Kivalliq Energy Corporation: Additional High Grade Assays Received From Western Extension Drilling

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Oct. 25, 2011) - Kivalliq Energy Corporation (TSX VENTURE: KIV) (the "Company" or "Kivalliq") today provided assay results from diamond drilling at the Western Extension, located 450 metres along strike and west of the high grade Lac Cinquante uranium deposit. Assay results disclosed in this release are from 30 of the 54 holes drilled in total at the Western Extension, located within the 225,000 acre Angilak Property in Nunavut, Canada.

Highlights disclosed herein include:

- 2.02% U3O8, 26.9 g/t Ag, 0.65% Cu, over 2.0 metres in 11-LC-060
- 1.89% U3O8, 19.5 g/t Ag, 0.35% Cu, over 1.7 metres in 11-LC-057
- 1.87% U3O8, 39.9 g/t Ag, 0.80% Cu, over 1.2 metres in 11-LC-043
- 1.53% U3O8, 70.3 g/t Ag, 1.62% Cu, 0.17% Mo over 1.2 metres in 11-LC-083
- 1.10% U3O8, 72.0 g/t Ag, 1.22% Cu, 0.30% Mo over 1.2 metres in 11-LC-054
- Western Extension strike length is 550 metres; future drilling will test along strike and to depth
- Assays pending from an additional 7 deep drill holes at Western Extension

(Estimated true widths - see assay results table below)

"High grade uranium and polymetallic assay results from the Western Extension continue to add significant value to the Lac Cinquante trend," stated Kivalliq President Jeff Ward. "It is exciting to have moved the Western Extension from initial discovery to resource drilling in such a short time frame."

Western Extension

This second set of results is comprised of 30 holes drilled at the Western Extension, with a total of 47 holes reported to date from this zone. The Western Extension has a drilled strike length of 550 metres and starts 450 metres to the west, and along strike, of the Lac Cinquante main zone resource area.

9,468 metres in 54 diamond drill holes tested a northwest trending VLF EM conductor which exhibited a response similar to that of the Lac Cinquante deposit. Drilling from 17 set-ups spaced on 50 metre drill sections intersected radioactive intervals down to depths of 250 metres vertically. Two additional set-ups, spaced 100 metres apart, targeted below the original fences and intersected mineralization down to 327 metres (see Kivalliq news release October 5, 2011). Final assays from deep drill holes at the Western Extension are pending.

Mineralization is similar to that found at Lac Cinquante, but is structurally hosted in altered basalt rather than a tuffaceous unit. Radioactive intervals are associated with sheared, chlorite-carbonate altered basalt with minor brecciation and sulphides. Hematized quartz-carbonate veining is common in this zone.

All core holes were drilled to the northeast with azimuths bearing 26 degrees, at inclinations between minus 45 and 90 degrees. 43 of 54 holes drilled at the Western Extension have now intersected anomalous radioactivity between 30 and 327 metres vertical depth, in a zone dipping roughly 65 degrees to the southwest. Kivalliq announced initial assays from 17 diamond drill holes at the Western Extension on August 25, 2011.

For a summary of the 2011 exploration program at Angilak, please see the news release from October 18, 2011. To view related cross sections and drill plan maps, please visit http://kivalliqenergy.com/projects/angilak/program_images/.

Western Extension Assay Results

2011 Lac Cinquante Western Extension Drilling Program – Assay Results 11-LC-039 to 11-LC-083

Hole	From	To	Interval (m)	% U3O8	% Cu	% (g/t)	Est. True Width (m)	Note
11-LC-039	166.0	167.8	1.8	0.40	0.45	0.00		
11-LC-040	215.2	218.2	3.0	0.14	0.02	0.00		
11-LC-041	240.72	241.8	1.1	0.26	0.01	0.0		
11-LC-041	255.9	259.0	3.1	0.58	0.05	0.00		
11-LC-042	83.0	87.2	4.2	0.11	1.98	0.00		
11-LC-043	111.5	113.2	1.7	1.87	0.80	0.00		
11-LC-044	157.0	159.2	2.2	0.28	0.58	0.00		
11-LC-045	82.6	83.7	1.1	0.10	0.96	0.00		
11-LC-046	119.2	123.4	4.2	0.24	0.24	0.07		
11-LC-047	159.2	161.2	2.0	0.26	0.44	0.00		
11-LC-048	94.7	96.0	1.3	0.36	0.71	0.01		
11-LC-049	113.6	117.6	4.0	0.21	0.69	0.06		
11-LC-051	95.2	98.2	3.0	0.38	0.21	0.00		
11-LC-052	86.9	87.8	0.9	0.25	0.07	0.02		
11-LC-052	114.5	117.2	2.7	0.12	0.18	0.01		
11-LC-053	156.3	158.5	2.2	0.25	0.84	0.00		
11-LC-053	167.9	168.2	0.3	0.52	0.01	0.10		
11-LC-054	193.5	195.5	2.0	1.10	1.22	0.30		
11-LC-055	73.5	74.9	1.4	0.07	1.09	0.00		
11-LC-056	99.6	102.2	2.6	0.78	0.47	0.00		
11-LC-056	106.1	106.7	0.6	0.64	0.02	0.32		
11-LC-057	118.8	119.8	1.0	2.41	0.20	0.05		
11-LC-057	142.2	145.5	3.3	1.89	0.35	0.01		
11-LC-058	101.9	102.7	0.8	0.03	0.13	0.00		
11-LC-059	134.4	136.2	1.8	0.05	0.11	0.00		
11-LC-060	163.3	166.2	2.9	2.02	0.65	0.02		
11-LC-061	112.7	113.3	0.6	0.05	0.10	0.00		
11-LC-062	194.7	195.6	0.9	0.01	0.37	0.00		
11-LC-063	66.0	66.4	0.4	0.13	0.01	0.00		
11-LC-064	103.7	104.0	0.3	0.07	0.16	0.00		
11-LC-080	175.0	177.0	2.0	0.16	0.78	0.03		
11-LC-081	93.2	94.2	1.0	0.01	0.31	0.01		
11-LC-081	112.2	112.6	0.4	0.27	0.01	0.04		
11-LC-082	105.4	106.0	0.6	2.21	1.46	0.39		
11-LC-082	131.2	134.0	2.8	0.15	0.03	0.05		
11-LC-083	126.3	127.9	1.6	1.53	1.62	0.17		
11-LC-083	154.5	155.1	0.7	0.62	0.05	0.05		

Hole 11-LC-065 intersected the Western Extension shear zone but was not mineralized.

**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%. Estimate for true width of mineralization is based on the angle of surveyed drill hole and the apparent orientation of the zone at the intercept.*

QA/QC

Samples from the 2011 drilling program comprised half split NQ drill core. 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.

On behalf of the Board of Directors

James Paterson, CEO

Kivalliq Energy Corporation

Kivalliq Energy Corporation is a member of the Discovery Group of companies. For more information on the group visit www.discoveryexp.com.

Certain disclosures in this release, including management's assessment of plans and projects and intentions with respect to future exploration programs, 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.

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