KIVALLIQ ENERGY CORPORATION
WILDLIFE MITIGATION MEASURES
JANUARY 2008

INTRODUCTION

Kivalliq Energy Corporation is a Vancouver-based energy company committed to the exploration and development of resources within Canada.

Applications have been submitted to the Nunavut Water Board (water licence), Indian and Northern Affairs Canada (land use permit) and the Kivalliq Inuit Association (land use licence).

All employees and contractors of the company will be trained in the internal policies, procedures and made familiar with the Terms and Conditions of the project's licences and permits. Training will include, but not be limited to:

- Spill response
- Bear safety
- Safety
- Environmental policies
- Wildlife mitigation measures
- Caribou Protection Measures

Regional wildlife biologists, community members of Baker Lake, the Government of Nunavut, INAC and the Beverly and Qamanirjuaq Caribou Management Board (BQCMB) have identified areas in proximity of the Thelon as being important for wildlife, especially caribou as well as for historical/archaeological sites. This area supports a variety of wildlife. The following describes the efforts that the company will undergo to provide best management practices toward the protection and mitigations against disturbances to wildlife and sensitive areas. Suggestions and additional comments are welcomed and we will be contacting the local HTO's directly prior to the start of the field program.

INTERNAL POLICIES

Approaching and feeding wildlife is prohibited. There are absolutely no exceptions to this rule. If wildlife are present in the area, all employees and contractors are to avoid any contact with wildlife. These policies/regulations will be strictly enforced. Any employee or contractor who is found to be violating ay of these rules will find their employment terminated and removed from site immediately.

Harassment and disturbance of wildlife is prohibited. If any employees and contractors are approaching a work site and wildlife are in the area, this work site will be avoided until the animals have moved on a distance of 1km from the site. If den sites or nests are discovered during exploration activities, these locations will be recorded and avoided until they are no longer in use. The locations are to be provided to the KIA and the regional biologist. Nests and/or eggs are not to be moved or disturbed.

Hunting of wildlife is prohibited. While conducting business on behalf of Kivalliq Energy Corp., hunting is strictly forbidden. There are no exceptions to this rule.

Low-level aircraft and helicopter flights will be kept to a minimum. Low-level aircraft and helicopter flights will make efforts to avoid areas which are crucial migration, nesting and denning habitats. In the event of bad weather or an emergency when low-level flights are required, these instances will be recorded and reported to the KIA.

Airborne Geophysical Surveys - Prior to conducting any low-level airborne geophysical surveys the Kivalliq Inuit Association will be contacted and the following information will be provided; dates of surveys, location of surveys, how long the surveys will take to complete. As well, the locally hired wildlife monitors will be required to conduct a survey of the area to ensure that there are no wildlife present and will monitor for wildlife during the survey. If caribou and/or muskox are seen in the area, the geophysical survey will not be flown until they have moved a safe distance (at least 1 km) from the area to be surveyed.

Caribou Protection Measures are to be strictly followed. Special caribou protection measures are required for areas of Nunavut so as to avoid disturbance of migrating and calving herds. These are found in the DIAND Caribou Protection Measures. These measures include timing restrictions and safe distances for activities.

Bear Safety Training will be provided. All employees and contractors will receive Bear Safety Training. Bear safety information and material will be kept in a binder on site. All human-bear interactions are to be reported immediately to the KIA, the Government of Nunavut Department of Environment, Environment Canada, HTO's and the Government of Nunavut Wildlife Biologist.

Den sites will be avoided. All den sites are to be avoided. If a den site is discovered, the GPS coordinates will be recorded so that the site can be avoided. These coordinates will be provided to the appropriate regulatory authorities. No dens are to be disturbed. Any exploration activities will cease immediately.

The following buffers are provided (by the Government of the Northwest Territories) for active dens between the den and all exploration activities between May 1st and July 15th:

Wolves	800m buffer
Grizzly Bear	300m buffer
Wolverine	2km buffer
Fox	150m buffer

Breeding Birds are not to be disturbed. No eggs or nests are to be disturbed by any activities. If any employee or contractor comes across any active nests, they are to cease all activities immediately to ensure that the nest is not disturbed. Coordinates are to be recorded on the wildlife sighting sheets and these coordinates are to be reported to Environment Canada. Moving or disturbing the nest of a migratory bird is in contravention of the *Migratory Birds Convention Act.*

The peregrine falcon has been identified as species of Special Concern by COSEWIC. If any nests are found, a buffer must be maintained. A 1.5 km buffer is recommended for the peregrine falcon. Any nests discovered will be recorded and the GPS coordinates provided to the applicable regulatory authorities and interested parties.

Sightings of wildlife will be recorded. Sightings of wildlife will be recorded by all employees and contractors on the wildlife sightings sheets provided by the company (approved by the KIA). This information will be reported in monthly reports to the Kivalliq Inuit Association and the regional biologist and will also be reported in the annual reports provided to various regulatory agencies.

Aquatic Life will be protected. Working in and around waterbodies must be done in such a way that prevents disturbance to aquatic life and habitat.

Waterlines must be properly placed and screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" (DFO). No wastes are to enter any water-bodies. This includes any discharge from any exploration camp.

All sumps, fuel caches and camps must be located at least 31 metres from the high water mark of any water-body unless otherwise approved by the appropriate regulatory authority.

Waste will be managed properly. Proper food storage and handling of cooking wastes will prevent problems with attracting wildlife. Nuisance wildlife will be reported immediately.

Firearms will only be carried for safety reasons. Firearms may be carried for safety reasons, but only if such firearms are properly registered and stored in accordance with applicable legislation. All firearm discharges must be reported to the Project Manager.

Archaeological sites will be recorded and are not to be disturbed. If any archaeological sites are discovered they are not to be disturbed, the GPS coordinates will be recorded and reported to the Government of Nunavut and the Kivalliq Inuit Association.

All incidents and/or bear interactions will be reported immediately.

Report bear sightings/incidents and large herd sightings to:	
Arviat GN Wildlife Biologist	867-857-2976
Baker Lake GN Wildlife Biologist	867-793-2944
Rankin Inlet GN Wildlife Biologist	867-645-8083
KIA – Land Use Inspector	867-645-2800

MITIGATION MEASURES

CARIBOU

A one (1) km buffer will be used as a measure of a safe distance for working in areas where caribou are present. If caribou come within 1km of any work site, work activities will cease until the caribou have moved safely beyond (1km) of the area.

Helicopter flights will maintain a 300m altitude whenever possible. Absolutely no landings will be allowed in areas where caribou are present. Helicopter and aircraft pilots will be instructed that they are not to fly over the caribou calving grounds on their way to or from the project area.

Crossings – Between May 15 and September 1, no fuel cache will be established, and no blasting is to occur within 10km of a "designated caribou crossing". As well, no drilling is to be conducted within 5km. Absolutely no activities will act as a block or in any way cause a diversion to migration of caribou.

Airborne Geophysical Surveys – Prior to conducting any low-level airborne geophysical surveys the Kivalliq Inuit Association will be contacted and the following information will be provided; dates of surveys, location of surveys, how long the surveys will take to complete. As well, the locally hired wildlife monitors will be required to conduct a survey of the area to ensure that there are no wildlife present and will monitor for wildlife during the survey. If caribou and/or muskox are seen in the area, the geophysical survey will not be flown until they have moved a safe distance (at least 1 km) from the area to be surveyed.

BEARS AND OTHER CARNIVORES

Known dens will be avoided. Any new dens discovered will be reported to the regional wildlife biologist and the KIA and avoided.

If bears are present in the area, work will cease until the bears have moved safely out of the area.

All human-bear interactions will be reported immediately.

APPENDIX I

CARIBOU PROTECTION MEASURES

APPENDIX H

DIAND Caribou Protection Measures

1. (a) The Permittee shall not, without approval, conduct any activity between May 15 and July 15 within the Caribou Protection Areas depicted on the map certified by the Engineer as the "Caribou Protection Map" and annexed to this Land Use Permit.

   (b) A Permittee may, upon approval by the Land Use Inspector, operate within the said Caribou Protection Areas beyond the May 15 deadline set out in 1(a), provided that, when monitoring information indicates that caribou cows are approaching the area of operation, the Permittee will implement 1(c).

   (c) On cessation of activities pursuant to 1(a) or 1(b), the Permittee will remove from the zone all personnel who are not required for the maintenance and protection of the camp facilities and equipment, unless otherwise directed by the Land Use Inspector.

   (d) The Permittee may commence or resume activities prior to July 15 within those parts of the Caribou Protection Areas released by the Land Use Inspector for the reason that caribou cows are not expected to use those parts for calving or post-calving (note 1).

2. (a) In the event that caribou cows calve outside of the Caribou Protection Areas, the Permittee shall suspend operations within the area(s) occupied by cows and/or calves between May 15 and July 15.

   (b) In the event that caribou cows and calves are present, the permittee shall suspend:

   (i) blasting;

   (ii) overflights by aircraft at any altitude of less that 300 meters above ground level; and

   (iii) the use of snowmobiles and ATVs (all-terrain vehicles) outside the immediate vicinity of the camp.

NOTE

1. The Land Use Inspector's decision will be based on the existing caribou information.
2. Concentrations of caribou should be avoided by low-level aircraft at all times.

3. (a) During migration of caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion to migration.
   (b) The Permittee shall cease activities that may interfere with migration, such as airborne geophysics surveys or movement of equipment, until the migrating caribou have passed.

4. (a) The Permittee shall not, between May 15 and September 1, construct any camp, cache any fuel, or conduct any blasting within 10 kilometres of any "Designated Crossing" as outlined on the map certified by the Engineer as the "Caribou Protection Map" and annexed to this Land Use Permit.
   (b) The Permittee shall not, between May 15 and September 1, conduct any diamond drilling operation within 5 kilometres of any "Designated Crossing" as outlined on the map certified by the Engineer as the "Caribou Protection Map" and annexed to this Land Use Permit.

KIA Sample Land Use Permit Caribou and Muskox Protection Conditions

35. The Permittee is given permission to conduct the approved land use operations between May 15 and July 15, provided that when caribou and muskox cows are approaching the area of operation, the Permittee shall cease blasting, overflights by aircraft at any altitude less than 300 meters above ground level, and the use of snowmobiles and ATVs (all-terrain vehicles) outside the immediate vicinity of the camp. Other activities shall also be suspended if caribou approach the immediate vicinity of the specific operation and the monitoring work (described in another clause) indicates that there is stress on the animals.

36. During the presence of caribou and muskox within sight and sound of a camp, all personnel will remain quietly in camp.

37. The Permittee may resume activities prior to July 15 if the caribou and muskox cows have ceased to use the area for calving and post-calving.

39. The Permittee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.

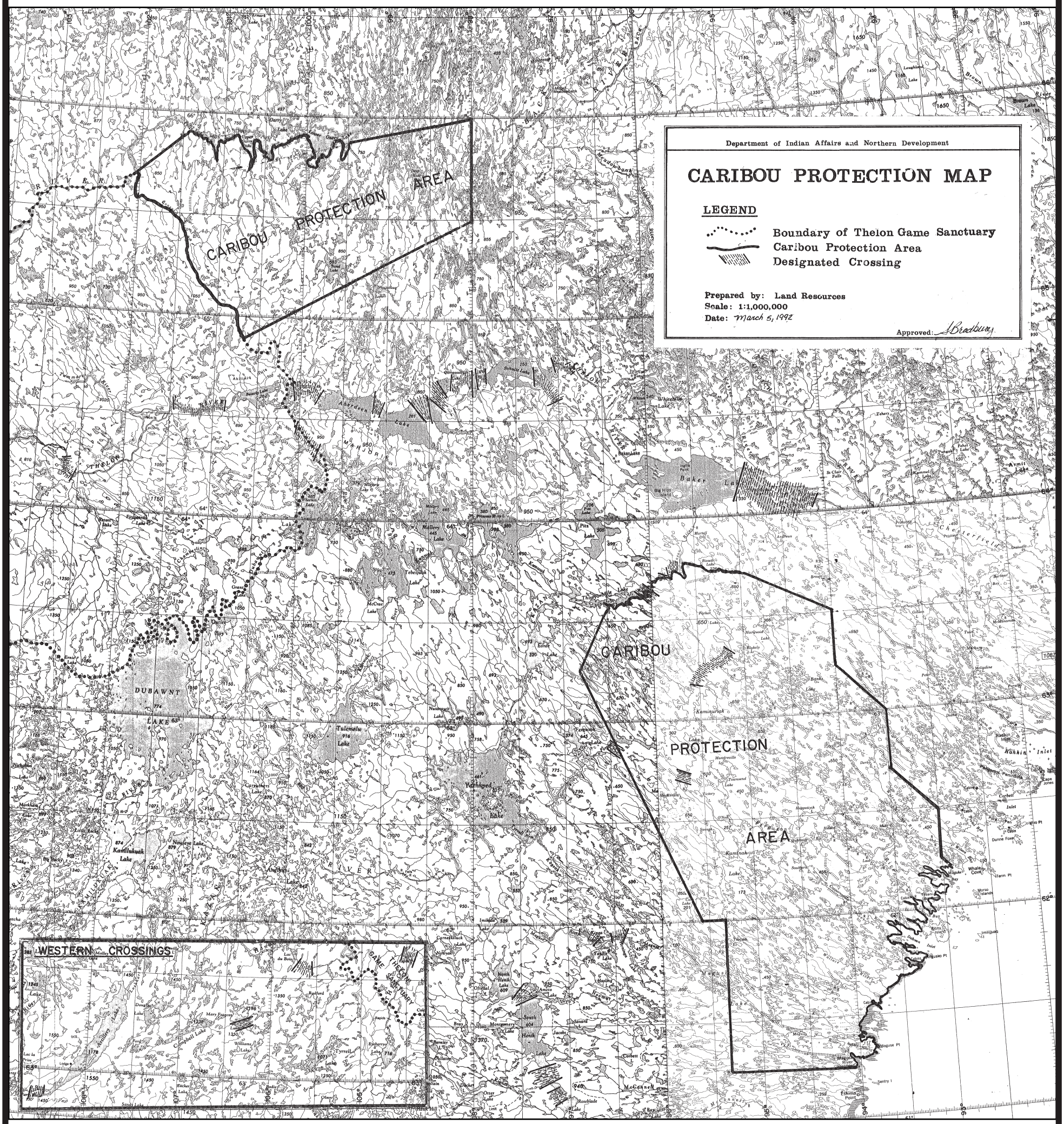
40. The Permittee shall cease activities that may interfere with migration or calving, such as airborne geophysics surveys or movement of equipment, until the migrating caribou have passed.

41. The Permittee shall not conduct any operation within 5 km of any "Designated Crossing" as outlined on the map annexed to this Land Use Permit.

From KIA Land Use Permit BHP 197C141

APPENDIX II

MAP OF CARIBOU PROTECTION AREAS

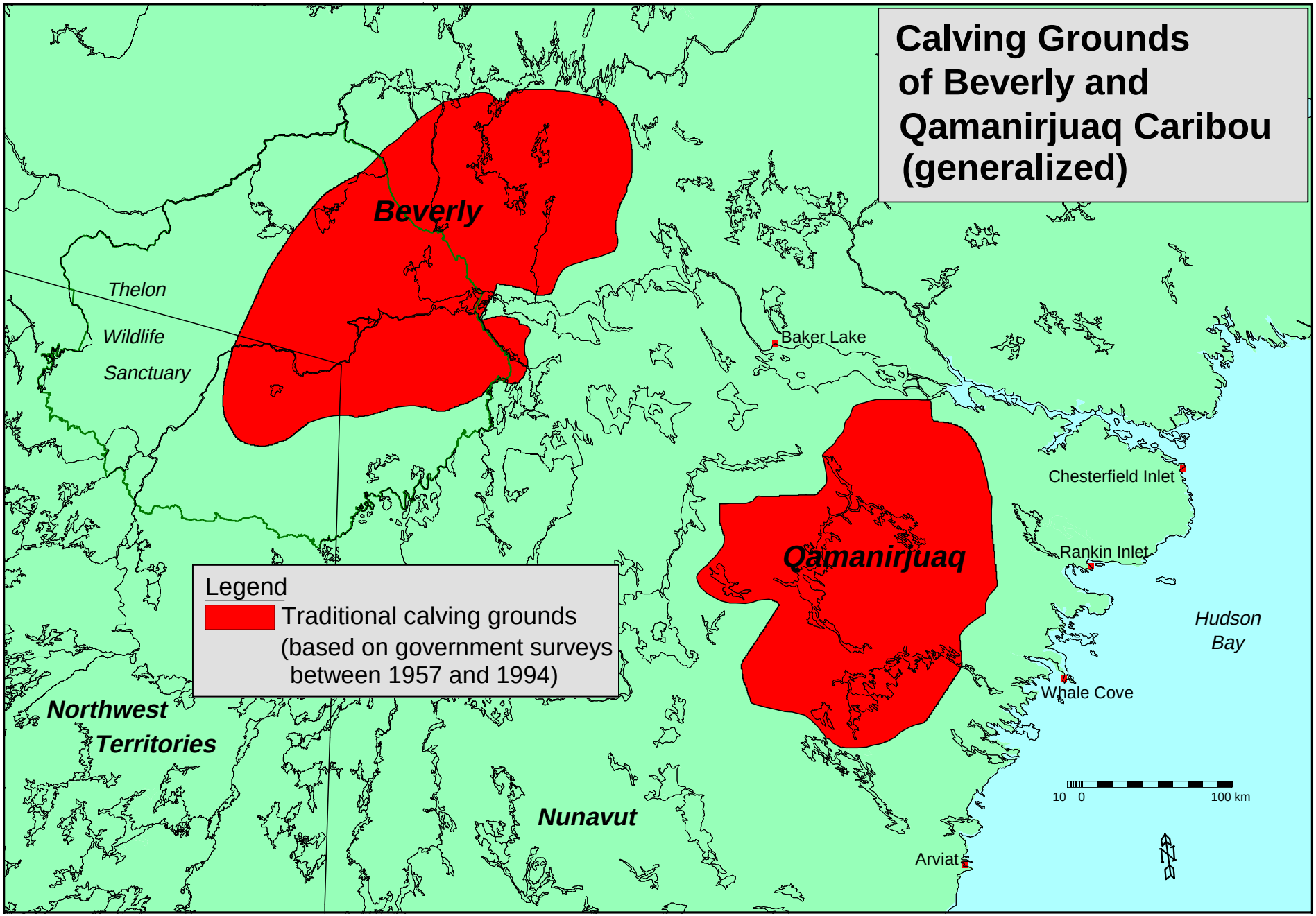


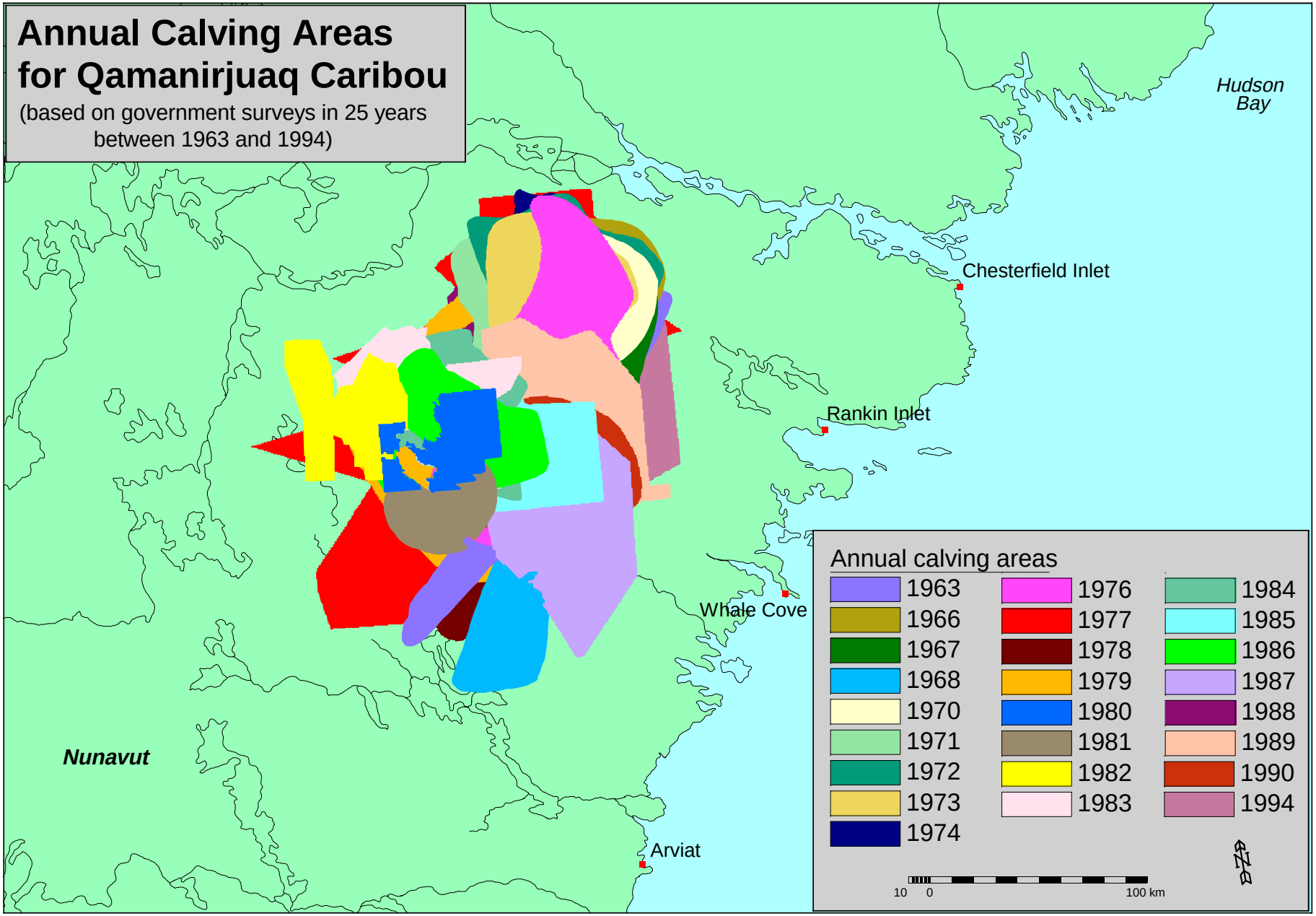
Department of Indian Affairs and
Northern Development Caribou Protection Map

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APPENDIX III

MAPS FROM THE BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD


Calving Grounds of Beverly and Qamanirjuaq Caribou (generalized)
Beverly
Qamanirjuaq
Thelon
Wildlife
Sanctuary
Baker Lake
Chesterfield Inlet
Rankin Inlet
Whale Cove
Arviat
Hudson Bay
Northwest Territories
Nunavut
Legend
Traditional calving grounds
(based on government surveys between 1957 and 1994)
10 0 100 km


Annual Calving Areas
for Qamanirjuaq Caribou
(based on government surveys in 25 years
between 1963 and 1994)
Hudson
Bay
Chesterfield Inlet
Rankin Inlet
Whale Cove
Arviat
Nunavut
Annual calving areas
1963
1966
1967
1968
1970
1971
1972
1973
1974
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1994
10 0 100 km

APPENDIX IV

WILDLIFE SIGHTING SHEETS

WILDLIFE SIGHTINGS FOR CAMP

Species	Age (Adult, calf)	Direction	Date	Time	Observed by