



January 30, 2017

Original via mail

Sean Joseph
Technical Advisor
Nunavut Water Board
P.O. Box 119,
Gjoa Haven, NU
X0E 1J0

Dear Mr Joseph;

RE: NUNAVUT WATER BOARD 2016 ANNUAL REPORT, KIVALLIQ ENERGY CORPORATION
- ANGILAK PROPERTY, NWB Water Licence No.: 2BE-ANG1318

Kivalliq Energy Corp. is pleased to submit their Nunavut Water Board (NWB) 2016 Annual Report. The attached document contains the following:

- Kivalliq Energy Corp Angilak Project NWB 2016 Annual Report Executive Summary in English and Inuktitut
- 2016 NWB Standard Form for Annual Reporting
- 2016 Water Use Records
- 2016 Incinerator Log
- 2016 Backhaul Log
- N2012C0030 Land Use Permit Inspection Form July 26th, 2016

Please don't hesitate to contact me should you require any further information of if you encounter any issues with the documents attached.

Regards,


Andrew Berry
Chief Operating Officer
Kivalliq Energy Corporation



NUNAVUT WATER BOARD ANNUAL REPORT 2016

Nunavut Water Board Licence No.: 2BE-ANG1318

EXECUTIVE SUMMARY

Kivalliq Energy Corp. is a uranium exploration and development company that has been active in the Kivalliq Region of Nunavut since 2008. Nunavut Water Board Licence No.: 2BE-ANG1318 subject to this report authorizes water usage on Kivalliq Energy's Angilak Property. Operations are conducted from the the Nutaaq Camp, located approximately 225 kilometres southwest of Baker Lake.

Water source and use limits:

NWB Water Licence 2BE-ANG1318 was issued March 4, 2013. The Nutaaq Camp's water source is Nutaaq Lake located at 62° 34' 11.89" North Latitude and 98° 27' 38.52" West Longitude.

The total volume of water use authorized under 2BE-ANG1318 as amended July 8, 2014 shall not exceed two hundred and ninety-nine (299) cubic meters per day. Water from Nutaaq Lake for domestic camp use shall not exceed three (3) cubic meters per day. Drill water shall not exceed two hundred and ninety-six (296) cubic meters per day.

The average water use in 2016 at the Nutaaq camp was 0.94 cubic meters per day. There was no drilling conducted in 2016.

Waste Management:

At the 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 buried tile bed. Approved domestic waste is incinerated on site. All incinerator ash is sealed in 205 litre steel drums. Ash drums and all other wastes are airlifted to Baker Lake, where they are staged in 20 foot Sea Can cargo containers. Containers are then shipped by barge to Montreal for authorized disposal through Solva-Rec Environnement Inc. as directed by KBL Environmental Ltd. A recycling program is in place for recyclable materials.

General:

An INAC Land Use Permit Inspection was conducted by WRO Wilson on July 27, 2016. Spill #14-234 was deemed reclaimed and no additional concerns were noted. No spills were reported in 2016.

Regards,

Andrew Berry
Chief Operating Officer
Kivalliq Energy Corporation

NWB Annual Report

Year being reported:

2016

License No: 2BE-ANG1318

Issued Date: March 4, 2013

Expiry Date: March 3, 2018

Project Name: Angilak Project

Licensee: Kivalliq Energy Corporation

Mailing Address: Suite 1020 - 800 West Pender St,
Vancouver, BC
V6C 2V6

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

General Background Information on the Project (*optional):

A uranium exploration project located approximately 225 kilometers SW of Baker Lake.

Licence Requirements: the licensee must provide the following information in accordance with

Part B



Item 2



A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s):	Nutaag Lake		
Water Quantity:	3	Quantity Allowable Domestic (cu.m)	
	0.94	Actual Quantity Used Domestic (cu.m)	
	296	Quantity Allowable Drilling (cu.m)	
	0	Total Quantity Used Drilling (cu.m)	

Waste Management and/or Disposal

- ☒ Solid Waste Disposal
☒ Sewage
☐ Drill Waste
☒ Greywater
☒ Hazardous
☒ Other:

Additional Details:

Pacto toilets are used and waste is incinerated on site. All non-combustible and/or hazardous wastes are airlifted to Baker Lake, containerized and barged to Quebec for appropriate disposal by Solva-Rec Environnement Inc. under the direction of KBL Environmental Ltd. A recycling program is in place.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

WRO Wilson inspected the Property on July 27, 2016 and deemed Spill #14-234 as reclaimed and that the company has proposed storage of the soil until a viable disposal method is determined. See Land Use Permit Inspection Form attached.

There were no spills in 2016.

Revisions to the Spill Contingency Plan

SCP addendum attached for Board consideration

Additional Details:

The Spill Contingency Plan was updated in 2012 and submitted with the 2012 NWB Annual Report. No further changes have been made.

Revisions to the Abandonment and Restoration Plan

AR addendum attached for Board consideration

Additional Details:

The Abandonment and Restoration Plan was updated in 2012 and submitted with the 2012 NWB Annual Report. No further changes have been made.

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Drill sites are cleaned up prior to the end of each field season. No drilling was conducted in 2016.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached

Additional Details:

None

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached

Additional Details:

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board

Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

No inspection report issued by INAC

Additional Details: (Dates of Report, Follow-up by the Licensee)

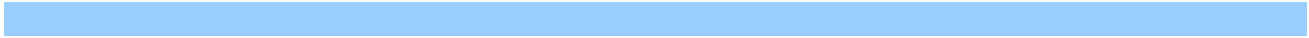
A Land Use Licence Inspection was conducted by WRO Christine Wilson on July 27, 2016. NWB, KIA, INAC, NIRB and WSCC were provided Commencement of Operation letters in June 2016 and Closure of Operations letters were sent in early August 2016.

Any additional comments or information for the Board to consider

There are no additional comments or information for the Board to consider at this time.

Date Submitted: January 30, 2017
Submitted/Prepared by: Andrew Berry
Contact Information: Tel: 640-646-4527

Fax:	640-646-4526
email:	andrewb@kivalliqenergy.com



GPS Coordinates for water sources utilized

Source Description	Latitude			Longitude		
	Deg °	Min ,	Sec "	Deg °	Min ,	Sec "
Nutaaq Camp - Nutaaq Lake	62	34	11.9	98	27	38.5

GPS Locations of areas of waste disposal

Location Description (type)	Latitude			Longitude		
	Deg °	Min ,	Sec "	Deg °	Min ,	Sec "
Nutaaq Camp - Greywater sump	62	34	14.45	98	27	14.72

2016 Nutaaq Camp Water Use				
Date	Nutaaq Camp		Employee	Time
	Gallons/day	m3/day		
June-29-16	1000	3.79	Vincent Hernot	15:30
June-30-16	0	0		
July-01-16	0	0		
July-02-16	600	2.27	Vincent Hernot	9:30
July-03-16	0	0		
July-04-16	500	1.89	Vincent Hernot	12:30
July-05-16	0	0		
July-06-16	600	2.27	Leroy Okotak	15:40
July-07-16	0	0		
July-08-16	700	2.65	Leroy Okotak	9:15
July-09-16	0	0		
July-10-16	700	2.65	Leroy Okotak	15:20
July-11-16	0	0		
July-12-16	500	1.89	Vincent Hernot	10:30
July-13-16	0	0		
July-14-16	0	0		
July-15-16	700	2.65	Vincent Hernot	9:00
July-16-16	0	0		
July-17-16	0	0		
July-18-16	600	2.27	Vincent Hernot	11:30
July-19-16	0	0		
July-20-16	0	0		
July-21-16	500	1.89	Vincent Hernot	14:30
July-22-16	0	0		
July-23-16	0	0		
July-24-16	600	2.27	Vincent Hernot	9:30
July-25-16	0	0		
July-26-16	700	2.65	Vincent Hernot	10:00
July-27-16	0	0		
July-28-16	0	0		
July-29-16	0	0		
Total	7700.00	29.14		
Daily Average	248.39	0.94		

2016 Nutaaq Camp Incinerator Record				
Date	Kitchen (garbage bags)	Garbage (bags or boxes)	Pacto (garbage bags)	Employee
28-Jun-16				
29-Jun-16				
30-Jun-16				
1-Jul-16	3	12	1	Vincent Hernot
2-Jul-16	1	11		Vincent Hernot
3-Jul-16				
4-Jul-16	2	6	3	Vincent Hernot
5-Jul-16	1			Vincent Hernot
6-Jul-16	1	1	4	Leroy Okotak
7-Jul-16	1		4	Leroy Okotak
8-Jul-16	2	16	1	Leroy Okotak
9-Jul-16	2			Vincent Hernot
10-Jul-16			4	Leroy Okotak
11-Jul-16	2		4	Vincent Hernot
12-Jul-16		24		Vincent Hernot
13-Jul-16	2	11		Vincent Hernot
14-Jul-16				
15-Jul-16	1	6	4	Vincent Hernot
16-Jul-16		2		Vincent Hernot
17-Jul-16	2	1		Vincent Hernot
18-Jul-16	1		1	Vincent Hernot
19-Jul-16			3	Vincent Hernot
20-Jul-16	1	1		Vincent Hernot
21-Jul-16				
22-Jul-16	2	13		Vincent Hernot
23-Jul-16	1		4	Vincent Hernot
24-Jul-16	1	2		Vincent Hernot
25-Jul-16	1			Vincent Hernot
26-Jul-16	1	2	3	Vincent Hernot
27-Jul-16	3	1		Vincent Hernot
28-Jul-16	3	1	4	Vincent Hernot
29-Jul-16				
Total	34	110	40	

[illegible][illegible]



☒ Original
☐ Follow-Up Report

LAND USE PERMIT INSPECTION FORM

Permittee	Representative
Kivalliq Energy	Jeff Ward
Permit No. / Expiry	Representative's Title
N2012C0030	President
Other Authorizations	Land / Other Authorizations
2BE-ANG1318	KVL308C09 (Exploration)
Date of Inspection	Inspector
26-27/07/2016	WRO Wilson
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Reclamation <input checked="" type="checkbox"/> Fuel Storage	
<input checked="" type="checkbox"/> Roads/hauling <input checked="" type="checkbox"/> :Other <input type="checkbox"/> Other:	

Conditions:	A- Acceptable	U-Unacceptable	C-Concern	NI-Not Inspected	NA- Not applicable
Section:	Term No.	Condition	Observation No.		
31 (1)(a) Location and Area	1,2	A	1		
31 (1)(b) Time	--	A	4		
31 (1)(c) Equipment	10	A	3		
31 (1)(d) Methods and Techniques	--	A	--		
31 (1)(e) Type location, capacity and operation of facility	30	A	7		
31 (1)(f) Control or prevent of flooding, erosion, and subsidence of Land	39	A	1		
31 (1)(g) Use, storage, handling and disposal of chemical or toxic materials	43, 48	A	3,7		
31 (1)(h) Wildlife and fisheries habitat	--	A	-----		
31 (1)(i) Objects and places of recreation, scenic and ecological value	--	A	-----		
31 (1)(k) Petroleum fuel storage	74, 78	A	8		
31 (1)(m) Matters not inconsistent with the regulations	79, 80	A	9		

SECTION 1	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
On July 26-27 2016 a land use permit inspection of Kivalliq Energy Corporation, Angilak Lake Project was conducted with the assistance of Jeff Ward, President, Kivalliq Energy Corporation. <i>The Nutaaq camp, fuel cache and airstrip are located on crown land authorized by this permit. Additional authorized activities include drilling, a small trenching program, construction and maintenance of the airstrip, use of motorized equipment and over land winter hauling.</i>			
Observations			
<div>1. <i>The Nutaaq Camp is located on an esker- durable ground- approximately 62 34’ 17.59”N, 98 27’ 21.52”W. A wooden walk ways is used in a wet area between the fuel cache and lay down, approximately 62 34’ 21.5”N, 98 27’ 33.5”W. This adequately prevents rutting and allows for natural drainage.</i></div> <div>2. <i>A small amount of erosion has occurred on the esker near the hill to the camp from the fuel cache and the grey water sump. The sumps performance has been impeccable in the previous years; the proponent suggested some regular maintenance was needed to improve the performance.</i></div> <div>3. <i>The following motorized equipment is noted; 1 all-terrain vehicle, six snowmobiles, one bull dozer, 2 loaders, bob cat, helicopter, and small kabota.</i></div> <div>4. <i>Seven staff is onsite for approximately two weeks (98 man days) completing a exploration program at the Yat Target which is located on crown land.</i></div> <div>5. <i>11 trenches will be excavated down to bedrock at the Yat target located at approximately 62 32’ 48.3”N , 98 55’ 27.7”W. No issues were noted.</i></div> <div>6. <i>Two drill holes located at the VGR target were inspected. No issues were noted; the area showed very little sign of impact from the proponents operation, clean and tidy work.</i></div> <div>7. <i>Spill # 14-234 is reclaimed the company has proposed storage of the soil until a viable disposal method is determined.</i></div> <div>8. <i>All fuel containers are marked and kept within adequate secondary containment.</i></div> <div>9. <i>A copy of the permit is available for review.</i></div>			

SECTION 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Act or Regulations	<input type="checkbox"/> Action Required
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NONE

SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Regulations	<input checked="" type="checkbox"/> Action Required
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The Proponent will update the Abandonment and Reclamation plan to include trenching activities, reclamation of the shop floor.

Licensee or Representative	Inspector's Name
	WRO Wilson
Signature	Signature
	Original signed on file
Date	Date
	July 7 th , 2015

Office Use Only:	Follow-up report to be issued by Inspector	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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