

Kivalliq ready to drill high-priority Dipole target at Angilak

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VANCOUVER — Explorer **Kivalliq Resources** (TSXV: KIV; US-OTC: KVLQF) has spent the past few years building a meaningful uranium resource along the promising Lac 50 trend 350 km due west of the Rankin Inlet in Nunavut, but it's an upcoming drill campaign at a newly-identified, high-priority target that could prove to be the company's game changer.

Kivalliq has long maintained that its 1,100-sq.-km Angilak land position hosted a potential uranium district, and fine-tuned prospecting methodology appears to have identified at least two targets that resemble Lac 50 analogs. The company has invested \$55 million at Angilak in the last five years and drilled roughly 90,000 metres.

The result has been a 200% increase in inferred resources across the Lac Cinquante and J4/Ray deposits, which now host 2.8 million tonnes grading 0.69% U₃O₈, 20.6 grams silver per tonne, 0.17% molybdenum, and 0.25% copper. Contained U₃O₈ totals around 43.3 million lbs.

Mineralization across the Lac 50 trend consists of basement-hosted, vein-hydrothermal deposits. The emplacement of uranium is structurally controlled, and often associated with a graphite-chlorite tuffaceous metasediment interlayered in Archean metavolcanics. Mineralization consists of disseminated and patchy pitchblende with sulphides within fracture-controlled, brecciated, hematite-quartz-carbonate veins that can occur in either the host shear or tuff unit.

"Well we were working away on Lac 50 we'd been moving ahead by establishing baseline data sets across the property. Since 2008 we've been completing ground geophysical surveys, and verifying a lot of the showings with surface samples," commented president and exploration manager Jeff Ward during an interview.

"Back in 2013 we completed what we labelled an orientation study wherein we mapped our resource to find out a way to prioritize all our regional stacked conductors. You don't want to go prospecting with a drill rig. So

we tried a whole series of different geochemical methods, but ended up determining enzyme-leach sampling was our best bet due to its utility and cost effectiveness," he added.

Kivalliq actually came up with a strong prospecting model in a round-about way. The company decided to complete enzyme-leach soil grids over areas where it had high rates of drilling success. The exploration team found that the geochemical anomalies lined up nicely with airborne magnetic signatures, and decided to test the process on different conductors across the property.

Enzyme leach is a selective extraction approach used for detecting subtle geochemical anomalies in B-horizon soils. The technique can be useful when ore bodies are buried beneath thick sequences of overburden. Over time, extremely small amounts of trace elements related to an underlying ore body can move to the surface and become trapped by oxide precipitates coating mineral grains in the soils.

Kivalliq reviewed historic geophysics and surface data before determining that the Dipole and RIB prospects looked the most promising for follow-up soil work. The targets lie roughly 30 km southwest of the company's resource in a northeast trending belt of Archean metavolcanic rock.

"It became interesting when we started exploring for Lac 50 analogues across the property. We had prospectors out looking at potential targets. We looked at the conductors we were seeing in the airborne surveys, and we ended up finding a high-grade boulder that had never been reported," Ward elaborated.

"The key was we also had copper, moly, and silver values, and those are the components of our resource. So we have the same host rocks and basement margin setting, linear conductors, and uranium boulders with the right components," he said.

In 2011, a very-low frequency electromagnetic (VLF-EM) geophysical ground survey at Dipole outlined a prominent two-km long conductor coincident with mineralized boulders found along a radioactive shoreline. One angular boulder assayed 2.24% U_3O_8 , 0.94% moly, and 116 grams silver.

Meanwhile, RIB was identified by airborne geophysics conducted by Noranda Exploration back in the late 1970s, which outlined a strong-basement conductor occurring along the western margin of the Angikuni Basin unconformity. Noranda hit the target in 1978 and intersected uranium mineralization at shallow depths in 14 out of 25 holes drilled.

Kivalliq's 2014 soil program focused on priority geophysical trends and geochemically anomalous areas. At Dipole, 237 enzyme-leach samples identified a 3.4-km long uranium-in-soil trend that also contains anomalous copper, moly and silver values.

"We draped the geophysics over the results, and what we found was a long conductor exactly like what we've been drilling off at Lac 50," Ward elaborated. "The soil sampling not only lit up with uranium, but the similar copper, moly and silver content. We then pushed the geochemistry out farther because we know these structures can run quite continuous, and we got hits on all our lines over around three km. That's why this is arguably the best drill target we've ever had."

RIB remains an earlier-stage prospect, but appears to have familiar geological data signatures. Last year Kivalliq confirmed the presence of a conductor via a versatile time domain electromagnetic (VTEM) survey, while enzyme-leach sampling outlined a coincident 3.6-km long geochemical trend with anomalous uranium values.

The exploration results allowed Kivalliq to raise nearly \$2.8 million in late April through a non-brokered private placement that combined flow-through and hard dollars.

The initial, \$1.5-million tranche includes 10.2 million units priced at 15¢, with each unit consisting of one flow-through share and a purchase warrant for half a common share exercisable at 18¢ for 24 months. The second \$1.26-million tranche includes 10.5 million units priced at 12¢, with each consisting of one common share and a half warrant exercisable under the same conditions.

The company is planning on getting a maiden drill program rolling at Dipole by early July, and will simultaneously conduct a comprehensive enzyme-leach campaign at RIB to advance the target to the drill stage.

"We know we're up north, and that means in order to build critical mass the resource needs to be sizeable. The reason we had such a large property is because we know we need km-scale deposits," Ward concludes. "We're quite confident we can go back to our resource area and add uranium pounds, but our goal has always been to show that we have a district. Being able to identify Lac 50 analogs using this exploration model will prove that concept."

Kivalliq has traded within a 52-week window of 12¢ and 14¢, and closed at 14¢ per share at the time of writing. The company is also planning exploration programs at its Genesis and Hatchet Lake projects in northeastern Saskatchewan this year, and maintains 196 million shares outstanding at press time for a \$29 million press time market capitalization.

- See more at: http://www.northernminer.com/news/kivalliq-ready-to-drill-high-priority-dipole-target-at-angilak/1003608360/2xvs0y4rW0psvs0s4rvps24M2vx/?ref=enews_NM&utm_source=Nm&utm_medium=email&utm_campaign=Nm-EN05062015#sthash.IUjNcAo6.dpuf