

August 23, 2016

**Kivalliq Announces FALCON Airborne Gravity Gradiometer Survey Targets
Genesis Property, Saskatchewan**

Vancouver, British Columbia – Kivalliq Energy Corporation (TSX-V:KIV) (“Kivalliq”) today announced results of an integrated analysis of fixed-wing Falcon Airborne Gravity Gradiometer (“AGG”) and total field magnetic surveys undertaken over select areas of interest at the Genesis Property uranium project in northeast Saskatchewan. The analysis work was undertaken by Condor Consulting Inc. (“Condor”), recognized experts in the field of integrated exploration.

A total of 20 gravity targets were identified and prioritized based on the integration of the 2016 AGG data with results from a 2015 compilation by Condor (see Kivalliq news release February 16, 2016) of electromagnetic, magnetic, radiometric, geochemical, biogeochemical and geological data sets. The majority of the gravity targets were identified in the Jurgen and Johnston areas, with nine and seven targets respectively.

“Exploration conducted on the Genesis Property during 2014 and 2015 by Kivalliq and Roughrider has identified numerous priority targets for basement hosted uranium in previously under-explored terrain to the east of the Athabasca Basin,” stated Jeff Ward, Kivalliq’s President. “The companies plan to continue refining and upgrading existing targets while still seeking new ones throughout this large and prospective landholding.”

Gravity targets, including the two highest priority targets, are spatially associated with the Jurgen 1 and Jurgen 2 target zone corridor where previous work has identified anomalous uranium soil geochemistry, biogeochemistry, boulder samples and radiometrics coincident with multiple electromagnetic conductor trends.

For maps showing Condor’s compilation, gravity target zones, and the location of FALCON airborne gravity grids please visit <http://kivalliqenergy.com/uranium/genesis/maps/>.

The 2016 AGG and magnetics survey, performed by CGG Canada Services Ltd., was divided into five separate grids providing coverage over the Jurgen, Johnston/GAP, Daniel's Bay, Melnick and Kingston priority target areas. Flight lines were flown at 200 metre spacing for a total of 1,677 line-kilometres. The gravity target zones identified based on the 2016 AGG data have low to moderate amplitudes (-0.1 to -0.3 mGal) relative to the model adopted for the analysis. Gravity target zone selection was determined by Condor using a target model based on known uranium deposits in the Athabasca Basin. Target zones are characterized by gravity low responses associated with coincident steep magnetic gradients and breaks in electromagnetic conductor trends, which can represent alteration associated with uranium mineralization.

As previously reported by Roughrider Exploration Limited in a news release May 27, 2016, Saskatchewan Mineral Dispositions MC2080, MC2081 and MC2082 were acquired by purchase from an arm’s length party. With the acquisition now complete, the new claims add 232 hectares within the Genesis Property boundary, filling key holes in the Johnson-GAP area.

Jeff Ward, P.Geo., President of Kivalliq and a Qualified Person for Kivalliq, has reviewed and approved

the scientific and technical information contained in this release.

About Kivalliq Energy Corporation

Kivalliq Energy Corporation (TSX-V: KIV) is a Vancouver-based company with a portfolio of high-quality uranium exploration projects in Canada. Kivalliq holds Canada's highest-grade uranium resource outside of Saskatchewan. The Company's flagship project, the 89,852 hectare 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_3O_8 , totaling 43.3 million pounds U_3O_8 . Kivalliq's comprehensive exploration programs continue to demonstrate the "District Scale" potential of the Angilak Property. For disclosure related to the inferred resource for the Lac 50 Trend uranium deposits, please refer to Kivalliq's news release of March 1, 2013.

In Saskatchewan, Kivalliq holds a 100% interest in the 200,909 hectare Genesis Property located northeast of the Athabasca Basin, with Roughrider Exploration Limited funding the current exploration program pursuant to an option to acquire up to an 85% interest in the property. This highly prospective project is located along the Wollaston-Mudjatik trend and extends 90 km northeast from Wollaston Lake to the Manitoba border.

Kivalliq also holds a 100% interest in the 13,711 hectare Hatchet Lake Property adjacent to the north-eastern margin of Saskatchewan's Athabasca Basin. Compilation of results from previous exploration by Hathor Exploration Limited and Rio Tinto have identified multiple, priority unconformity-related basement targets at Hatchet Lake that were followed up in 2015.

Kivalliq's team of northern exploration specialists has forged strong relationships with sophisticated resource sector investors and Angilak Property partner Nunavut Tunngavik Inc. (NTI). 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 or contact Investor Relations toll free at 1.888.331.2269, at 604.646.4527, or by email at info@kivalliqenergy.com.

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