

## Lumina Capital Exercises Kivalliq Warrants

**Kivalliq Energy Corporation (TSX-V: KIV)** ("Kivalliq" or the "Company") today announced that Lumina Capital Limited Partnership ("Lumina Capital"), an investment partnership held principally by Vancouver mining entrepreneur Ross Beaty, has exercised 2,500,000 warrants early as part of an incentive program to encourage the exercise of outstanding warrants (the "Original Warrant(s)"). Lumina Capital now owns 5,000,000 common shares of the Company equal to 8.7% of outstanding shares of Kivalliq. Proceeds from the incentive program will be used for general working capital and to further exploration at the historic Lac Cinquante uranium deposit, located in Nunavut, Canada.

"We are very pleased that Lumina Capital has demonstrated strong support by exercising warrants early and significantly increasing its shareholding in Kivalliq," said Kivalliq's President & CEO, John Robins. "The program to accelerate warrants minimizes share dilution while providing the Company with the capital it needs to advance this exciting project toward a NI 43-101 compliant uranium resource."

### Early Warrant Exercise

The Original Warrants were issued as part of a 10,000,000 unit financing that closed on February 24, 2010, that gave holders the right to acquire one common share at a price of \$0.35 until the expiry date of February 24, 2012.

The TSX Venture Exchange has approved the incentive program and the resulting amendment to the Original Warrants, whereby each holder of an Original Warrant who elects to exercise their Original Warrant prior to the expiry date of the incentive program, July 9, 2010 (the "Expiry Date") will receive a unit ("Unit") comprised of one common share and one-half of one whole warrant (a "New Warrant"). Each whole New Warrant will allow the holder to acquire an additional one common share of KIV at a price of \$0.45 per share for 18 months following the date of issuance of the Unit. The Warrants will be subject to a four-month hold period. If a warrant holder does not exercise their Original Warrants by the Expiry Date, the Original Warrants will continue to be exercisable for common shares on the same terms that previously existed. None of the Original Warrants were issued as finders fees or agents warrants and thus no New Warrants will be issued as finders fees or agents warrants as part of this amendment.

### About Kivalliq Energy Corporation

Kivalliq Energy Corporation is a Vancouver, Canada, based 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.

This landmark partnership with the Inuit gives Kivalliq a unique opportunity to explore and develop the Lac Cinquante Deposit, northern Canada's highest grade historic uranium deposit.

On behalf of the Board of Directors

"John Robins"

John Robins, P.Geo  
President 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 Tony Reda, Investor Relations, at toll free 1.888.331.2269, directly at 604.646.4534 or by email at [info@kivalliqenergy.com](mailto:info@kivalliqenergy.com). Kivalliq Energy Corporation is a member of the Discovery Group of companies, for more information on the group visit [www.discoveryexp.com](http://www.discoveryexp.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.

\*\* The quoted disclosure of historical resource estimates for the Lac Cinquante Uranium Deposit was prepared by Aberford Resources Ltd in 1982, Abermin Corporation in 1986, and referenced by other subsequent sources. It was prepared prior to the implementation of National Instrument 43-101 (NI 43-101) and should not be relied upon since it does not comply with NI 43-101 Standards of Disclosure for Mineral Projects. A Qualified Person has not classified the historical estimates as current mineral resources or reserves, and therefore, Kivalliq is not treating them as such. Kivalliq has not completed any work to verify these estimates, but ongoing exploration programs are designed to evaluate the economic potential of the deposit and environs. It is uncertain if further exploration will result in the deposit being classified a mineral resource or reserve. However, the historical uranium resource estimate is relevant because: it is indicative of a mineralized zone worthy of follow-up exploration as it is based on drilling and surface exploration carried out by what is believed to be knowledgeable explorers in accordance with acceptable industry practices at the time of the estimate. Historic estimates were originally classified as "indicated" and "inferred" reserves, plus a third "possible" category; however, the equivalent categories acceptable under NI 43-101 are not known at

this time.

Certain disclosures in this release, including management's assessment of plans and projects and intentions with respect to listings of securities, use of proceeds and 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. 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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