WORK PLAN 2013

Nunavut Water Board Licence: 2BE-ANG0813

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Kivalliq Energy Corporation
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Introduction

Exploration out of the Angilak property has been run out the New Yat Lake Camp (Nutaaq Camp) since March 2010. Nunavut Water Board Licence 2BE-ANG0813 was issued to Kivalliq Energy Corporation on August 5, 2008 and was amended on January 25, 2010 to allow the relocation of its exploration camp to its current location. On July 16, 2010 licence No. 2BE-ANG0813 was amended to increase the daily water use to 100 cubic metres to accommodate the use of additional drills. To date we have conducted approximately 85,000 metres of diamond and reverse circulation drilling under the current water licence. Exploration activities to be undertaken in 2013 are consistent with those undertaken in 2012. No change in water usage is contemplated under Kivalliq Energy's 2012 Application for a Water Licence Renewal.

ACTIVITIES FOR 2013

A) EXPLORATION

The 2013 exploration program will include the same land use activities that have previously been conducted and permitted: drilling, prospecting, geophysical surveying, and environmental baseline studies.

Drilling

Kivalliq Energy has planned a 40,000 metre drill program in 2013; 35,000 metres of diamond drilling and 5,000 metres of reverse circulation drilling.

Kivalliq Energy has planned a total of 35,000 metres on diamond drilling using three drill rigs. The drills (Boyles 17 fly rigs) are currently staged on the property from drilling undertaken in 2012. The first rig will start drilling on April 1, the second rig will begin on April 15 and the third drill rig will start drilling on June 1, 2013. All three drill rigs will finish drilling by September 15, 2013.

In addition to the diamond drills, Kivalliq Energy will be using one (1) RC drill rig in 2013. The RC drill rig does not use water. A 5,000 metre RC drill program is planned which commence on May 1 and shut down on August 30, 2013.

The drill programs will be supported from the camp via snowmobile (under snow and frozen ground conditions) and by helicopter. All drill rigs on site are heli-portable and easily transported between drill sites via helicopter. Drilling targets for 2013 can be seen in Figure 1.

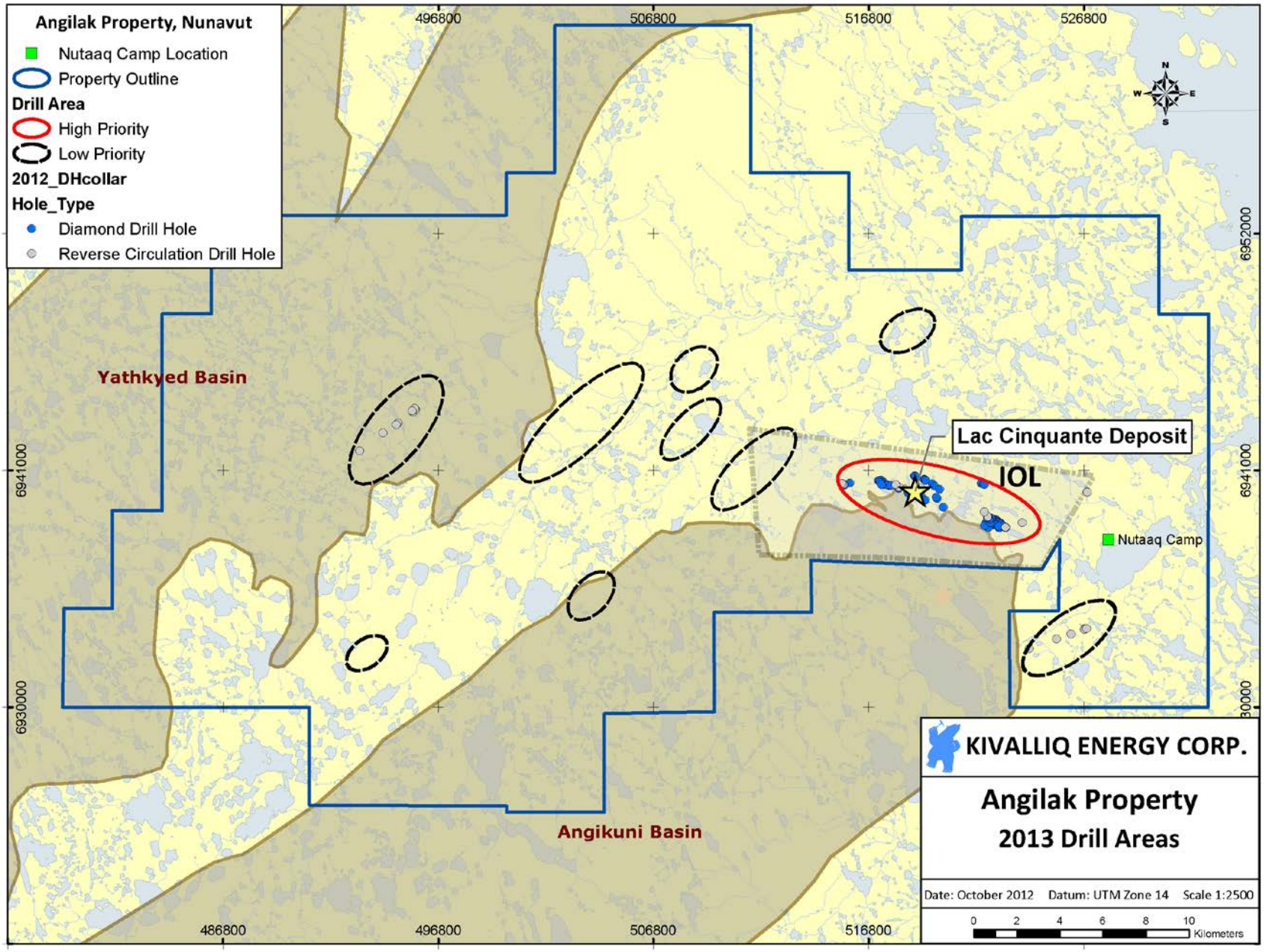


Figure 1: Angilak Project 2013 Drilling

B) FUEL CACHES

Kivalliq Energy is permitted to have store up to 3000 drums of fuel on site to support exploration programs. All fuel is stored in secondary containment at single cache site located approximately 200 metres northwest of the Nutaaq camp at 527800mE 6938100mN Nad 83 Z14. The fuel is shipped via First Air Hercules from Churchill or Dash 7 flight from Baker Lake. The fuel caches will be inspected daily. A record of these inspections will be kept on site and will be available for review by Inspectors upon request.

C) CAMP AND INFRASTRUCTURE UPGRADES

Kivalliq Energy Corp established the Nutaaq camp at its present location in March 2010. In 2012, three Pacto toilet units were added to the toilet shed replacing the Incinerator units. An additional Pacto unit was placed at the other end of camp near the core tent. Two Weatherport tents were added to the camp infrastructure to accommodate additional personnel. A 30'x60' Sprung utility tent which serves as an equipment maintenance shop was erected approximately 150 metres north of camp on the gravel deposit supporting the helicopter pad and fuel berms. The only upgrade to the camp infrastructure planned for 2013 is the adding a storage tent behind the dry. See Figure 2.

Airstrip

In 2010 and 2011 light aircraft on skis have landed on the frozen surface of the lake 200 metres south of the Nutaaq camp. During the summer months a 350 metre long flat topped gravel deposit 1.5 kilometres west of the Nutaaq camp has been used as an airstrip to support exploration on the Angilak property. In 2012 Kivalliq Energy built an ice strip on the lake directly south of camp. The airstrip was a minimum of 1500 metres x 50 metres (5000 ft. x150 ft.) and was sufficient to allow larger aircrafts such as Hercules and Buffalo's to land next to camp The lake has dimensions of 1.5 kilometres north-south and 4.1 kilometres east-west. Kivalliq Energy is planning on reconstructing the ice strip for use by large aircrafts in 2013.

Equipment

Kivalliq Energy currently owns and operates a Caterpillar D6 bulldozer, a front end loader and a Kubota utility tracker. The Caterpillar D6 will be used to clear snow from the ice strip. The front end loader and Kubota utility tracker will be used to clear snow from the ice airstrip and to facilitate loading and unloading aircraft and cargo sleds. An additional, temporary generator will also be needed to power the lights that line the ice airstrip.

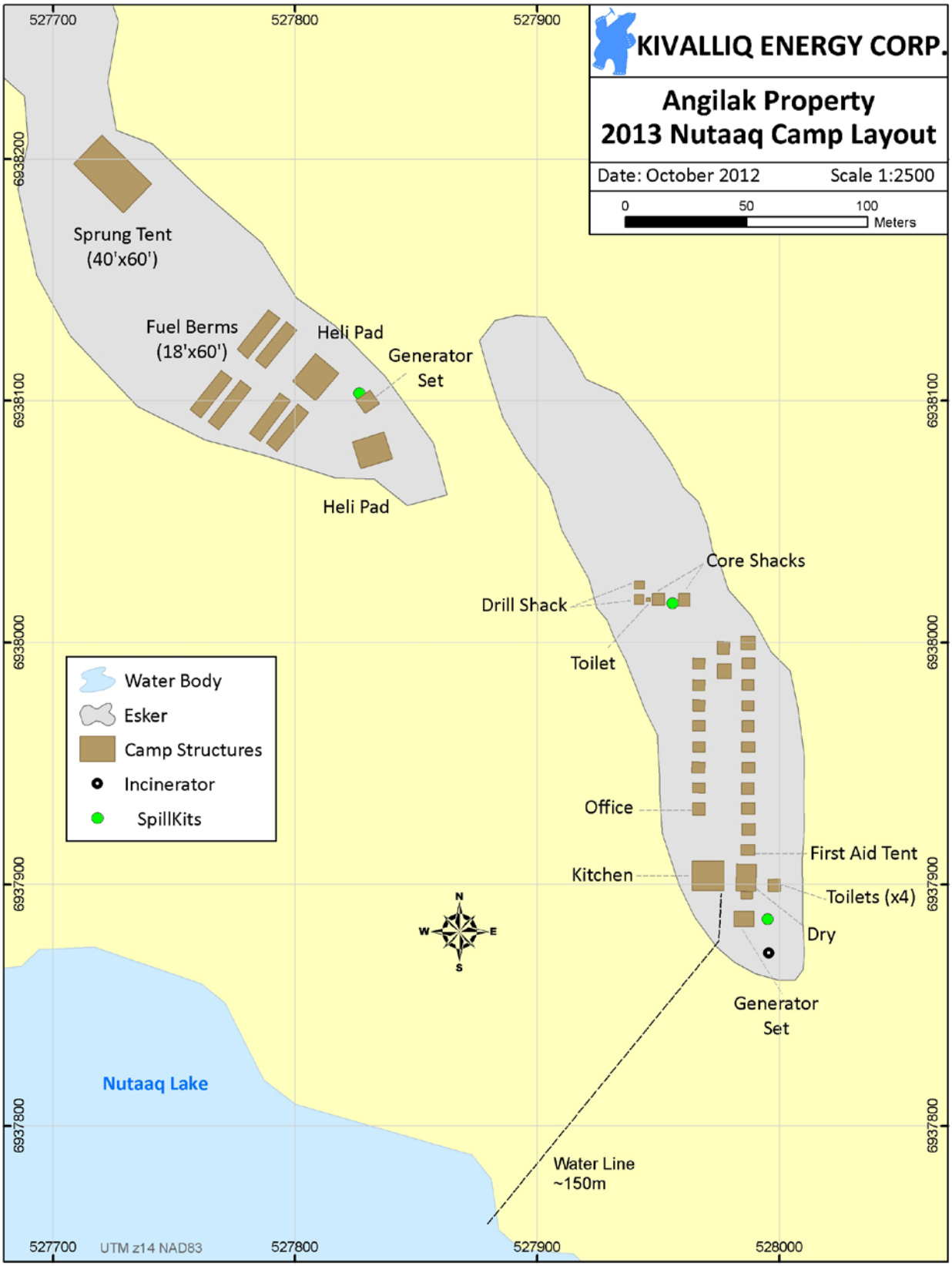


Figure 2: 2013 Nutaaq Camp Layout

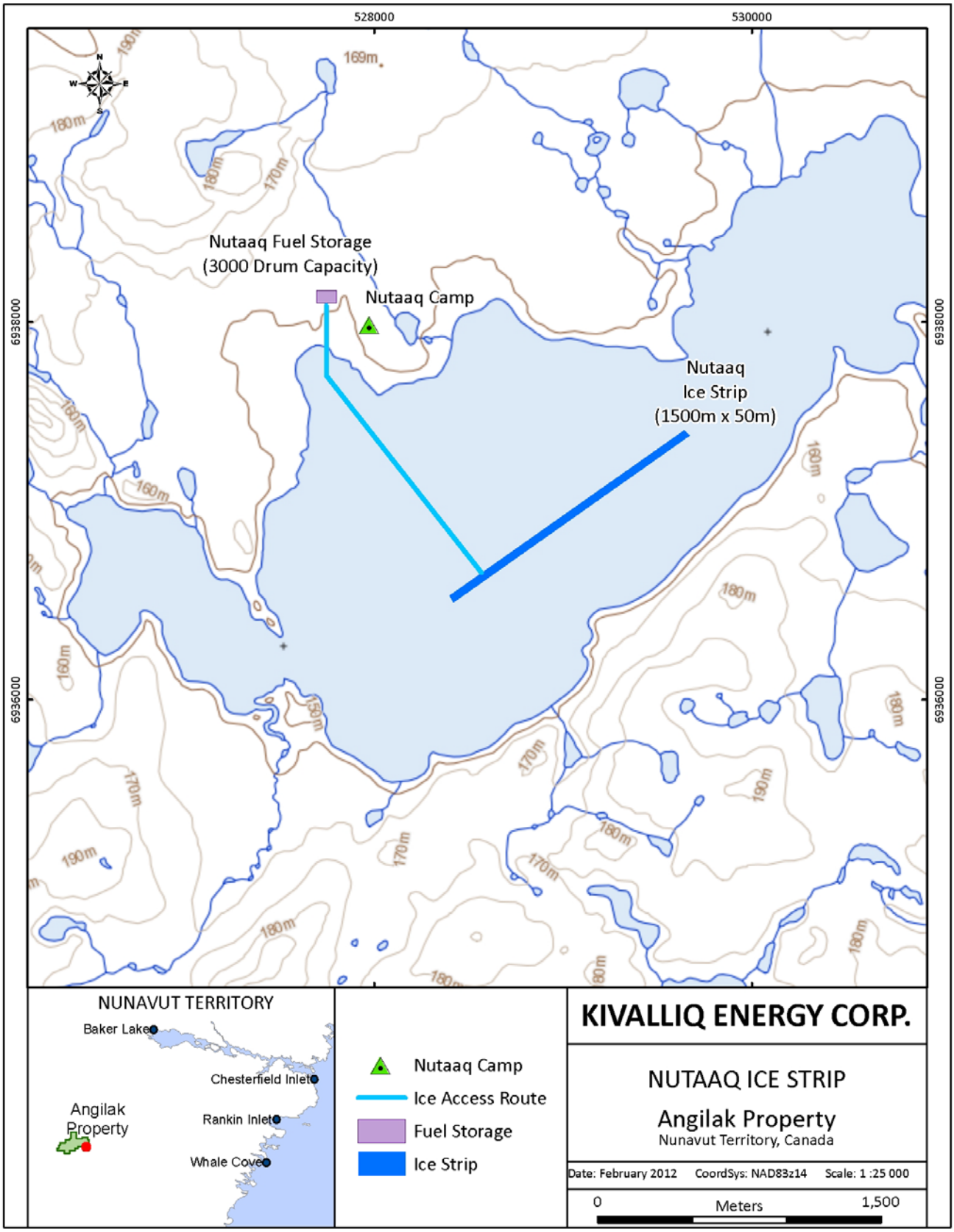


Figure 3: Nutaaq Ice Strip

D) BASELINE STUDIES

Baseline environmental work in 2013 will be the continuation of the work completed in 2012:

Meteorology

A fully automated climate station was installed at the camp in 2010. The parameters being recorded are: temperature, relative humidity, total precipitation, barometric pressure, wind speed and direction. The data is transmitted via satellite to a secure database every three hours.

Water Quality

In 2010 twenty water quality sites were established. In 2013, water quality samples will be collected under the ice in April when water is considered the most dormant and then again in August when water is considered the most prolific. As Kivalliq's ongoing exploration program is successfully advancing quality targets elsewhere on the property, additional water quality sites will be added to the existing program to monitor the influence Kivalliq's expanded work area.

E) Environmental Considerations

All employees and contractors working for Kivalliq Energy Corp. will be made aware of the company's internal policies and procedures and will be made familiar with the Terms and Conditions of the project's licences and permits. Every person arriving at the Angilak Project will undergo an orientation which will include information on health, safety and environmental responsibilities and stewardship.

The orientation and training will include, but not be limited to: spill response, bear safety, environmental policies (including waste management), wildlife mitigation measures and the caribou protection measures.

Water and aquatic life will be protected. Waterlines for drilling and domestic use will be properly placed to minimize disturbance to the shoreline and substrate and will be screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" prepared by the Department of Fisheries and Oceans.

No wastes will enter any water bodies. This includes discharge from the camp and return effluents from diamond drilling. The Nutaaq camp grey water is drained through a weeping tile bed installed behind the dry. The area of the weeping bed is inspected daily for grey water release on surface. Return effluents from diamond drilling are captured at the casing and run through Kivalliq's drill cuttings settling circuit. The circuit is continuously monitored to separate drilling cuttings from effluent flows. Only cleared water with suspended solids removed is released. Drill sites are inspected prior to the drill being moved. Sites are remediated and reclaimed on an ongoing basis as drilling proceeds.

Daily inspections will be conducted around the camp and a record of these inspections will be kept in the office for review by the Inspector upon request while at the camp.

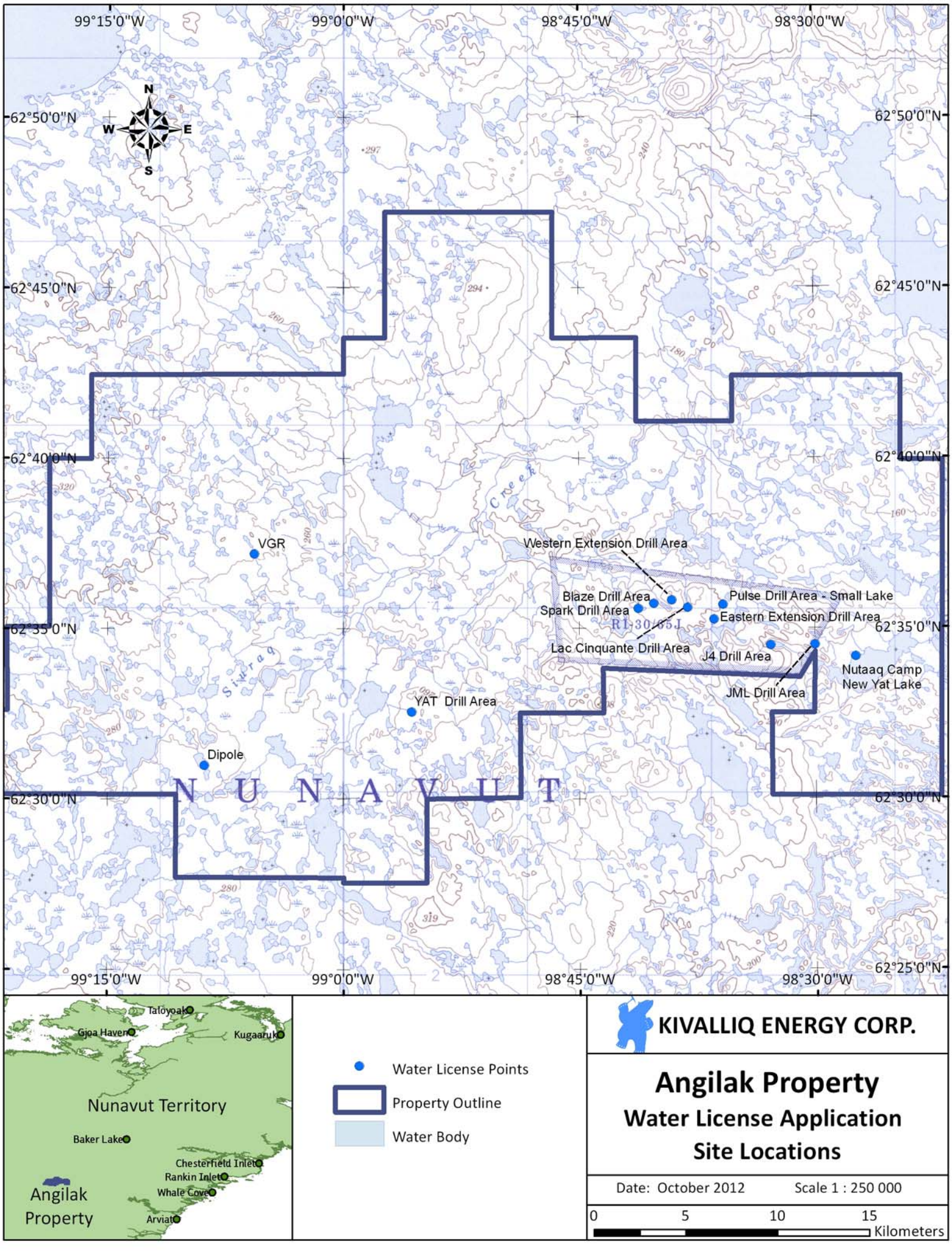
F) Reclamation

Kivalliq Energy Corp. has a policy of progressive reclamation. As work is completed at one site, the area will be cleaned and reclaimed shortly after the move to the next site. Photos will be taken of all sites requiring reclamation and will be submitted to the KIA and INAC in the annual report.

Drill sites will be reclaimed at the completion of each hole. When immediate reclamation is not possible, these sites will be recorded and re-visited later at the earliest possible opportunity. These sites will be reported in the annual report submitted to the KIA and AANDC.

Kivalliq Energy Corp. will work closely with the KIA, AANDC and the NWB to develop alternative and acceptable measures of handling drill cuttings that have a greater than 0.05% uranium concentration. The water licence and land use permit both state that these cuttings are to be placed back down the drill hole. This is not practical given the permafrost conditions in Nunavut. A significant amount of salt would be required to keep these holes open and there is no guarantee that this would be sufficient to achieve the intent behind this condition.

Kivalliq Energy Corp. is aware that the KIA has concerns regarding drill cuttings and sumps in general and will work with the KIA to address these concerns and to find alternatives for handling drill cuttings. In the interim, a cutting retrieval system has been used and will be used during drill operations. Benign cuttings will be captured and stored in a natural depression as permitted. If uranium concentrations are greater than 0.05%, drill cuttings will be contained and stored in a well-marked location, similar to uranium core storage.


99°15'0"W
99°0'0"W
98°45'0"W
98°30'0"W
62°50'0"N
62°45'0"N
62°40'0"N
62°35'0"N
62°30'0"N
62°25'0"N
N
W
E
S
VGR
Western Extension Drill Area
Blaze Drill Area
Spark Drill Area
Pulse Drill Area - Small Lake
Eastern Extension Drill Area
Lac Cinquante Drill Area
J4 Drill Area
JML Drill Area
Nutaaq Camp
New Yat Lake
YAT Drill Area
Dipole
N U N A V U T
Tatoyoak
Gjoa Haven
Kugaaruk
Nunavut Territory
Baker Lake
Chesterfield Inlet
Rankin Inlet
Whale Cove
Arviat
Angilak Property
Water License Points
Property Outline
Water Body
KIVALLIQ ENERGY CORP.
Angilak Property
Water License Application
Site Locations
Date: October 2012
Scale 1 : 250 000
0
5
10
15
Kilometers