CLOSURE AND RECLAMATION PLAN

KIVALLIQ ENERGY CORPORATION

TABLE OF CONTENTS

KIVALLIQ ENERGY CORP.
ANGILAK PROPERTY CLOSURE AND
RECLAMATION PLAN

1. Preamble

This Closure and Reclamation Plan is in effect as of November 1st, 2012, and applies specifically to the Angilak Property. A property map, land tenure map and camp layout figure included in Appendix I. Kivalliq Energy Corp. (Kivalliq Energy) is a uranium exploration company with a Nunavut focus. Kivalliq Energy was the first company in Canada to sign a comprehensive agreement with the Inuit of Nunavut to explore for uranium on Inuit Owned Lands. Kivalliq Energy endeavors to take every reasonable precaution toward ensuring the protection and conservation of the natural environment, and the safety and health of all employees and contractors from any potential harmful effects of stored materials and operations. All plans, licences and permits are posted for review and copies of the plans will be available in the office tent for reference.

2. Introduction

The work proposed for this project consists of diamond drilling, reverse circulation (RC) drilling, prospecting, staking, geological mapping, rock and soil/till sampling, grid establishment/line cutting, airborne geophysics, ground geophysics, possibility of trenching (non-mechanical), and fuel transport (fixed and rotary-wing, overland). No buildings, equipment or waste will remain once the project is complete.

Kivalliq Energy has been exploring in Nunavut since 2007. The property consists of both Crown and Inuit Owned Lands (IOL) in the Kivalliq Region of Nunavut. Land and water use for the purpose of exploration has been authorized by the Kivalliq Inuit Association (KIA), Aboriginal Affairs and Northern Development Canada (AANDC) and the Nunavut Water Board (NWB). In accordance with the terms and conditions of these authorizations, Kivalliq Energy will return the land to as near its original natural state as is practical and possible.

3. Project Overview

Kivalliq Energy operates one project, Angilak, with one camp. The property, consisting of 101 active mineral claims, is located approximately 225 kilometres south-southwest of Baker Lake and 350 kilometres west of Rankin Inlet (Figure 1).

As indicated on Figure 2, all mineral claims are contiguous and extend north, south, east and west between latitudes 62° 27’ and 62° 48’ North and longitudes 98° 21’ and 99° 24’ West in NTS map areas 65 J/06, 65 J/09, 65 J/10, 65 J/11 and 65 J/15 (UTM coordinates: 6925500N to 6962000N and 479300E to 533000E, NAD83, Zone 14). The camp is located at 527975m E, 6937950m N. See Figure 3 for a layout of the camp.

4. Schedule

The final restoration of the camp site will begin once the program is complete. All work described in this plan will be completed prior to the date of expiry of the land use permits and water licence unless a renewal is applied for and granted. Empty fuel drums will be removed from site regularly. Once a fuel cache is retired, a thorough inspection will be conducted. Any contamination will be cleaned up according to the Spill Contingency Plan and debris will be removed from the site.

5. Infrastructure

Camp

The camp currently consists of:

- Insulated tents on wood frames. These tents function as sleep tents, an office, core tent, first aid station, kitchen, dry and storage.
- Toilets.
- A generator building.
- Helicopter landing area.
- Natural gravel airstrip.
- Garbage incineration area.

Nutaaq Camp Infrastructure

Existing:	23 – 14’ x 16’ tents for sleeping, an office, core tents and first aid station
	2 – 14’ x 32’ tent for kitchen and dry
	2 toilet facilities
	A generator building to house a 20 kW diesel generator as well as a back-up generator
	30’ x 60’ Sprung Tent
New 2013:	Upgrades to existing dry and kitchen tents

Vehicles and Equipment

Existing:	17 Snow machines
	1 Polaris Side by Side Quad
	1 Kubota small farm tractor
	1 Candig Mini Excavator
	1 D6 CAT
	1 CAT 928 Front End Loader
	3 Cargo Sleds

Drilling Equipment

Existing: 3 Boyles 17 Core Drill Rigs
1 RC Hornet drill rig

Fuel Caches

The main fuel cache has been established at the camp. All fuel stored on site is contained in Instaberms secondary containment, manufactured by Raymac Industries in British Columbia. Drums of fuel are stored in neat, orderly rows and are inspected daily. A spill kit is located at each fuel cache. Empty drums are removed from site regularly and returned to Aviation Fuel Enterprises in Baker Lake.

Smaller caches are established temporarily to support drilling activities and sampling/survey programs. Spill kits are located at every fuel cache.

Currently Kivalliq Energy is permitted to cache 3000 drums of fuel on site at a time.
This will include:

- 1500 - 205 L drums of diesel
- 1490 - 205 L drums of Jet fuel
- 10 - 205 L drums of gasoline
- 50 - 100 lb cylinders of propane

Most of this fuel will be used by the end of each season. However, enough fuel will be left on site over winter to ensure a supply for a safe re-opening of camp in the spring. Kivalliq Energy is currently investigating the purchase and use of double-walled enviro tanks. Please refer to the Fuel Management Plan for more information.

6. Seasonal Shutdowns

Buildings and Contents

Wood structures and wood floors will be kept secured. The canvas tents will be removed from site for drying and storage.. Weatherhaven sleeping tents will remain in place for the winter. Wooden bed frames will be turned upside down and secured to the wooden floors for over-winter storage. The generator may be removed from site for servicing and storage.

Water System

Pumps and hoses will be drained and stored inside to protect them over winter. Pumps may be removed from site for servicing and storage.

Fuel caches and Chemical Storage

An inventory will be conducted prior to leaving at the end of the field season. A thorough inspection of all fuel caches will be completed and empty fuel drums will be removed from site. Every effort will be made to use up any partially full fuel drums. In the event that any partially full fuel drums are left once the season is over, they will be placed on an angle to ensure that snow and water do not enter the drum and no leakage from the drum occurs. Full fuel drums will be stored on their sides with the bungs in the 3 and 9 o-clock position. All chemicals, including cleaning products, will be stored in a sealed building.

Waste

Combustible Waste: All combustible waste will be incinerated. Untreated wood and large pieces of cardboard will be burned in a controlled open burn in compliance with the Municipal Solid Wastes Suitable for Open Burning Guidelines. Ash generated from the on-going incineration will be stored in sealed metal 55-gallon drums and removed from site via regularly scheduled backhaul.

Grey Water Sump: The grey water sump will be inspected and covered securely for the winter. Stakes will be placed around the sump so that it is easily identifiable when the camp is opened up again each year.

Black water: The camp uses incineration and Pacto toilets. Bags containing waste are incinerated.

Drill Sites: The drill will be partially dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp and either incinerated if appropriate or to be flown out to an approved disposal location.

Grey water and sludge sumps will be filled and leveled as required. As much as possible, drill sites will be restored immediately after the drill has been moved to the next site.

Contamination Clean Up

Any soil around camp that has become contaminated and gone unnoticed will be treated as per the Spill Contingency Plan. Before and after photos will be taken to document the contamination and the clean-up. These photos will make up part of the final report to be submitted to the Water Resource Inspector and the Kivalliq Inuit Association following any spill and will also be attached as part of the Annual Report submitted to the NWB and the KIA.

7. Final Closure and Reclamation

Buildings and Contents

All buildings will be dismantled and removed. All wooden structures including floors will either be burned or removed.

Equipment

All equipment, including pumps, will be dismantled and removed from the project area.

Fuel caches and Chemical Storage

All fuel drums will be removed. All areas where there have been fuel caches will be thoroughly inspected. Any contamination will be cleaned up as well as any debris removed. Contaminated soil will be handled as per the Spill Contingency Plan. Final photos will be taken of all fuel caches for inclusion in the final report.

All chemicals will be removed from site. Areas where chemicals have been stored will be inspected to ensure that there has been no contamination.

Sumps

The Kivalliq Energy exploration program utilizes one central sump located in a naturally occurring depression free from any potential runoff contamination.

Drill Sites

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be flown out by the drilling contractor.

All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp to be burned if possible or to be flown out to an approved disposal location.

An inspection will be conducted to ensure that all drill sites are/have been restored and sumps have been covered and leveled.

Contamination Clean Up

Any contamination will be treated as per the Spill Contingency Plan. Before and after photos will be taken to document the contamination and the clean-up. These photos will make up part of the final report to be submitted to the Water Resource Inspector and the Kivalliq Inuit Association following any spill and will also be attached as part of the Annual Report submitted to the Nunavut Water Board and the Kivalliq Inuit Association.

Inspection and Documentation

A complete inspection will be conducted of all areas prior to closure. Photos will be taken to document the conditions prior to leaving the site for use in the final plan. All appropriate agencies will be contacted and notified once the final clean-up has been conducted. The photos will make up part of the final closure reports to be submitted to Aboriginal Affairs and Northern Development Canada and the Kivalliq Inuit Association.

EMERGENCY CONTACT INFORMATION

CONTACT	TELEPHONE NUMBER
AANDC Field Operations Manager, Iqaluit	867-975-4295
Kivalliq Inuit Association	867-645-5725
Environment Canada – 24 hour emergency	867-920 8130
Nunavut Government, Robert Eno	867-975-7729
Department of Fisheries and Oceans, Iqaluit	867-979-8000
Unaalik Aviation, Rankin	867-645-2535
Ookpik Aviation, Baker Lake	867-793-4720
Baker Lake RCMP	867-793-0123
Stanton Regional Hospital, Yellowknife	867-669-4111
Discovery Mining Services, Yellowknife	867-920-4600
Kivalliq Energy, Jeff Ward, President	604-646-4527
Kivalliq Energy, 24 hour emergency contact	Andrew Berry 604-765-1892 Camp Phone: 604-759-4750

APPENDIX I

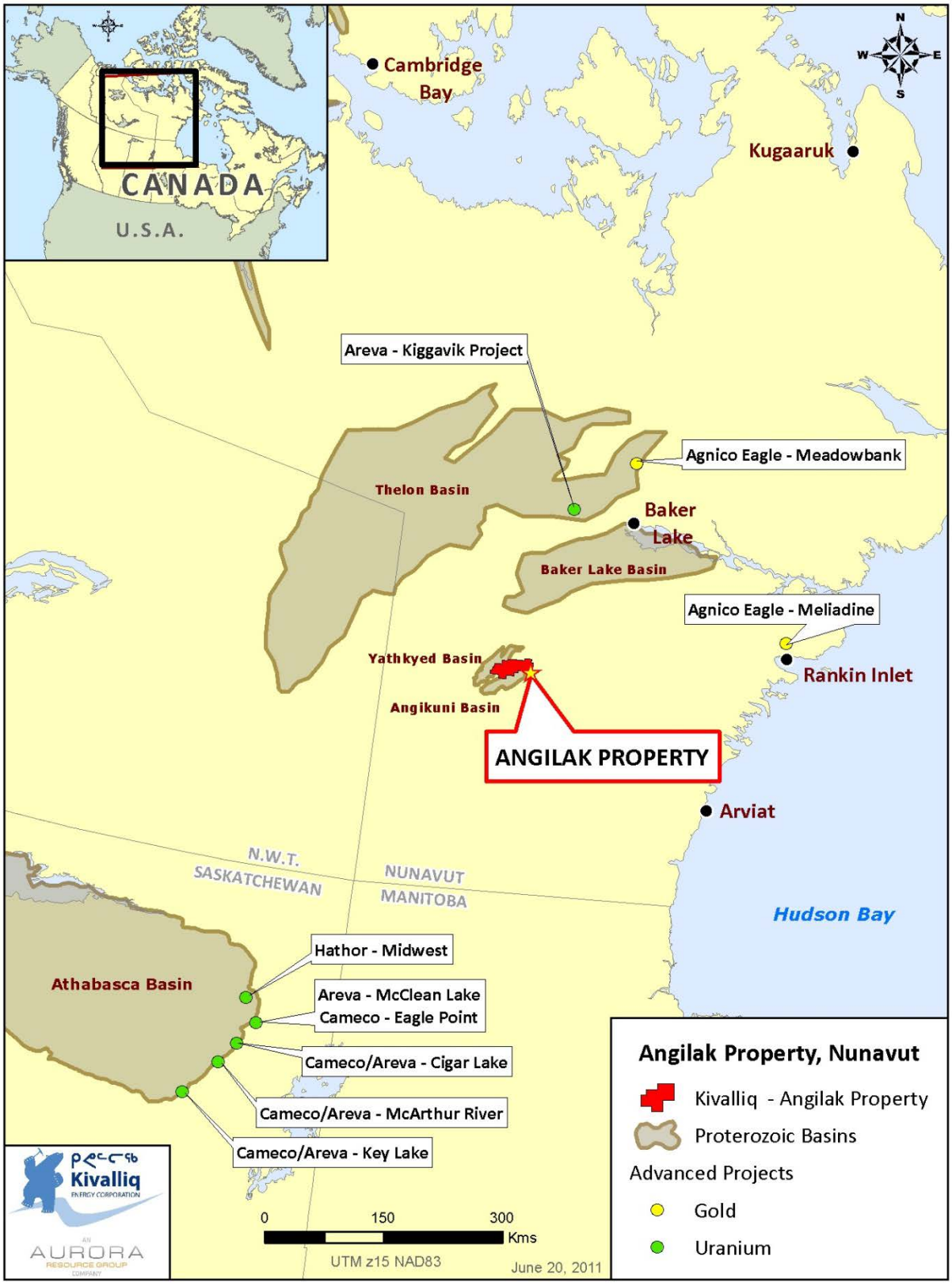


Figure 1: Property Location

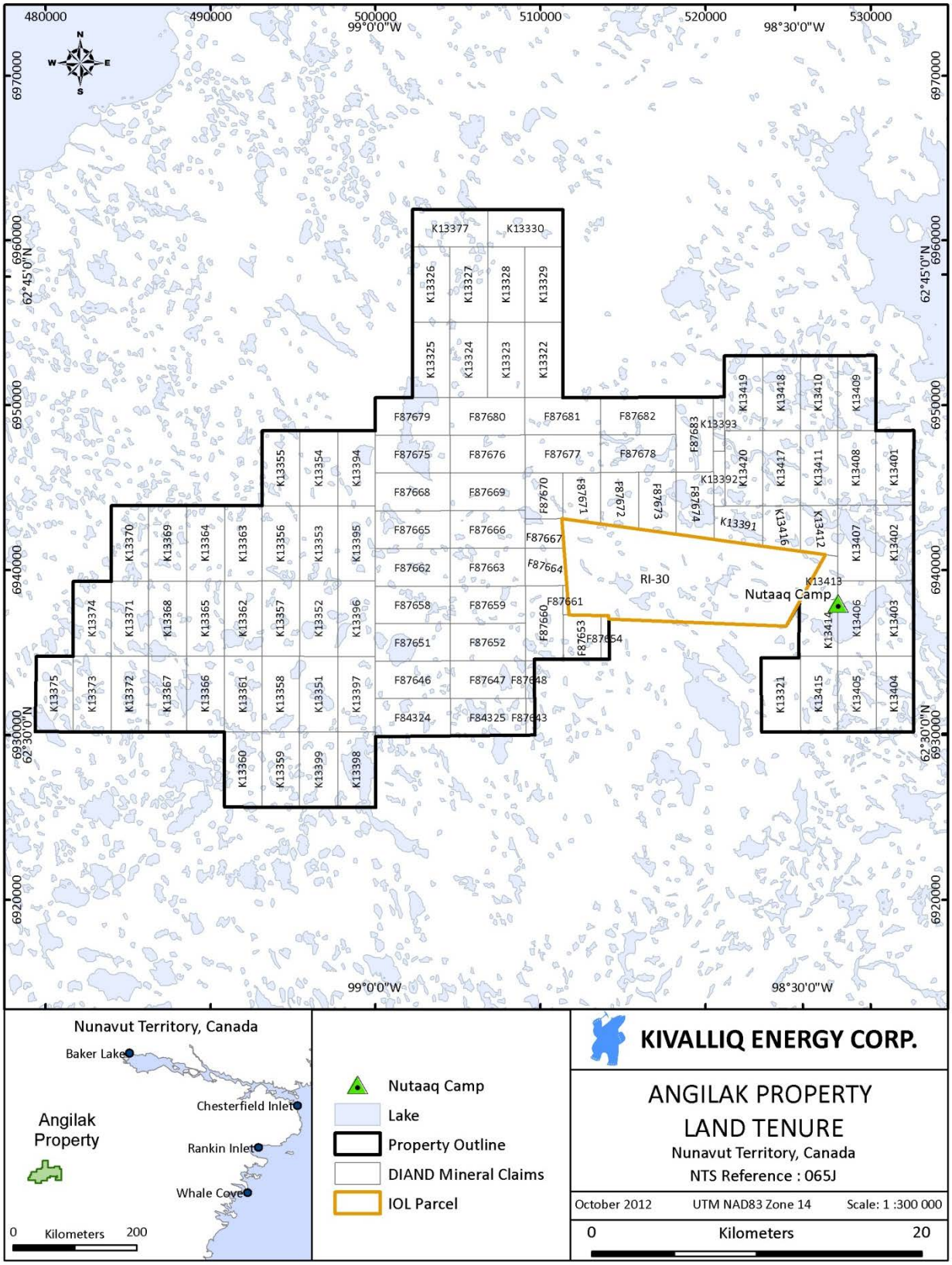


Figure 2: Angilak Property Land Tenure

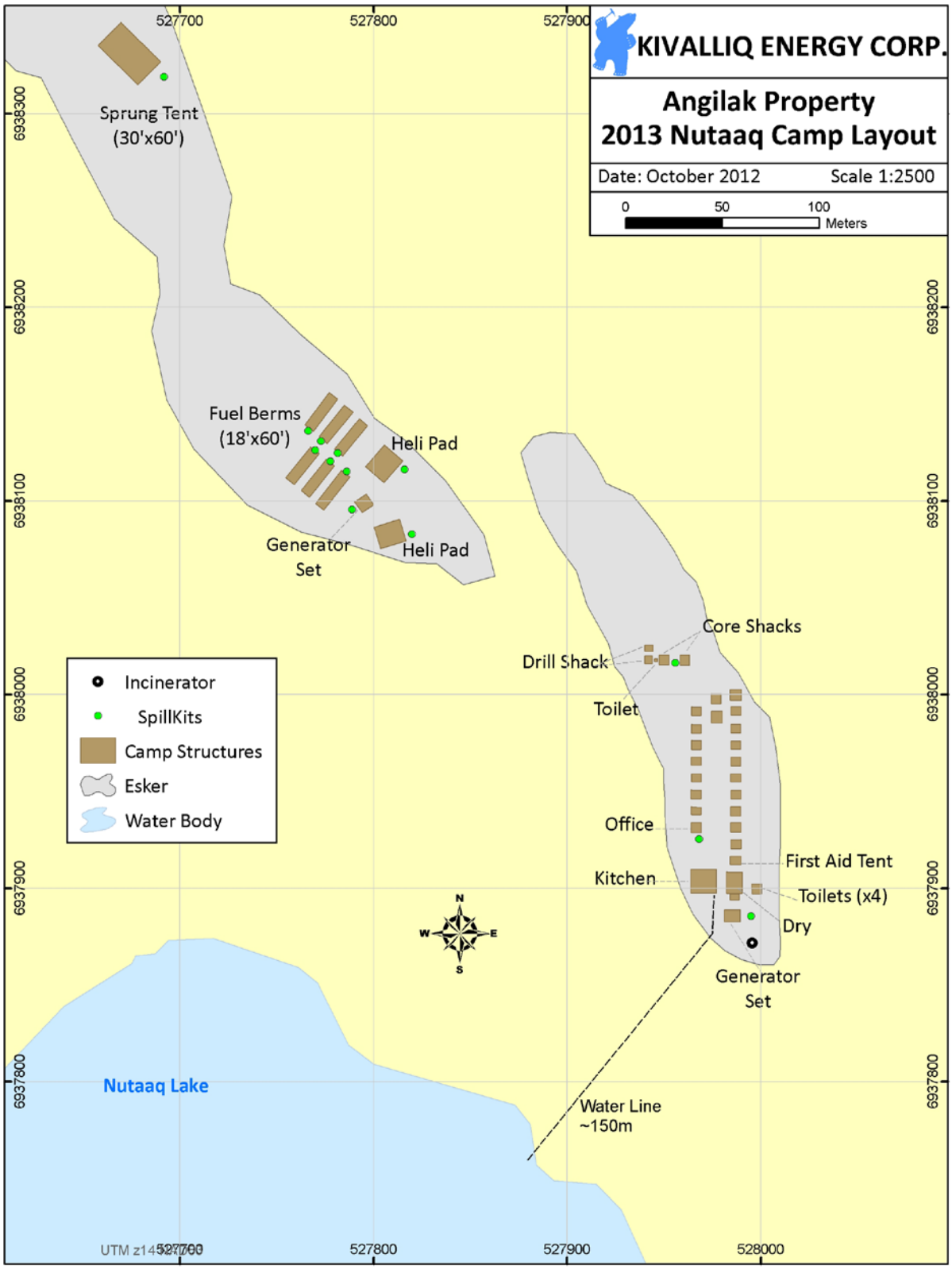


Figure 3: Nutaaq Camp Layout

Kivalliq Energy Corp.
2012 Diamond Drill Site Coordinates
& Reclamation Photos

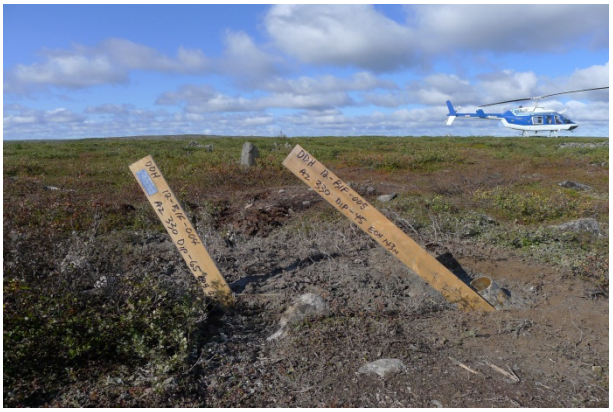
12-774-001, 12-774-002, 12-774-003, 12-774-004
522286 E 6938783 N UTM Z14
JUNE 17 TO JUNE 22 2012

12-774-005, 12-774-006, 12-774-007, 12-774-008
522428 E 6938714 N UTM Z14
JUNE 23 TO JUNE 28 2012

12-774- 009
522562 E 6938647 N UTM Z14
JUNE 28 TO JUNE 30 2012

12-BIF-001, 12-BIF-002
526880 E 6933838 N UTM Z14
JULY 18 TO JULY 21 2012

12-BIF-003
526839 E 6933810 N UTM Z14
JULY 21 TO JULY 24 2012

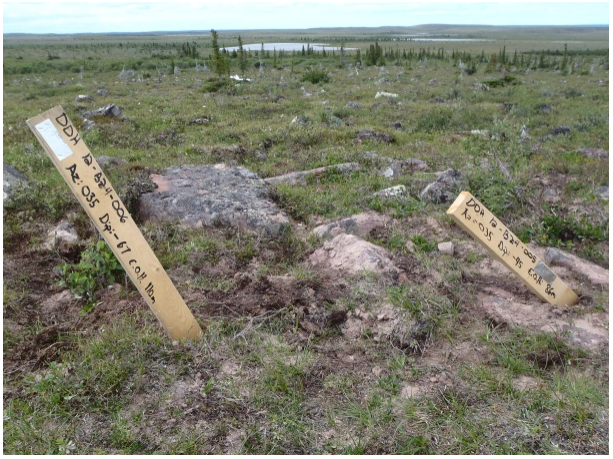


12-BIF-004, 12-BIF-005
526938 E 6933840 N UTM Z14
JULY 25 TO JULY 30 2012

12-BZ3-001
515958 E 6940611 N UTM Z14
JUNE 21 TO JUNE 22 2012

12-BZ4-001, 12-BZ4-002
515655 E 6940527 N UTM Z14
JUNE 10 TO JUNE 13 2012

12-BZ4-003, 12-BZ4-004
515558 E 6940567 N UTM Z14
JUNE 13 TO JUNE 15 2012

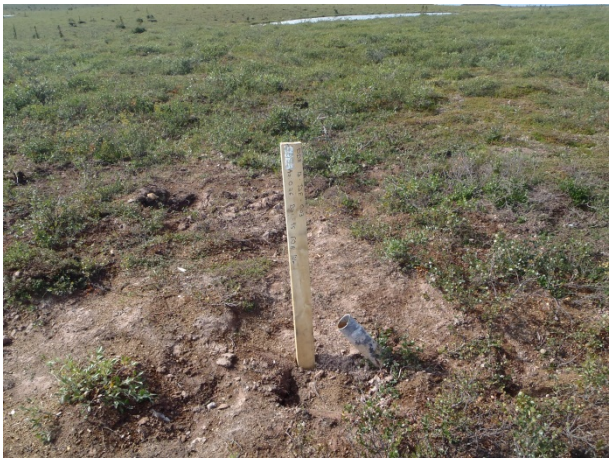


12-BZ4-005, 12-BZ4-006
515625 E 6940572 N UTM Z14
JUNE 16 TO JUNE 18 2012

12-BZ4-007
515702 E 6940506 N UTM Z14
JUNE 19 TO JUNE 20 2012

12-HOT-001, 12-HOT-002
522067 E 6940597 N UTM Z14
JULY 21 TO JULY 25 2012

12-J2E-001, 12-J2E-002
522381.8 E 6938535.6 N UTM Z14
JUNE 10 TO JUNE 13 2012



12-J2E-003
522219 E 6938625.2 N UTM Z14
JUNE 12 TO JUNE 16 2012

12-J4-001, 12-J4-002, 12-J4-003, 12-J4-004
522785 E 6938875 N UTM Z14
JUNE 30 TO JULY 5 2012

12-J4-005, 12-J4-006, 12-J4-007
522819 E 6938833 N UTM Z14
JULY 6 TO JULY 12 2012

12-J4-008, 12-J4-009, 12-J4-010
522740 E 6938897 N UTM Z14
JULY 11 TO JULY 15 2012

12-J4-020, 12-J4-020B, 12-J4-021, 12-J4-022, 12-J4-023
522861 E 6938804 N UTM Z14
JULY 31 TO AUGUST 8 2012

12-J4-024, 12-J4-025, 12-J4-026
522903 E 6938775 N UTM Z14
AUGUST 8 TO AUGUST 14 2012

12-J4-031
522661 E 6938741 N UTM Z14
AUGUST 5 TO AUGUST 8 2012

12-J4-032
522737 E 6938663 N UTM Z14
AUGUST 9 TO AUGUST 14 2012

12-J4-033, 12-J4-034
522458 E 6938776 N UTM Z14
AUGUST 14 TO AUGUST 24 2012

12-J4-046, 12-J4-047
522420 E 6938926 N UTM Z14
AUGUST 14 TO AUGUST 20 2012

12-J4-048, 12-J4049, 12-J4-050
522976 E 6938693 N UTM Z14
AUGUST 21 TO AUGUST 27 2012

12-J4-051, 12-J4-052, 12-J4-053
523178 E 6938541 N UTM Z14
AUGUST 26 TO SEPTEMBER 2 2012

12-J4-054
522820 E 6938606 N UTM Z14
SEPTEMBER 3 TO SEPTEMBER 6 2012

12-J4-055
522820 E 6938606 N UTM Z14
SEPTEMBER 9 TO SEPTEMBER 10 2012

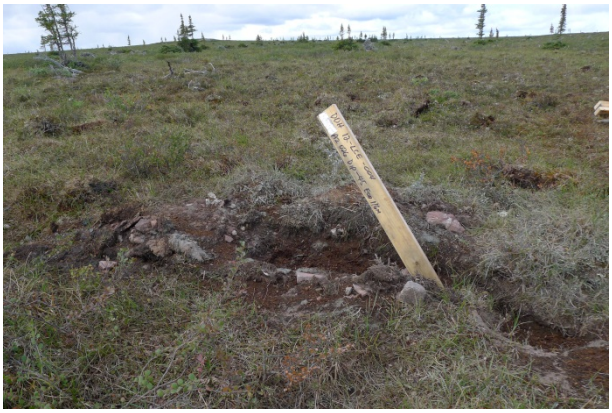
12-J4-056, 12-J4-057
523093 E 6938594 N UTM Z14
SEPTEMBER 11 TO SEPTEMBER 15 2012

12-J4-070
522880 E 6938602 N UTM Z14
SEPTEMBER 11 TO SEPTEMBER 13 2012

11-LC-119, 12-LC-120, 12-LC-001, 12-L-002, 12-LC-003
517532 E 6940650 N UTM Z14
MARCH 28 TO APRIL 11 2012

12-LC-004
517584 E 6940530 N UTM Z14
APRIL 12 TO APRIL 18 2012

12-LC-009
517789 E 6940494 N UTM Z14
MAY 9 TO MAY 12 2012



12-LCE-004
519968 E 6939943 N UTM Z14
JULY 18 TO JULY 19 2012

12-LCM-001, 12-LCM-002, 12-LCM-003
519182 E 6939930 N UTM Z14
JUNE 13 TO JUNE 19 2012

12-LCM-004, 12-LCM-005
519301 E 6939945 N UTM Z14
JUNE 23 TO JULY 1 2012

12-LCM-006
519338 E 6939792 N UTM Z14
JULY 2 TO JULY 6 2012

12-LCM-007
519456 E 6939806 N UTM Z14
JULY 7 TO JULY 9 2012

12-LCM-010, 12-LCM-011
518960 E 6940039 N UTM Z14
JUNE 23 TO JUNE 30 2012

12-LCM-012A, 12-LCM-012B, 12-LCM-013
519096 E 6939980 N UTM Z14
JULY 2 TO JULY 7 2012

12-LCM-015
518223 E 6940358 N UTM Z14
JULY 13 TO JULY 17 2012

12-LCSW-001, 12-LCSW-002, 12-LC-013
517289 E 6940725 N UTM Z14
MAY 21 TO MAY 23 2012

12-LCSW-008, 12-LCSW-009
517358 E 6940637 N UTM Z14
JUNE 2 TO JUNE 5 2012

12-LCSW-010, 12-LCSW-011
517420.1 E 6940538.1 N UTM Z14
JUNE 6 TO JUNE 9 2012

12-OHM-001, 12-OHM-002
520297 E 6939477 N UTM Z14
JUNE 10 TO JUNE 13 2012

12-PL-001, 12-PL-002, 12-PL-003
518978 E 6940913 N UTM Z14
APRIL 22 TO APRIL 28 2012

12-PL-007, 12-PL-008, 12-PL-009
519022 E 6940912 N UTM Z14
MAY 4 TO MAY 9 2012

12-PL-010, 12-PL-011, 12-PL-012, 12-PL-013
519407 E 6940788 N UTM Z14
MAY 11 TO MAY 18 2012

12-PL-014, 12-PL-015, 12-PL-016
519447 E 6940758 N UTM Z14
MAY 19 TO MAY 24 2012

12-PL-020, 12-PL-021, 12-PL-022, 12-PL-023
519797 E 6940565 N UTM Z14
MAY 30 TO JUNE 3 2012

12-PL-024, 12-PL-025
519895.5 E 6940479 N UTM Z14
JUNE 4 TO JUNE 7 2012

12-PL-026, 12-PL-027
520126 E 6940324 N UTM Z14
JUNE 7 TO JUNE 10 2012

Kivalliq Energy Corp.
2012 RC Drill Site Coordinates
& Reclamation Photos

RC12-BIF-005, RC12-BIF-006
526936 E 6933842 N UTM Z14
JULY 16 TO JULY 19 2012

RC12-BIF-008
525541 E 6933360 N UTM Z14
JULY 23 TO JULY 25 2012

RC12-BZN-001, RC12-BZN-002
515670 E 6940549 N UTM Z14
JUNE 2 TO JUNE 4 2012

RC12-BZN-003, RC12-BZN-004
515582 E 6940598 N UTM Z14
JUNE 5 TO JUNE 8 2012

RC12-LC-001
518249 E 6940411 N UTM Z14
JUNE 29 TO JULY 2 2012

RC12-LC-002
518090 E 6940541 N UTM Z14
JULY 3 TO JULY 4 2012

RC12-NA-001
523953 E 6938761 N UTM Z14
JULY 5 TO JULY 5 2012

RC12-NA-002
519239 E 6940388 N UTM Z14
JULY 6 TO JULY 7 2012