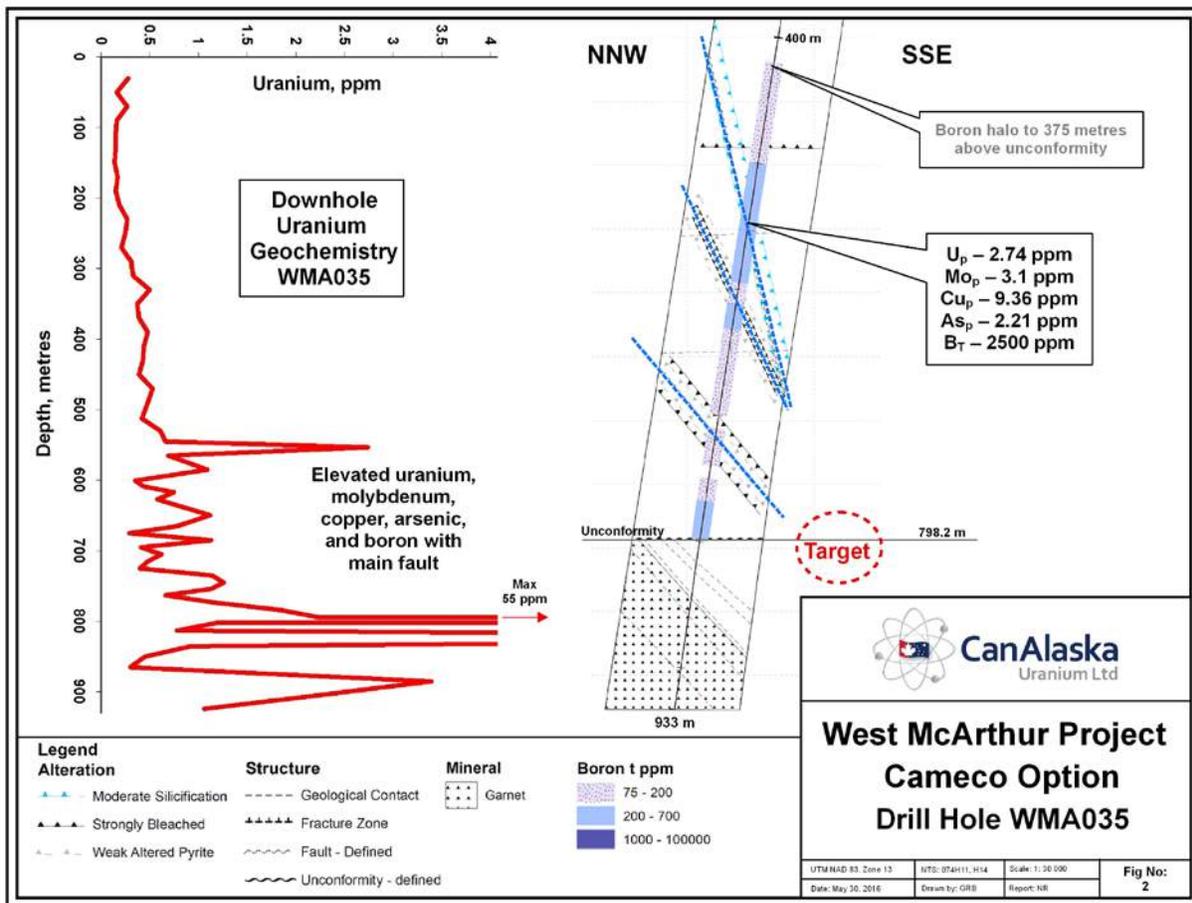
A broad boron anomaly from unconformity to 375 metres above is evident in the sandstone column, associated with dravite and again in the main fault.

The drill hole intersected elevated uranium in the sandstone, with locally, uranium (2.74 ppm), molybdenum (3.1 ppm), copper (9.36 ppm), arsenic (2.21 ppm), and 2,500 ppm boron. The drill

hole appears to have overshot the target zone. (See figure 2 map below).

The West McArthur Uranium Project covers 35,830 hectares (88,536 acres) commencing 6 kilometres (4 miles) northwest of Cameco’s majority owned McArthur River uranium mine. Importantly, the Project is immediately adjacent to Cameco’s recently disclosed Fox Lake uranium discovery with reported inferred resources of approximately 68.1 million pounds based on 387,000 tonnes at 7.99% U3O8. The Fox Lake discovery is within the Read Lake project operated by Cameco (Cameco 78.2%, Areva 21.8%).

The Grid 5 target is believed to host the western continuation of the C10 and C10 South conductors being explored by Cameco nearby on the Fox Lake deposit trend. The first drill hole, WMA035, is 600 metres east of historical drill hole EL-007 which was drilled in 1989 and this has strongly silicified and altered rock in the upper 400 metres of the sandstone column. The alteration and structures in the latest drill hole are similar to the alteration and structures intersected in the historical drill hole. The fault structure controlling the Fox Lake high-grade uranium mineral trend is related to the C10 conductor. The figure 2 map below shows a ZTEM anomaly along the northeastern end of the Grid 5 conductor, and the C10 and C10 south conductors, the focus of the current drill program.



CanAlaska president Peter Dasler comments, “We are very pleased with the structural interpretation and alteration mineralogy in this first hole. The fault zones are characterized by localized sandy-clay gouge, broken core, fracture controlled clay, weak sooty pyrite and moderate to locally strong quartz dissolution. We now have evidence of a very large mineral system extending from hole WMA028 to WMA035, a distance of 3.5 kilometres. We are eagerly awaiting the restart of drilling program scheduled for early June, and feel very confident that Cameco’s staff will be able to test the structures”.

Stay informed of Company and industry developments by subscribing to our email list: <http://www.canalaska.com/s/RequestInformation.asp>.

### **About CanAlaska Uranium**

**CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#))** holds interests in approximately 600,000 hectares (1.5 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, KORES, KEPCO and the De Beers Group of Companies as partners. 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](http://www.canalaska.com).

### **About Cameco Corporation**

Further information on Cameco can be found at [www.cameco.com](http://www.cameco.com)

The qualified technical person for this news release is Dr Karl Schimann, P. Geo., CanAlaska director, and Vice President, Exploration.

On behalf of the Board of Directors

*"Peter Dasler"*

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