

# Kivalliq Identifies New Gold in Till Corridor and Confirms Gold Zones on Baffin Island, Nunavut

Vancouver, British Columbia--(Newsfile Corp. - October 25, 2017) - Kivalliq Energy Corporation (TSXV: KIV) ("Kivalliq") today announced results from the 2017 summer exploration program at Kivalliq's 100% owned, Baffin Gold Property in Nunavut Territory, Canada. The Baffin Gold Property is one of the largest undeveloped greenstone-iron formation gold belts in Nunavut, totalling 408,981.6 ha and covering 160 km of the Foxe Fold Belt on central Baffin Island. These results are the first step toward understanding and advancing significant gold-bearing zones and anomalies that occur in a variety of geological settings within the Baffin Gold Property.

## 2017 Highlights:

- Results from 424 rock samples confirmed high-grade gold in banded iron formation (BIF) and (intrusion?)-metasediment hosted quartz veins. Highlight grab and channel sample assays include:
  - 268 g/t (7.8 oz/ton) Au - Malrok BIF grab sample
  - 211 g/t (6.1 oz/ton) Au over 0.5 m and 102.5 g/t (3.0 oz/ton) Au over 0.5 m - Kanosak quartz vein channel sample
  - 114.5 g/t (3.3 oz/ton) and 96.2 g/t (2.8 oz/ton) Au - Brent quartz vein grab sample
  - 86.1 g/t (2.5 oz/ton) Au over 0.96 m, includes 193 g/t (5.6 oz/ton) Au over 0.32 m - W Kanosak/Qim 4 BIF channel sample
  - 20% of rock samples taken in 2017 (85) were > 0.5 g/t Au
- Results from 492 till geochemical samples identified a new 10 km long corridor of anomalous gold at south Kanosak, and further outlined seven anomalous areas warranting follow-up at Kanosak, Brent and Central Belt west.
- Rock and new till geochemical results have extended the strike length of known gold occurrences at Brent, confirmed gold in BIF over 5 km and 6 km at west and north Kanosak, and expanded anomalies around historic gold in till results.
- 65 km<sup>2</sup> of high resolution airborne drone imagery flown in key target areas will be used to develop digital surface models and aid structural interpretation.

Maps and images of the work performed in 2017 at the Baffin Gold Property can be viewed at: [http://www.kivalliqenergy.com/projects/baffin\\_gold/maps/](http://www.kivalliqenergy.com/projects/baffin_gold/maps/)

"We are excited that Kivalliq's first summer on the Baffin Gold Property was able to confirm gold in a variety of geological settings in Bravo Lake Formation rocks across 68 km of strike length," stated Kivalliq President Jeff Ward. "Furthermore, till sampling was able to discover a new corridor of elevated gold-in till and advance other historic anomalies, substantiating our belief in the untapped potential of this extremely prospective gold belt".

Kivalliq's exploration efforts targeted gold in banded iron formation, and greenstone-metasediment hosted quartz veins through an initial program of prospecting, mapping, rock sampling and till geochemical surveys. The 2017 program succeeded in confirming gold settings, repeating geochemical trends and extending known occurrences in the Kanosak, Brent and west Central belt target areas. In preparation for future drilling, upcoming work will concentrate on: understanding structural controls for gold, integrating drone imagery with existing datasets, follow-up of new gold anomalies and continued reconnaissance till sampling areas of deeper glacial cover.

## Kanosak Target Area

The Kanosak Target area is located at the east end of the Baffin Gold Property. Two distinct gold mineralization styles are present: arsenopyrite bearing quartz veins hosted in clastic sediments (Kanosak, Kanosak south) and; sulphidized silicate-oxide iron formation (Qim 4, Qim 5). Rock sampling at Kanosak confirmed the presence of high grade gold within quartz veins hosted by quartzites and micro-conglomerate. Highlights of 2017 repeat sampling of high grade Commander Resources channels include: 211 g/t Au over 0.5 m and 102.5 g/t Au over 0.5m. Vein distribution at Kanosak is strongly controlled by host lithologies with best vein development being restricted to brittle, coarse clastic beds.

Prospecting, rock sampling and till sampling was conducted along the south and southeast portion of the Kanosak area. Here, elevated gold in till over 500 m of strike length corresponds to a 2.5 km east-west belt of interbedded clastic rocks with quartz veining. In addition, a large till survey grid in the south Kanosak area has identified a 10 km long corridor of gold anomalies that runs sub-parallel to folded stratigraphy. This anomalous gold in till trend and cursory mapping suggests the potential to discover new gold-bearing zones in unmapped BIF along the edges of gneissic domes.

A till sampling grid was located in the north-central Kanosak area to test six historic samples having gold grains and situated on the axis and nose of a regional syncline. Results from the 2017 work corroborated these historic gold results with new geochemical anomalies in till and further sampling is warranted.

In the north and west Kanosak areas, samples taken along BIF confirmed gold occurrences along six km (Qim 5) and five km (Qim 4) of strike length respectively. Iron formation corresponds directly with pronounced magnetic highs and is generally exposed as small, low outcrops and subcrops of sulphide and grunerite-silica rock. Twenty samples within BIF returned gold values greater than 1 g/t, with nine samples returning greater than 5 g/t Au. Channel samples taken by Kivalliq at the north end of Qim 4 repeated significant channel results in BIF taken by Commander Resources. This historic channel sample assayed 40.8 g/t Au over 0.96 m and was sampled again in detail to test specific lithologies within the BIF. The second set of results produced a weighted average of 86.14 g/t Au over the length of the detailed channel, with the upper massive grunerite quartz layer returning an impressive 193 g/t Au.

### Brent Target

At Brent, quartz veins are oriented north-south and are best developed beside a zone of sub-vertical, east-west shearing within mafic rocks, at the contact with the host diorite-gabbro. The nature of the orientation of the contact between the mafic and gabbro is not known and five historic holes drilled along the trend did not resolve mineralization at surface. Historic grab sampling defined two trends of auriferous quartz veining hosted within a quartz diorite/altered gabbro, with the southern trend being most anomalous. Mineralization is comprised of massive clots of arsenopyrite within the veins and as disseminated arsenopyrite in the altered diorite adjacent to veins. Of the 33 rock samples collected in 2017, 11 returned values of greater than 1 g/t Au, with four samples returning very high grade gold values between 51.3 and 114.5 g/t Au.

A three km long till sampling grid was established this summer over the southern Brent trend in an attempt to tie together historic drilling, rock sampling, gold grains in till and the 2017 repeat results. Anomalous gold geochemistry was present on almost every 2017 till sample line, extending the Brent target zone to 2.5 km of strike length.

### West-Central Belt

Exploration in the West Central Belt focused on expanding historic isolated gold anomalies in lesser explored areas, and repeating gold values at Malrok. Three of the four 2017 till sample grids verified historic geochemistry and gold grains reported from this complex folded segment of Bravo Lake formation, including a few outlier gold values in younger Piling Group rocks. The success of broad spaced till sampling in this part of the property indicates this will be an effective exploration tool in areas of less rock exposure and deeper glacial cover.

The Malrok occurrence was visited primarily to review the geological setting of this advanced prospect. One repeat sample of upper Bravo Lake BIF returned 268 g/t Au and was the highest assay in 2017. The remaining samples at Malrok tested mainly lower Bravo stratigraphy and did not return any significant values.

### Baffin Gold Property

The Baffin Gold Property is a district-scale land package covering an entire Proterozoic gold belt having geological and structural similarities to multi-million ounce gold mines in the north (i.e. Meadowbank, Lupin) as well as the prolific Homestake Mine in South Dakota. Previous exploration has identified numerous prospects along 140 km of strike length, with high-grade gold occurring in multiple settings: silicate and sulphide iron formation; shear zones and quartz veins hosted in granodiorite, metavolcanics and metasediments. An existing camp, tidewater access and two 1,200 m DEW Line airstrips will help to accelerate future work programs and potential development.

The Baffin Gold Property is comprised of consolidated mineral tenure approximately 230 km southwest of the community of Clyde River on Baffin Island, in the Qikiqtani region of Nunavut. This property comprises fifteen prospecting permits, six crown mineral claims and three Inuit Owned Land parcels subject to MEA's with NTI. As part of Kivalliq's consolidation of mineral tenure, the company acquired an option to earn 100% of Commander's Baffin Gold Property which includes six mineral claims (5,948 ha) and two blocks within Inuit Owned Lands (8,105 ha).

### 2017 Till Geochemistry Program

The 2017 summer program included the collection of 492 till geochemical samples on seven grids. The program was designed to repeat gold geochemistry and gold grains reported in a variety of historic overburden sampling campaigns since 2001. In addition, grids were located over known occurrences to test the efficacy of Au-CN44 cyanide extraction methods, and to determine anomaly vectors for gold in till. Glacial till samples approximately 2 to 3 kg each was collected at 100 or 250 m intervals along sample lines spaced 250 or 500 m apart.

Table 1 shows value ranges and anomalous thresholds for gold (ppb) from the 2017 till sampling program on the Baffin Gold Property.

**Table 1.** 2017 Baffin Gold Property

Comparative Percentile Values

Ultra Trace (AuCN44) - Till Samples		
Percentile	Au (ppb)	n
75	2.3	123
90	3.0	51
95	3.8	25

98	6.7	10
minimum	0.2	-
maximum	21.6	-
average	2.1	-

## QA/QC

All till samples were sent to ALS Geochemistry (ALS) in Sudbury, Ontario for preparation and then to ALS in Vancouver, BC for final analysis. ALS Geochemistry meets all requirements of International Standards ISO/IEC 17025:2005 and ISO 9001:2015. All ALS hub laboratories are accredited to ISO/IEC 17025:2005 for specific analytical procedures. Till samples were analysed for gold using cyanide extraction (Au-CN44) with a 33-element four acid digest ICP-AES analysis (ME-ICP61).

All rock samples were sent to ALS in Sudbury, Ontario for preparation and then to ALS in Vancouver, BC for final analysis. Rock samples were analyzed using ALS's Fire Assay Fusion method (Au-AA23) with an AAS finish for gold, followed by a 33-element four acid digest ICP-AES analysis (ME-ICP61). QA/QC included Kivalliq field standards and duplicates; plus internal standard samples, lab duplicates, re-assays, and blanks inserted by the ALS. All QA/QC results for till and rock samples were within expectations.

Jeff Ward, P.Geo, President of Kivalliq and a Qualified Person under National Instrument 43-101 has reviewed and approved the technical information contained in this release. Exploration results by Commander and previous explorers reported herein and on maps are historic in nature and although not verified by Kivalliq, this work was carried out by knowledgeable explorers using acceptable industry practices at the time.

## About Kivalliq Energy Corporation

Kivalliq Energy Corporation (TSXV: KIV) is a Vancouver-based company with a portfolio of high-quality uranium and precious metal exploration projects in Canada. In addition to the new Baffin Gold Property, 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<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 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 13,711 hectare Hatchet Lake Property adjacent to the north-eastern margin of the highly prolific uranium-producing 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 also holds a 50% interest in the 131,412 hectare Genesis Property located northeast of Saskatchewan's 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 kilometres northeast from Wollaston Lake to the Manitoba border.

Kivalliq's team of northern exploration specialists has forged strong relationships with sophisticated resource sector investors and partner Nunavut Tunngavik Inc. (NTI) on both the Angilak and Baffin Gold Properties. 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, Chairman and 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) 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).

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