

NUNAVUT WATER BOARD ANNUAL REPORT 2012 Nunavut Water Board Licence No.: 2BE-ANG0813

EXECUTIVE SUMMARY

Kivalliq Energy Corp. is a uranium exploration and development company that has been active in the Kivalliq Region of Nunavut since 2008. The exploration project pertaining to this report is referred to as the Angilak Project operating out of Nutaaq camp which is located approximately 225 kilometres southwest of Baker Lake.

Water source and use limits:

As per Kivalliq Energy's NWB Water Licence 2BE-ANG0813 issued August 5, 2008, Nutaaq camp's water source is Nutaaq Lake located at 62° 34′ 11.89′′ Latitude and 98° 27′ 38.52′′ Longitude.

The total volume of water use for the purpose of Kivalliq Energy's NWB Water Licence 2BE-ANG0813 shall not exceed one hundred (100) cubic meters per day, wherein camp water use shall not exceed eight (8) cubic meters per day and drill water shall not exceed ninety-two (92) cubic meters per day. Drill water shall be obtained from water source(s) proximal to drill targets as outlined in the NWB licence application.

In 2012 the daily averages of water used for domestic purposes was 1.75 cubic meters and 61.37 cubic meters for drilling.

Waste Management:

At Nutaaq camp, Pacto toilets are used and waste is incinerated on site. Grey water is captured in pipes which flow through a grease trap to a sump and into a tile bed. Approved domestic waste is incinerated on site. All other hazardous wastes are airlifted to Yellowknife or containerized and barged south to Montreal for appropriate disposal as directed by KBL Environmental LTD. A recycling program is in place.

General:

No spills were reported in 2012.

Drill sites are reclaimed at the completion of each hole. When immediate or complete reclamation is not possible, these sites are recorded and re-visited at the earliest possible opportunity. Photos & coordinates are attached to this report, along with updated spill contingency and closure plans.



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The 2012 water use inspection report issued July 13, 2012 by AANDC indicated that no issues of non-compliance were recorded. A recommendation was made to guard the area downgradient of the grey water sump against potential future erosion.

Regards,

Andrew Berry Chief Operating Officer Kivalliq Energy Corporation