

**Form 51-102F3**  
**Material Change Report**

**Name and Address of Company**

Kivalliq Energy Corporation (the “Company” or “Kivalliq”)  
1440 – 625 Howe Street, Vancouver, BC V6C 2T6

**Date of Material Change**

May 27<sup>nd</sup>, 2009 and June 1<sup>st</sup>, 2009

**News Release**

The Company issued a news release May 26 and June 1<sup>st</sup>, 2009 and disseminated them through the facilities of CCN Matthews, filed with SEDAR, posted on the Company’s website ([www.kivalliqenergy.com](http://www.kivalliqenergy.com)), [www.kitco.com](http://www.kitco.com), and emailed to the Company’s internal database of interested persons.

**Summary of Material Change**

The Company has received TSX Venture Exchange approval and subsequently closed its \$1.5 million Private Placement. The Company also completed a 600 line kilometre ground geophysical survey of the Lac Cinquante property.

**Full Description of Material Change**

The Company announced the closing of a non-brokered private approved by the TSX Venture Exchange totalling \$1,565,000 CDN. At closing, Kivalliq issued 5,180,000 flow-through units through two separate tranches at a price of \$0.20 per unit, to raise proceeds of \$1,036,000. The warrants associated with the flow-through financing expire May 14, 2011 and May 27, 2011. The Company also issued 2,745,000 non-flow-through units, at a price of \$0.20 per unit, to raise proceeds of \$529,000. The warrants associated with the non-flow-through financing expire May 27, 2011. All of the shares and any shares issued upon exercise of the units and the units comprising the compensation option are subject to a hold period and may not be traded in Canada until September 15, 2009 and September 28, 2009 respectively, except as permitted by applicable Canadian securities laws and the TSX Venture Exchange.

The Company also announced the successful completion of a 600 line km ground geophysical survey at the Angilak Project in Nunavut. Results from the ground geophysical survey have clearly identified a nine kilometre long trend of parallel Very Low Frequency Electromagnetic (VLF-EM) conductors. This trend includes the prominent VLF-EM anomaly known to be associated with the Lac Cinquante Uranium Deposit, reported to contain 20.4 million pounds of uranium oxide grading in excess of 1% (not compliant with National Instrument 43-101).\*\*

This nine kilometre long trend of parallel VLF-EM conductors will now be referred to as “the Lac Cinquante geophysical trend.” A VLF-EM conductor specifically associated with the Lac Cinquante deposit can be traced for seven kilometres to the south east and may represent a possible extension onto ground previously held by Urangesellschaft MbH, where earlier work failed to recognize the orientation and style of mineralization present at Lac Cinquante. The Lac Cinquante trend also extends 1.6 kilometres to the northwest, beyond the western margin of the historic uranium deposit. In addition, over 20 significant uranium surface showings are related to VLF-EM anomalies within the Lac Cinquante trend, representing excellent exploration targets nearby.

**2009 Geophysics**

The ground geophysical surveying was carried out on the Angilak property between April 25 and May 22, focussing on previous VLF-EM anomalies and associated mineralized zones at Lac Cinquante. This is the first comprehensive ground survey completed in the region in over 25 years. Orientation surveys testing a variety of methods were first performed over the deposit “main zone” to confirm the geophysical signature and determine best techniques for surveying. Magnetic and VLF-EM methods were selected to complete the 600 line kilometre survey after recognizing a clear correlation between anomalous trends, structure and lithology that hosts the Lac Cinquante deposit.

The ground survey covers an area measuring 14 by 4 kilometres, using 100 metre line spacing, with more detailed surveying carried out in critical areas. The ground survey also straddles the contact, or unconformity between basement Archean rocks and overlying Proterozoic sediments, an important geological feature key to many uranium deposits worldwide.

The summer field program on the Angilak property is expected to commence in July, and data from this ground survey will be instrumental when planning and implementing the remainder of the 2009 program.

#### **QA/QC**

Aurora Geosciences Ltd. of Yellowknife, NT has been contracted to operate and oversee technical aspects of the ground geophysical program on the Angilak Project. Georges Belcourt, P.Geoph. is the Qualified Person for the purposes of National Instrument 43-101. Disclosure of a technical nature contained in this release has also been reviewed and approved by Jeff Ward, P.Geo (Vice President Exploration) and Rob Carpenter, Ph.D., P.Geo (Chairman) who are also Qualified Persons for the purposes of National Instrument 43-101.

#### **Omitted Information**

No information has been omitted on the basis that it is confidential information

#### **Executive Officer**

Selina Collins, Corporate Secretary                      Telephone:              604-646-4527.

DATED at Vancouver, BC, this the 1st day of June, 2009.