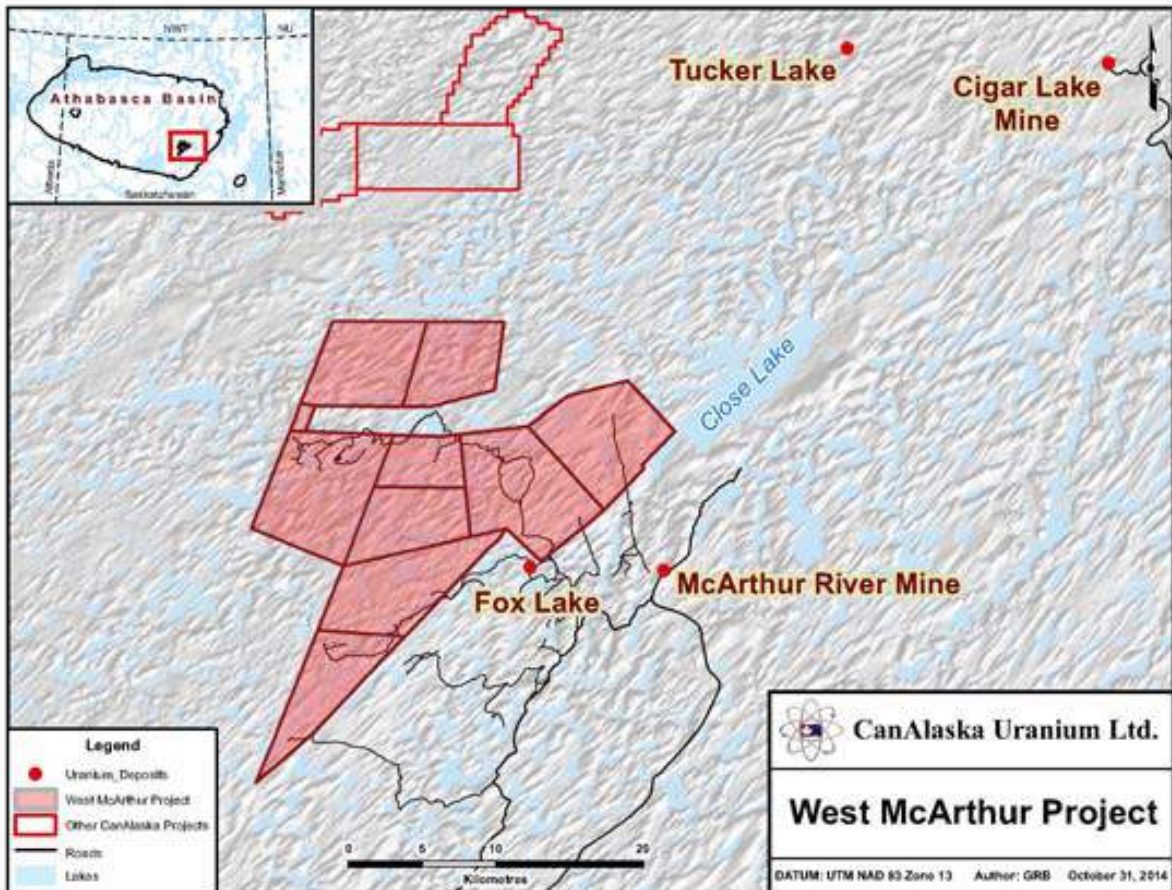


NEWS RELEASE

**CanAlaska and MC Resources Canada Ltd. agree on
West McArthur Uranium Project buyout**

Vancouver, Canada, January 21, 2016 – CanAlaska Uranium Ltd. (TSX-V: [CVV](#); OTCQB: [CVVUF](#); Frankfurt: [DH7N](#)) “the Company” is pleased to announce that the Company and MC Resources Canada Ltd. (“MC Resources”), a wholly owned subsidiary of Mitsubishi Corporation have entered into a buy back agreement of MC Resources’ 50% interest in the West McArthur Joint Venture. CanAlaska will buy back the 50% interest in the Joint Venture earned by MC Resources, subject to a staged cash payment of \$600,000 and a 1% royalty arrangement. CanAlaska has been in discussion with other interested parties regarding the interests it will buy back from MC Resources.



The West McArthur joint Venture covers 35,830 ha (88,536 acres), commencing 6 km (3.5 miles) west of the McArthur River uranium mine. In 2012 CanAlaska and MC Resources identified new uranium exploration targets on the Grid 5 target zone, which is likely the western

continuation of the C10 conductor horizon being explored by Cameco at Fox Lake. The large sulphide alteration zones seen in the Athabasca sandstone in drill holes WMA 28 and WMA 34 from the JV's 2012 program are similar in style to that reported from the Fox Lake target drilling by Cameco. See CanAlaska's April 13 2012 and earlier news.

(<http://www.canalaska.com/s/News.asp?ReportID=518515>)

Since 2006 CanAlaska and MC Resources have expended over \$17 million and carried out systematic multi-phase exploration programs on the project lands, by progressively carrying out property wide airborne surveys and grid based ground geophysical surveys followed by drill testing of delineated geophysical conductors and related anomalous features. CanAlaska and MC Resources had prioritized exploration drilling on Grids 1, 4 and 5 where several drill holes have intersected features considered favourable for discovery of Athabasca type unconformity deposits. Exploration drilling has been suspended since 2013.

President Peter Dasler commented "CanAlaska has been frustrated with the slowdown in uranium exploration following the nuclear accident at Fukushima. CanAlaska is very grateful for the support of Mitsubishi's management and staff and for their guidance on the project. We are now tasked with finding new partnerships, so that the extremely enticing targets can be evaluated by further drilling."

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

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 Mitsubishi, 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

"Peter Dasler"

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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.