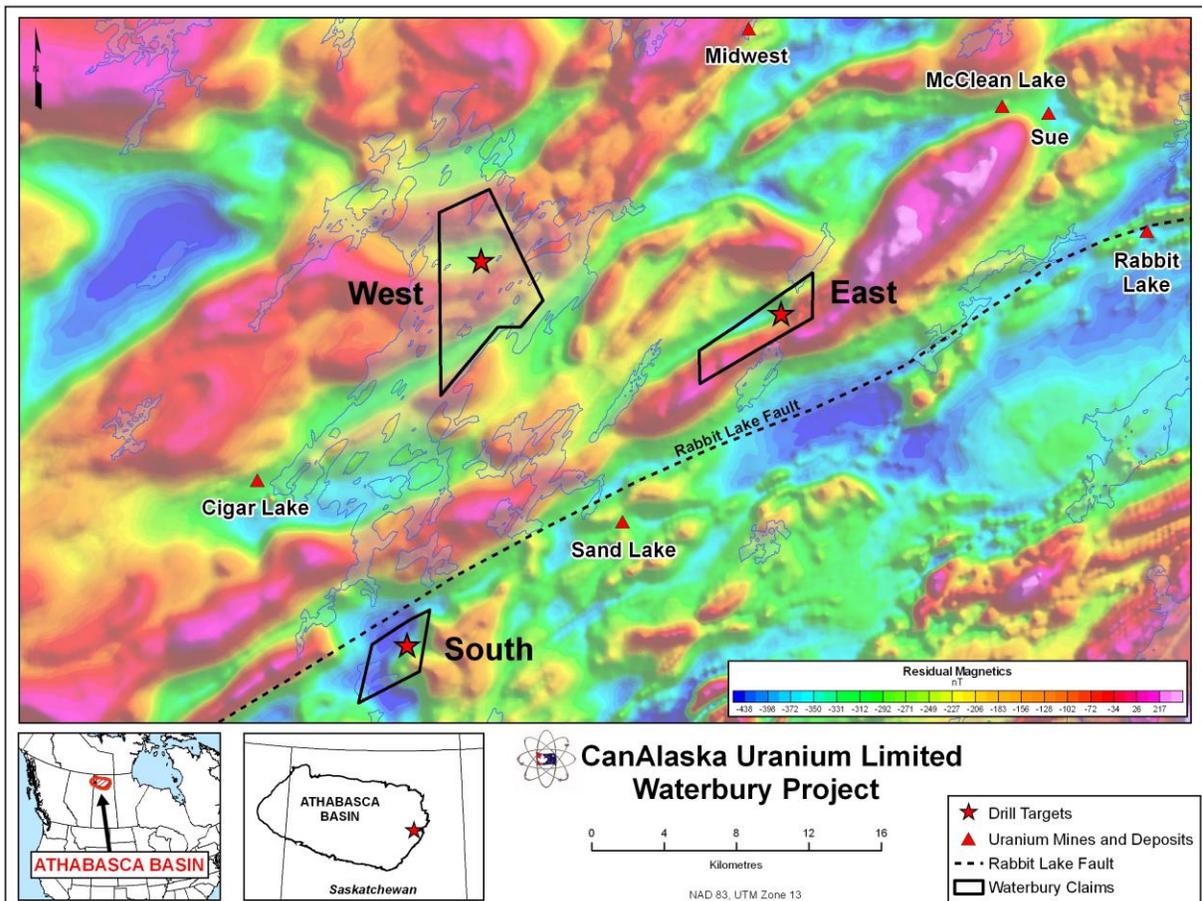


NEWS RELEASE

Cameco and AREVA to Drill Waterbury West Claim

Vancouver, Canada, December 12, 2016 - CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) (“CanAlaska or the Company”) is pleased to announce that, under its Agreement to sell one of its three Waterbury claims to **Cameco Corporation** (TSX: [CCO](#); NYSE: [CCJ](#)), and the condition for a program of work to drill at least one hole on the project targets within three years, AREVA Resources Canada Inc “AREVA”, as operator of the Waterbury UEM Joint Venture (AREVA 50%, Cameco 50%) to which the sold claim has been added, will commence the program and drill at least one hole on the property in the first quarter of 2017. CanAlaska retains an un-encumbered 2% uranium royalty on future production.



The Waterbury West property is 3,764 hectares in size, and is located over the central portion of Waterbury Lake, immediately north east of the Cigar Lake mine. CanAlaska as former operator identified an interesting target characterised by an east-west flexure in the underlying stratigraphy, hosting a moderate sandstone resistivity anomaly at the point of flexure. This is thought to represent a hydrothermal alteration chimney above a classic unconformity uranium

target. Additional targets exist in what are thought to be metasedimentary horizons in the southern portion of the property near additional Cameco and AREVA claims.

CanAlaska president Peter Dasler comments, “We are very pleased to have AREVA and Cameco carry out the current drill program, as that completes the purchase option for the property, and gives us a very interesting opportunity for a discovery, on which we would hold a significant royalty.”

On December 6, 2016, CanAlaska announced that **Denison Mines Corp.** had resumed exploration on the Company’s Moon South property “Moon”. Denison proposes to drill on the Moon next summer to follow up last year’s initial hole that encountered 0.102% U3O8 over 0.5 metres. Like Waterbury West, the property is on the eastern side of the Athabasca Basin which has the highest-grade uranium deposits in the Basin and the best mining infrastructure.

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

About CanAlaska Uranium

CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) holds interests in approximately 500,000 hectares (1.2 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, KEPCO, and the De Beers Group of Companies. 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.

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

On behalf of the Board of Directors

“Peter Dasler”

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

Contacts:

Peter Dasler
President
Tel: +1.604.688.3211 x 138
Email: info@canalaska.com

John Gomez
Corporate Development
Tel: +1.604.484.7118

Email: jgomez@canalaska.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking information

All statements included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements involve numerous assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond the Company's control. Readers should not place undue reliance on forward-looking statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or revise them to reflect the occurrence of future unanticipated events.