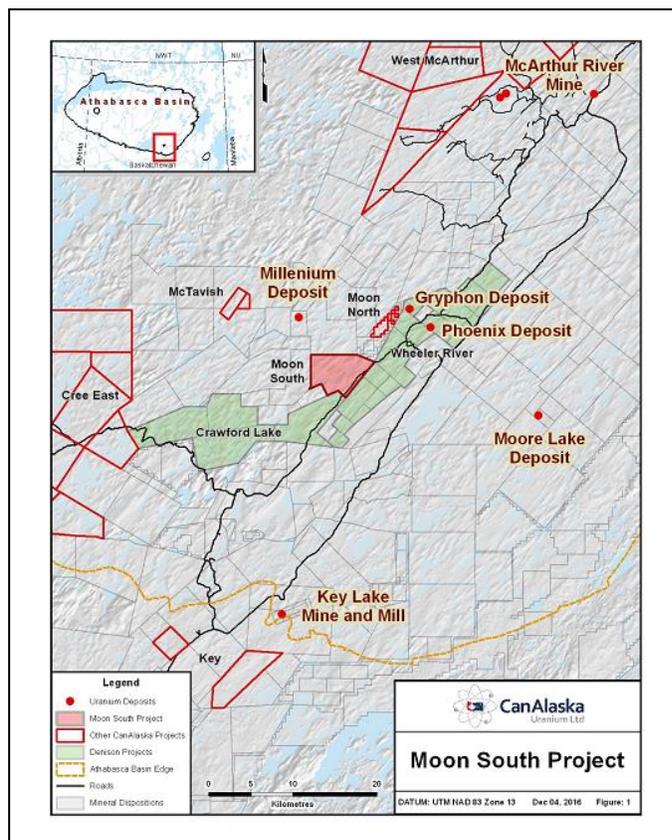


NEWS RELEASE

Denison to Continue Drilling Uranium Target on CanAlaska's Moon Project

First drill hole showed potential for larger uranium mineralized system

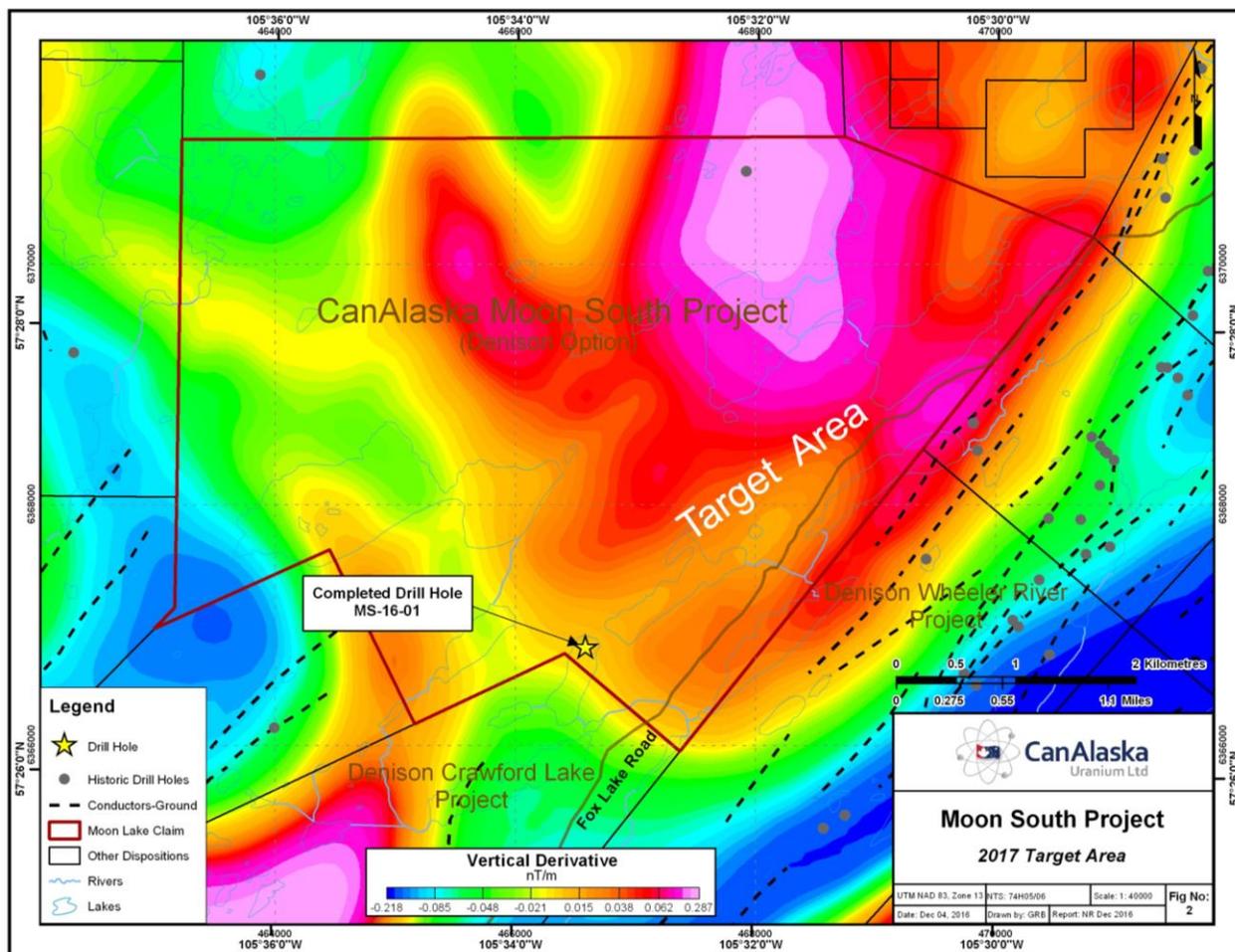
Vancouver, Canada, December 6, 2016 – CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)), (“CanAlaska” or the “Company”) is pleased to report the start of ground surveys in preparation for a further drill program on CanAlaska's Moon South claim in the Athabasca Basin, Saskatchewan. Exploration is being conducted by Denison Mines Corp. (TSX: [DML](#), NYSE MKT: [DNN](#)), (“Denison”) ahead of proposed drilling in summer.



The current target on the Moon South property is underlain by 450 metres to 550 metres of Manitou Falls and Read formation sandstones. These in turn overlie granitic gneisses of probable Archean age and Paleoproterozoic Wollaston Super group metasedimentary rocks of the eastern Mudjatik Domain. The main conductive trend on the property is the southwest-northeast trending CR-3 conductor where previous drilling has intersected strong sandstone/basement alteration and elevated radioactivity at the unconformity.

In the first drill hole (MS-16-01) completed on the property, the lower 50 metres of the sandstone was moderately altered and structurally disrupted with pyrite nodules up to 4 centimetres in size. Directly above the unconformity there was 0.5 metres of 0.102% U_3O_8 followed by a graphitic unit below the unconformity.

The CR-3 conductor is a southwest-northeast trending conductor that is currently under evaluation at Denison's adjacent Crawford Lake property. The CR-3 is interpreted to be a parallel trend to the K-Zone (Gryphon) on Denison's Wheeler River Project. The portion of the CR-3 conductor on the Moon South property has five kilometres of untested strike length. One hole is proposed along strike of MS-16-01 following the current resistivity survey.



CanAlaska Management is very pleased with Denison's interpretation of the geology, and the good indications for a significant target within this south-eastern area of the Athabasca Basin. The current successes by Denison at the nearby Gryphon and Phoenix discoveries show the significant potential for high grade uranium discoveries in this area.

Under the terms of the option, Denison will carry out \$200,000 of exploration work on the claim over two years to acquire a 51% interest. CanAlaska has also granted to Denison the right to increase its interest in the claim to 75% for further \$500,000 in expenditures. The claim currently has a royalty payable to Denison. The option agreement includes provisions for the formation of a joint venture and a 2% NSR Royalty which will be automatically granted if either party's interest is decreased below 10% ("NSR Dilution Royalty). The NSR Dilution Royalty may be purchased by the non-diluting party for \$500,000.

In other matters the Company is waiting for final 2017 program details from De Beers and Cameco.

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"

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