

Form 51-102F3
Material Change Report

Name and Address of Company

Kivalliq Energy Corporation (the “Company” or “Kivalliq”)
1020 – 800 Pender Street W, Vancouver, BC V6C 2V6

Date of Material Change

January 10th, 2012

News Releases

The Company issued a news release on January 10th, 2012 and disseminated it through the facilities of CCN Matthews, filed with SEDAR, posted on the Company’s website (www.kivalliqenergy.com), and emailed to the Company’s internal database of interested persons.

Summary of Material Changes

The Company announced assay results from diamond drilling at the Blaze/Spark, Pulse and Joule Zones. These zones were discovered through drilling in 2010 and 2011 and are all located within a 3.0 kilometre radius of the high grade Lac Cinquante uranium deposit. Exploration Drilling Highlights (down hole intercepts) include: 0.62% U₃O₈, 1.6 g/t Ag, 0.01% Cu, over 0.7 metres in 11-523-001 (Pulse); 0.44% U₃O₈, 12.8 g/t Ag, 0.59% Cu, over 2.3 metres in 11-523-002 (Pulse); 0.21% U₃O₈, 7.5 g/t Ag, 0.03% Cu, over 3.4 metres in 11-523-002 (Pulse); 0.43% U₃O₈, 16.3 g/t Ag, 0.27% Cu, over 7.6 metres in 11-BZ-020 (Blaze); 0.90% U₃O₈, 17.0 g/t Ag, 0.25% Cu, over 2.1 metres in 11-BZ-021 (Blaze); 0.49% U₃O₈, 12.3 g/t Ag, 0.03% Cu, over 1.5 metres in 11-BZ3-001 (Spark).

Full Description of Material Change

The Company provided assay results from 1,732 metres of diamond drilling in 14 holes conducted in 2011 at the Blaze/Spark, Pulse and Joule Zones. These zones, discovered through drilling in 2010 and 2011, are all located within a 3.0 kilometre radius of the high grade Lac Cinquante uranium deposit, within the 225,000 acre Angilak Property in Nunavut, Canada. All assays have now been reported for core drilled in 2011.

Exploration Drilling Highlights*:

- 0.62% U₃O₈, 1.6 g/t Ag, 0.01% Cu, over 0.7 metres in 11-523-001 (Pulse)
- 0.44% U₃O₈, 12.8 g/t Ag, 0.59% Cu, over 2.3 metres in 11-523-002 (Pulse)
- 0.21% U₃O₈, 7.5 g/t Ag, 0.03% Cu, over 3.4 metres in 11-523-002 (Pulse)
- 0.43% U₃O₈, 16.3 g/t Ag, 0.27% Cu, over 7.6 metres in 11-BZ-020 (Blaze)
- 0.90% U₃O₈, 17.0 g/t Ag, 0.25% Cu, over 2.1 metres in 11-BZ-021 (Blaze)
- 0.49% U₃O₈, 12.3 g/t Ag, 0.03% Cu, over 1.5 metres in 11-BZ3-001 (Spark)

*Down hole intercepts

“These results demonstrate our success at identifying a growing number of mineralized targets near the resource area,” stated President Jeff Ward. “The encouraging values from exploration drilling have

verified our targeting techniques on previously untested conductive trends parallel to Lac Cinquante main zone.”

Pulse

Two diamond drill holes tested the Pulse zone, part of a 3.0 kilometre long VLF EM conductive trend situated 650 metres northeast and parallel to the Lac Cinquante uranium deposit. The holes were drilled to follow up on a mineralized zone identified by anomalous radioactivity in 9 out of 10 reverse circulation (“RC”) test holes along 600 metres of strike length. Preliminary interpretations suggest that mineralization occurs within structurally controlled sheared basalt similar to that found at the Lac Cinquante Western Extension and as pitchblende bearing brecciated quartz carbonate veins. Due to its close proximity to Lac Cinquante and the geological similarities noted, Pulse represents a high priority drill target for the upcoming 2012 exploration campaign.

Blaze

Four holes at Blaze were drilled to test the down dip continuity of the mineralized cross cutting quartz carbonate vein intersected by DDH 11-BZ-010 (announced June 20, 2011) and to investigate the structural controls for mineralization at Blaze. Results suggest the 11-BZ-010 vein has an estimated true width of 1.5 metres to 3.8 metres to a vertical depth of at least 85 metres and that other similarly oriented crosscutting mineralized veins are present.

Spark

A single diamond drill hole tested the Spark zone, a northwest trending linear VLF EM conductor located approximately 500 metres west of Blaze. Mineralization is hosted in altered basalt on the upper contact of a narrow laminated tuff unit. 11-BZ3-001 was drilled to follow up on anomalous radioactivity indicated by 4 out of 8 RC test holes targeting the center of the BZ3 anomaly.

Joule (JML anomaly)

Four holes confirmed U₃O₈ values along 25 metres of strike length at the JML anomaly, an east-west trending VLF-EM conductor in the Joule Valley, located 7.0 kilometres southeast of Lac Cinquante. The holes tested anomalous radioactivity identified by 8 RC test holes along 250 metres of strike length.

Also in the Joule area, two core holes tested the J9 anomaly 4.5 kilometres southeast of Lac Cinquante. Drill hole 11-J9-001 intersected a narrow quartz carbonate vein in basalt with anomalous U₃O₈ values.

For a summary of the 2011 exploration program at Angilak, please see the news release from October 18, 2011. To view updated drill plan maps and tables please visit:

http://kivalliqenergy.com/projects/angilak/program_images/

2011 Exploration Diamond Drill Hole Weighted Assay Results*								
DDH	From (m)	To (m)	Interval (m)	U₃O₈ (%)	Cu (%)	Ag (g/t)	Mo (%)	Prospect
11-BZ-020	45.5	53.1	7.6	0.43	0.27	16.3	0.07	Blaze
	61.2	61.8	0.6	0.17	0.03	1.4	0.00	Blaze
	91.7	95.0	3.3	0.08	0.01	1.4	0.01	Blaze
	140.8	141.2	0.4	0.21	0.02	1.8	0.00	Blaze
11-BZ-021	34.1	36.1	2.1	0.90	0.25	17.0	0.06	Blaze
	68.4	75.6	7.2	0.15	0.22	7.0	0.05	Blaze
11-BZ-022	18.1	18.5	0.4	2.75	0.24	24.7	0.08	Blaze
	21.4	22.6	1.2	0.09	1.69	16.9	0.09	Blaze
	72.6	73.2	0.6	0.30	0.44	30.4	0.19	Blaze

	79.6	86.7	7.1	0.14	0.10	19.0	0.09	Blaze
11-BZ-023	31.3	34.6	3.4	0.15	0.64	8.4	0.05	Blaze
	86.1	86.5	0.4	0.13	0.01	1.1	0.09	Blaze
11-523-001	53.5	53.8	0.4	0.12	0.01	0.4	0.01	Pulse
	66.3	67.0	0.7	0.62	0.01	1.6	0.04	Pulse
11-523-002	68.0	70.3	2.3	0.44	0.59	12.8	0.02	Pulse
	86.7	90.1	3.4	0.21	0.03	7.5	0.06	Pulse
11-BZ3-001	54.1	55.6	1.5	0.49	0.03	12.3	0.07	Spark
11-J9-001	30.3	31.1	0.8	0.23	0.04	1.5	0.00	J9
11-JML-001	22.1	25.8	3.7	0.05	0.00	0.1	0.00	JML
11-JML-002	39.2	40.3	1.1	0.13	0.05	3.5	0.00	JML
11-JML-003	51.5	53.0	1.5	0.11	0.05	0.5	0.00	JML
11-JML-004	50.3	50.6	0.3	0.11	0.03	17.0	0.00	JML

*All samples subject to ICP 1 Analysis by SRC in Saskatoon, SK. ICP1 results >1000 ppm U are subject to SRC U₃O₈ Assay; ICP1 results for Cu, Mo and Ag are reported by SRC in parts per million (ppm). 1 ppm = 1gm/t, 10000 ppm = 1%; Intervals include ICP U analysis in ppm converted to U₃O₈%. Conversion to U₃O₈% = ppm x 0.01179%. Intervals reported are down-hole and true widths are not known at this time. Two exploratory diamond drill holes 11-J9-002 and 11-AG-001 did not intersect mineralization.

QA/QC

Samples from the 2011 drilling program comprised half split NQ drill core, assayed in 0.25 to 1.5 metre intervals and weighted for results in table. All samples were analyzed for U₃O₈ and a multi-element suite by Saskatchewan Research Council (SRC) Geoanalytical Laboratories. The SRC facility operates in accordance with ISO/IEC 17025:2005 (CAN-P-4E), General Requirements for the Competence of Mineral Testing and Calibration laboratories and is accredited by the Standards Council of Canada. The samples are first analyzed by SRC's ICP-OES multi-element Uranium exploration ICP1 method. The method analyzes for multi-elements including Ag, Mo, Cu, Pb, Zn and a suite of rare earth elements. ICP results U>1000 parts per million (ppm) are analyzed using SRC's ISO/IEC 17025:2005-accredited U₃O₈ Assay method. Laboratory quality control (QC) includes a repeat analysis on every 20th sample. Repeat samples had good reproducibility. Kivalliq's QC included the insertion of blanks and standards into the sample inventory at the project site prior to shipment in sealed containers. All QC results were within expectations.

Disclosure of a technical nature contained in this release has been reviewed and approved by Kivalliq's President, Jeff Ward, P.Geo. Mr. Ward is the Qualified Person for the purposes of National Instrument 43-101.

About Kivalliq Energy Corporation

Kivalliq Energy Corporation is a uranium exploration and development company, and the first company in Canada to sign a comprehensive agreement with the Inuit of Nunavut to explore for uranium on Inuit Owned Lands in Nunavut.

With an NI 43-101 compliant Inferred Mineral Resource of 810,000 tonnes grading 0.79% U₃O₈, totaling 14.15 million lbs U₃O₈ (17.5 lbs U₃O₈/tonne) at a 0.2% U₃O₈ cut-off grade, the Lac Cinquante Deposit is Canada's highest grade uranium deposit outside of the Athabasca Basin. Kivalliq's flagship project, the 225,000 acre Angilak Property in Nunavut, hosts the high-grade Lac Cinquante deposit, along with nine additional high priority target areas. Since acquiring the Angilak Property in 2008, the Company has

invested approximately \$30 million conducting systematic exploration, including ground and airborne geophysics, geological mapping, prospecting and approximately 48,000 meters of RC and diamond drilling.

Omitted Information

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

Executive Officer

Jeff Ward, President

Telephone: 604-646-4527.

DATED at Vancouver, BC, this the 11th day of January, 2012.