

**FORM 51-102F3**

**Material Change Report**

**ITEM 1. REPORTING ISSUER**

Kivalliq Energy Corporation (the "Issuer")  
Suite 1020, 800 W. Pender St.  
Vancouver, British Columbia, V6C 2V6

**ITEM 2. DATE OF MATERIAL CHANGE**

October 15, 2013

**ITEM 3. PRESS RELEASE**

Issued October 15, 2013 and distributed through the facilities of Canadian News Wire, via Canadian Mining Disclosure Network, and Blender Media to the Issuer's email list. The news release was also posted to the Issuer's website ([www.kivalliqenergy.com](http://www.kivalliqenergy.com)) and the Aurora Mineral Resource Group's website ([www.auroraresource.com](http://www.auroraresource.com)).

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Issuer announced a strategic addition to the Issuer's project portfolio through a transaction with Pacific Ridge Exploration Ltd. ("Pacific Ridge", TSX-V: PEX) to acquire a uranium exploration property in the prospective Baker Lake Basin of Nunavut Territory, Canada.

**ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE**

See attached News Release.

**ITEM 6. RELIANCE ON SUBSECTION 7.1(3) OF NATIONAL INSTRUMENT 51-102**

Not applicable. This report is not being filed on a confidential basis

**ITEM 7. OMITTED INFORMATION**

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

**ITEM 8. EXECUTIVE OFFICER**

Contact: James Paterson

Telephone: 604-646-4527

**ITEM 9. DATE OF REPORT**

DATED at Vancouver, B.C., this 16<sup>th</sup> day of October, 2013.

## **Kivalliq Acquires Baker Basin Uranium Property in Nunavut Territory, Canada**

**Tuesday October 15, 2013**

**Vancouver, British Columbia**

Kivalliq Energy Corporation ("Kivalliq", TSX-V: KIV) has made a strategic addition to the Company's project portfolio through a transaction with Pacific Ridge Exploration Ltd. ("Pacific Ridge", TSX-V: PEX) to acquire a uranium exploration property in the prospective Baker Lake Basin of Nunavut Territory, Canada.

Kivalliq will, subject to all necessary approvals, acquire 100% of Pacific Ridge's ownership interest in the Baker Basin Uranium Property:

- 232,262 acres on the southern boundary of the highly prospective Baker Lake Basin of Nunavut Territory
- Multiple target zones based on results from work by previous exploration groups; public disclosure states aggregate expenditures in excess of CDN\$7.1 million since 2006
- Highlight down hole intervals from publicly disclosed drill assay data from previous exploration groups includes:
  - 0.56% U<sub>3</sub>O<sub>8</sub> over 5.5m (within a broader interval of 0.31% U<sub>3</sub>O<sub>8</sub> over 11.5m) and 0.27% U<sub>3</sub>O<sub>8</sub> over 5.8m at the KZ Zone (PEX press release Oct. 18, 2006)
  - 0.51% U<sub>3</sub>O<sub>8</sub> over 9.0m (within a broader interval of 0.30% U<sub>3</sub>O<sub>8</sub> over 17.3m) and 0.35% U<sub>3</sub>O<sub>8</sub> over 10.0m at the Lucky 7 Zone (PEX press release Oct. 2, 2007)
- Summary of terms for Kivalliq to acquire 100% of Pacific Ridge's Baker Basin Property interest:
  - 600,000 shares KIV; \$55,000 cash payment; \$70,000 private placement purchase of PEX units

"Kivalliq continually evaluates projects worldwide to increase our exposure to high quality uranium assets. We believe that the current value proposition of the Baker Basin Property was too great an opportunity to pass up," stated Jim Paterson, Kivalliq's CEO. "Our extensive northern exploration experience, as well as our relationships and award winning environmental track record in Nunavut Territory, give Kivalliq a competitive advantage to rapidly advance the Baker Basin Property."

For Baker Basin Property information: [www.kivalliqenergy.com/angilak/baker\\_basin/](http://www.kivalliqenergy.com/angilak/baker_basin/)

The Baker Basin Property is made up of 95 claims totalling 232,262 acres, located 60 kilometres south of the hamlet of Baker Lake, Nunavut Territory, Canada. Areva's Kiggavik uranium project (133 million lb mineral resource at 0.55% U<sub>3</sub>O<sub>8</sub>, Areva, Fourth IPEGC, Vancouver January 24, 2012) is located approximately 80 kilometres west of Baker Lake and Agnico Eagle's Meadowbank gold mine (358,000 oz Au/year production: <http://www.agnicoeagle.com>) is located 70 kilometres north of Baker Lake.

The hamlet of Baker Lake is an important regional centre for mineral exploration and development in Nunavut; providing access to ocean shipping lanes, year-round airport facilities, and local capacity to provide all needed operational support services and supplies.

### **Previous Exploration**

Prior groups exploring the Baker Basin property completed airborne radiometric surveys in 1969 and 1974 that defined a trend of uranium targets along the 60 kilometre length of the prospective southern boundary area of the Baker Lake Basin. Follow-up programs by New Continental Oil, Pan Ocean, Cominco and Noranda from 1969 to 1981 outlined multiple anomalous targets. Uranium exploration programs were based primarily on the Athabasca Basin Unconformity Hosted Uranium model and later focused on Kiggavik style mineralization. No significant uranium exploration occurred after the early 1980s until Pacific Ridge initiated a comprehensive program in 2006.

### **Recent Exploration**

Recent exploration, from 2006 to 2008 by Pacific Ridge and project joint venture partner Aurora Energy Resources Inc., also focused on the “Kazan Type Model”, where uranium mineralization is found peripheral to lamprophyre dykes hosted by high angle structural shears within the Proterozoic Kazan Formation sandstone.

Pacific Ridge, and joint venture partner Aurora Energy Resources Inc., spent over CDN\$7.1 million evaluating and advancing near-surface structurally controlled uranium targets and made several significant discoveries (Lucky 7 Zone, TK Zone, Niner Zone and 7-One Zone) which have not been fully evaluated. From existing datasets, the property offers a number of compelling uranium targets, including two zones which Kivalliq considers drill ready. “Pacific Ridge’s success in making new and important uranium discoveries, which were not advanced by the subsequent operator, makes the entire Baker Basin Property ripe for a systematic and targeted exploration campaign,” stated Jeff Ward, Kivalliq’s President.

#### **Kivalliq Exploration Priorities**

Priorities for Kivalliq include immediate compilation of all available data to rank uranium occurrences and targets for future drilling. Plans and budgets for the Baker Basin Property will be disclosed after review of existing data has been completed.

#### **Terms for the Acquisition of the Baker Basin Uranium Property**

Subject to receipt of all necessary approvals, Kivalliq will acquire 100% of Pacific Ridge’s interest, i.e. 100% interest in all minerals except diamonds, in the Baker Basin Property, by:

- issuing to Pacific Ridge 600,000 common shares of Kivalliq at a deemed price of \$0.25 per share;
- making a cash payment of \$55,000 to Pacific Ridge
- investing \$70,000 in Pacific Ridge via a purchase of 1,400,000 units, at a price of \$0.05 per unit; each unit consisting of one common share and one-half of one share purchase warrant, with each whole warrant exercisable into one common share at a price of \$0.10 for 12 months from the date of issuance.

The securities issued as part of the transaction will be subject to customary hold periods. The Baker Basin Property is subject to certain royalties. For disclosure on previous agreements between Kivalliq and Pacific Ridge related to the Baker Basin Property, please see Kivalliq’s Annual Management Discussion and Analysis of September 30, 2008 and Kivalliq’s subsequent annual financial statements and MDA.

#### **QA/QC**

Jeff Ward, P.Geo, President of Kivalliq and a Qualified Person for Kivalliq, has reviewed and approved the publicly available scientific and technical information by previous exploration groups contained in this release. For disclosure related to the inferred resource for the Lac 50 Trend uranium deposit, please refer to Kivalliq’s news release of March 1, 2013.

#### **About Kivalliq Energy Corporation**

Kivalliq Energy Corporation (TSX-V: KIV) is a Vancouver-based uranium exploration company holding Canada’s highest-grade uranium resource outside of Saskatchewan’s Athabasca Basin. Its flagship project, the 340,268 acre Angilak Property in Nunavut Territory, hosts the Lac 50 Trend with a NI 43-101 Inferred Resource of 2,831,000 tonnes grading 0.69% U<sub>3</sub>O<sub>8</sub>, totaling 43.3 million pounds U<sub>3</sub>O<sub>8</sub>. Kivalliq’s comprehensive exploration programs continue to advance the Lac 50 Trend and demonstrate the “District Scale” potential of the Angilak Property.

Kivalliq’s team of northern exploration specialists have forged strong relationships with sophisticated resource sector investors and project partner Nunavut Tunngavik Inc. (“NTI”) in order to advance the Angilak Property. Kivalliq was the first company to sign a comprehensive agreement to explore for uranium on Inuit Owned Lands in Nunavut Territory, Canada and is committed to building shareholder value while adhering to high levels of environmental and safety standards and proactive local community engagement.

#### **On behalf of the Board of Directors**

"Jim Paterson"

James R. Paterson, CEO  
Kivalliq Energy Corporation

For further information about Kivalliq Energy Corporation or this news release, please visit our website at [www.kivalliqenergy.com](http://www.kivalliqenergy.com) ([m.kivalliqenergy.com](http://m.kivalliqenergy.com)) or contact Investor Relations toll free at 1.888.331.2269, at 604.646.4527, or by email at [info@kivalliqenergy.com](mailto:info@kivalliqenergy.com)

Kivalliq Energy Corporation is a member of the Aurora Mineral Resource Group of companies, for more information please visit [www.auroraresource.com](http://www.auroraresource.com).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain disclosures in this release, including the budget and exploration program proposed for the Angilak Property, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors relating to Kivalliq's operations as a mineral exploration company that may cause future results to differ materially from those expressed or implied in such forward-looking statements, including risks as to the completion of the plans and projects. Readers are cautioned not to place undue reliance on forward-looking statements. Other than as required by applicable securities legislation, Kivalliq expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Cautionary Note concerning estimates of Inferred Resources:

This news release uses the term "inferred resources". Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Kivalliq advises U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.