

Form 51-102F1
Annual Management Discussion and Analysis For
Kaminak Gold Corporation (“Kaminak” or “KAM” or the “Company”)

Containing information up to and including February 13, 2009.

Note to Reader

Readers of the following management discussion and analysis (MD&A) should refer to the Company’s audited financial statements for the period ended September 30, 2008 and the related Management Discussion and Analysis as filed with SEDAR, available at www.sedar.com.

This interim MD&A is an update to the Annual Management Discussion and Analysis and should be read in conjunction with the Company’s Unaudited interim financial statements for the three months ended December 31, 2008 together with the notes thereto, prepared by management in accordance with Canadian generally accepted accounting principles and expressed in Canadian Dollars.

Forward-Looking Information

When used in this document, words like “anticipate”, “believe”, “estimate” and “expect” and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objects and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

Overall Performance

Kaminak was incorporated on July 4, 2005 under the Business Corporations Act (British Columbia), and is an exploration stage enterprise focusing on the acquisition, exploration and development of economic gold and other precious and base metal properties.

The Company became a reporting issuer in Alberta and British Columbia on November 9, 2005 by virtue of a reorganization transaction involving the exchange of securities between Shear Minerals Ltd. (“Shear”), the Company and the shareholders of Shear. On November 23, 2005, the Company’s shares became publicly trading on the TSX Venture Exchange (“TSXV”) under the symbol “KAM”.

Highlights of the Company’s activities during the year ended September 30, 2008:

Financing and Corporate

- The Company granted 650,000 stock options to employees, consultants, directors and officers, with an exercise price of \$0.15 per common share expiring on December 5, 2013.

- The Company announced a plan to purchase up to 5% (1,823,376) of its outstanding common shares, by way of a normal course issuer bid. To date, the Company has not purchased any shares.

Exploration

- The Company and partner TerraX reported assay results from the five holes drilled on Kaminak's 100% owned Needle Property in Nunavut.

The Company is planning to continue to carry out exploration of its mineral properties, and to evaluate new prospects and opportunities. The Company expects its current working capital of \$4,981,392 to fund its operations and planned exploration activities for the coming year, with no current plans to finance. The Company has completed a review of its mineral property spending requirements for the 2009 year and is confident its current claims will remain in good standing without any significant additional exploration funding from the Company.

The Company's loss from operations for the three months ended December 31, 2008 was \$217,422 or \$0.01 loss per share (December 31, 2007 - \$46,513, \$0.00 per share). Assets totalled \$7,800,460 as at December 31, 2008 (\$8,174,790 as at September 30, 2008).

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of resource properties. The Company capitalizes all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company's write-offs of capitalized resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. During the three months ended December 31, 2008 resource property costs were increased by \$32,292 after capitalizing \$98,530 offset by write downs of \$66,238 (September 30, 2008 – increase of \$28,826 after capitalizing \$593,400 offset by write downs of \$253,154 and spun out assets of \$311,420). As at December 31, 2008, the Company's investment in resource property costs totalled \$2,500,514 (September 30, 2008 - \$2,468,222) details of the cost break-down are contained in the Consolidated Schedule of Resource Property Costs in the financial statements.

Results of Operations

For the three months ended December 31, 2008

During the three months ended December 31, 2008, the Company's main task was the continued identification of new projects and partners with whom to share the costs of those projects as well as to support the Company's profile as a project generator in the Canadian North. The Company's net loss for this period was largely an influence of these general and administrative expenses including stock based compensation.

Net loss for the three months ended December 31, 2008 was \$217,422 or \$0.01 per share, an increase of 367% over the net loss after gain on optioning of property of \$46,513 for the three months ended December 31, 2007 (\$0.00 loss per share).

Operating expenses for the three months ended December 31, 2008 totalled \$139,852 (December 31, 2007 - \$232,729). The three largest expense categories for the current period are as follows:

- Consulting expenses of \$63,510 (December 31, 2007 – \$77,740). \$46,000 of these fees were paid to the Company’s Executive management for their services in guiding the Company. In addition, \$7,500 of these fees were paid to the Company’s corporate secretary.
- Travel and conference expenses of \$27,532 (December 31, 2007 - \$36,200). These expenditures related to the Company’s attendance at several technical and investor relations conferences.
- Investor relations expenses of \$17,972 (December 31, 2007 – \$17,914). These costs included \$14,300 paid to a company controlled by directors of the Company for corporate communications services.

The above expenses represented approximately 86% (December 31, 2007 – 82%) of total operating expenses before stock based compensation.

Selected Annual Information:

The following table summarizes selected financial data reported by the Company for the years ended September 30, 2008, 2007, and 2006. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with generally accepted accounting principles, and the related notes thereon.

	For the year ended or as at September 30, 2008	For the year ended or as at September 30, 2007	For the year ended or as at September 30, 2006
Revenues	Nil	Nil	Nil
Interest and other income	\$114,303	\$128,580	\$59,286
Loss	\$882,277	\$1,526,576	\$954,864
Basic and diluted loss per share	\$0.03	\$0.05	\$0.04
Total assets	\$8,174,790	\$5,217,114	\$5,697,975
Total long term debt	Nil	\$217,000	Nil
Shareholders’ equity	\$8,078,793	\$4,922,890	\$5,594,942
Share Capital	\$10,412,223	\$5,569,627	\$5,306,595
Contributed Surplus	\$1,419,042	\$1,874,958	\$1,267,216
Deficit	\$3,387,722	\$2,505,445	\$978,869
Cash dividends declared per share	Nil	Nil	Nil

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Summary of Quarterly Results

The following table summarizes selected quarterly financial data reported by the Issuer.

	Dec.31, 2008	Sept.30, 2008	June 30, 2008	Mar.31, 2008	Dec.31, 2007	Sept.30, 2007	June 30, 2007	Mar. 31, 2007
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income	\$13,600	\$52,772	\$32,156	\$29,375	Nil	\$49,801	\$23,344	\$26,235
Net loss ⁽²⁾	\$(217,422)	\$(609,211)	\$193,020	\$(419,573)	\$ (46,513)	\$(800,526)	\$(305,781)	\$(246,752)
Basic and diluted loss per share	\$(0.01)	\$(0.02)	\$0.01	\$(0.01)	\$(0.00)	\$(0.02)	\$(0.01)	\$(0.01)
Total assets	\$7,800,460	\$8,174,790	\$9,178,759	\$8,791,523	\$5,819,990	\$5,217,114	\$5,710,666	\$5,517,795
Total long term debt	Nil	Nil	\$217,000	\$217,000	\$217,000	\$217,000	Nil	Nil
Shareholders' equity	\$7,715,662	\$8,078,793	\$8,918,590	\$8,455,258	\$5,541,707	\$4,922,890	\$5,584,706	\$5,452,362
Share capital	\$10,412,223	\$10,412,223	\$10,412,223	\$10,412,223	\$6,398,530	\$5,569,627	\$5,509,543	\$5,102,969
Contributed surplus	\$1,432,334	\$1,419,042	\$1,362,128	\$1,334,566	\$1,948,385	\$1,874,958	\$1,766,582	\$1,739,531
Deficit	\$(3,605,144)	\$(3,387,722)	\$(2,778,511)	\$(2,971,531)	\$(2,551,958)	\$(2,505,445)	\$(1,704,919)	\$(1,399,138)
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash flow. At December 31, 2008, the company had working capital of \$4,981,392 (September 30, 200, \$5,352,447).

Cash and cash equivalents was \$4,622,924 (September 30, 2008 – \$4,855,655).

The Company has completed a review of its mineral property spending requirements for the 2009 year and is confident its current claims will remain in good standing without any significant additional exploration funding from the Company.

For the three months ended December 31, 2008

During the period, the Company had no cash inflows and its outflows consisted of \$38,560 on its resource properties and \$194,171 on operating activities. The Company maintains a strong cash position and is currently maintaining tight control of its costs while it explores new property acquisitions and joint ventures.

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At December 31, 2008, the Company's investment in resource properties, net of write downs aggregated \$2,500,514 (September 30, 2008 - \$2,468,222), made up of the following:

	Acquisition Costs	Exploration Costs	Cumulative as at December 31, 2008	Cumulative as at September 30, 2008
Bathurst, Nunavut	\$ 36,289	\$ 305	\$ 36,594	\$ 24,441
Breakwater, Quebec	38	86,812	86,850	72,347
Churchill, Nunavut	783,721	463,534	1,247,255	1,247,255
Hemlo, Ontario	70,682	312,405	383,087	383,087
IME, Nunavut	30,509	60,686	91,195	90,886
Matrix, Nunavut	47,066	20,008	67,074	66,974
Needle, Nunavut	-	41,438	41,438	41,404
Needle (Diamond), Nunavut	-	8,999	8,999	8,999
Nizi, BC	5,430	4,737	10,167	11,567
Obonga, Ontario	51,029	518	51,547	51,547
Sail, BC	28,422	-	28,422	24,733
Sharpe Lake, Manitoba	70,300	149,189	219,489	216,689
Sy, Nunavut	18,383	209,979	228,362	228,293
Voigtberg, BC	-	35	35	-
	\$ 1,141,869	\$ 1,358,645	\$ 2,500,514	\$ 2,468,222

At December 31, 2008, share capital totalled \$10,412,223 comprised of 36,467,520 issued and outstanding common shares (September 30, 2008 - \$10,412,223, comprised of 36,467,520 issued and outstanding shares). As a result of the loss for the period of \$217,422, the deficit at December 31, 2008 was \$3,605,144 (December 31, 2007 – loss of \$46,513, deficit \$2,551,958). With contributed surplus of \$1,432,334 resulting from the fair value calculation of stock-based compensation and warrants (September 30, 2008 – \$1,419,042), and accumulated other comprehensive loss of \$523,750 (September 30, 2008 - \$364,750), the shareholders' equity at December 31, 2008 was \$7,715,662 (September 30, 2008 - \$8,078,793).

The Company currently has sufficient financial resources to meet its administrative overhead expenses and exploration expenditures at least for the next twelve months and is confident that it can raise additional funds to undertake all of its planned exploration activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity.

At December 31, 2008, the Company had 3,465,000 stock options outstanding, which, if exercised, would increase the Company's available cash by approximately \$1,442,250. The closing price of the Company's shares (TSXV:KAM) was \$0.12 on December 31, 2008.

Exploration Update

General – 2008 Overall Program:

The Company reported results from its Needle and Voigtberg Properties.

Breakwater, Quebec

The Company has acquired through staking with a strategic partner Breakwater Resources Ltd. an interest in a number of nickel targets in the Grenville geological domain of Southern Quebec. On April 26th, 2007, Kaminak and Breakwater Resources Ltd. entered into a generative

strategic alliance targeting primarily nickel-copper-platinum group elements deposits over parts of eastern North America. Each company initially funds \$50,000 for data compilation, targeting and field work during the 2007 season. Kaminak will initially act as Project Operator. Upon ground acquisition, a 50-50 joint venture is formed on each separate property. Breakwater shall bear 100% of the exploration costs in each joint venture block until the cumulative total amount expended for exploration across all joint venture blocks equals \$1,000,000. Upon completion of such expenditure, the interests of the parties in each joint venture shall be Breakwater 51% and Kaminak 49%. Within thirty days after Kaminak and Breakwater agree that this \$1,000,000 expenditure threshold has been reached, Breakwater can elect to increase its joint venture interest to 60% by solely funding the next \$2,000,000 in cumulative exploration costs across all joint venture blocks.

Churchill Gold Property, Nunavut Territory

Kaminak Gold Corporation retains 100% of non-diamond rights covering the "Churchill Diamond Project" currently operated by Shear Minerals Ltd. As part of this agreement Kaminak has free access to any data collected for diamond exploration, including over 71,000 line kilometres of airborne geophysics and 7,500 archived till samples. Expenditures by third parties for 2006 were estimated at an additional \$8.0 million.

The property which is several million acres is underlain by a number of Archean greenstone belts which are favourable hosts for high grade gold and nickel deposits. Furthermore, the western part of the property is covered by the Proterozoic Baker Lake Group which itself is host to over 20 unconformity-related uranium prospects.

Hemlo, Ontario

The Hemlo Property consists of claims in the Archean Hemlo Greenstone Belt of Ontario.

The company has completed its initial field program on its 100% owned Hemlo North Gold Project. A three week mapping and prospecting program was followed by an overburden sampling program that targeted hydrothermally altered shear zones.

Key Point Summary

- Field mapping and overburden sampling successfully recognized sulphide bearing shear zones within felsic volcanic host rocks
- Favourable trace element enrichment of Ag, As, K, Ba and Mo within shear zones could indicate proximity to Hemlo-style gold mineralization
- Gold grain counts, sulphide mineralogy and assay results of overburden sampling are expected

The Hemlo gold camp represents one of the most prolific gold camps in Canada and has remained in continuous production since 1985. In the spring of 2007, Kaminak staked a 21,000 acre land position located directly north of the current Hemlo mine leases and patented claims owned by Teck Cominco Limited, Barrick Gold Corporation and Newmont Mining Corporation. Kaminak's exploration rationale at Hemlo is based on a structurally controlled "shear-zone model." Kaminak's technical team believes that there has been a lack of exploration directed towards shear zones models at Hemlo, thereby creating a new exploration opportunity in this district.

IME, Nunavut

The Company holds the non-diamond rights to Indicator Minerals Inc.'s ("IME") properties held in Nunavut. These properties are held by IME with the Company having the right of first refusal on assuming any permits which IME chooses not to renew.

Matrix Gold Project, Nunavut

The Matrix Project consists of a 100% interest in 3 claims totalling 5,785 acres near Henik Lakes, approximately 400 km southwest of Rankin Inlet, Nunavut.

Needle Gold Property, Nunavut:

The 5,165 acre Needle Gold Property is host to numerous high-grade surface gold showings including: the Needle, Jed, Wolverine, Feline and Erin Zones, and is strategically located 70 kilometers southeast of the Goose Lake Gold Project owned by Dundee Precious Metals Inc. and 220 kilometers south of the Hope Bay Gold Project owned by Miramar Mining Ltd.

On August 19, 2007, the Company signed a letter of intent with TerraX Resource Corp. ("TerraX") on its Needle Property. TerraX has the right to earn a 51% project interest by making exploration expenditures totalling \$1 Million (\$100,000 in year 1) and staged share payments totalling 400,000 shares to the Company by December 31, 2010. The letter of intent is subject to approval by the TSX Venture Exchange and the share payments are subject to TerraX successfully completing an Initial Public Offering by June 30, 2008. Failure by TerraX to successfully complete the IPO will result in the return of the Property to Kaminak with no retained interest by TerraX, and TerraX will have and no further obligations to the Company.

The 2008 exploration program included a five hole drill program that tested extensions from the main Needle Gold Zone which was drilled by previous workers in 1990. In addition, the drill program tested a new vein structure identified during fieldwork conducted in 2007 by TerraX and a new style of mineralization that was discovered on the property consisting of zinc and lead-rich precious metal occurrences. No previous drilling had been completed over these two new targets.

Holes TXR08-001, 002 and 004 were drilled on extensions to the main zone drilled in 1990. All holes intersected the mineralized zones where they had been projected from previous drilling. Although these holes confirmed strike and dip extensions to the main mineralized zone on the property, none of the results were as high grade as previous drilling. TerraX's best intersection in TXR008-004 (2.47g/t Au over 3.25m) is the most southerly drill hole on the zone and indicates that the zone remains open along a 2 kilometer magnetic trend. The northern extension of the zone goes under Needle Lake and would require winter drilling off the ice. TerraX will continue to assess the extensions of this zone.

Hole TXR08-003 tested the vein structure discovered by surface prospecting. The hole intersected two narrow zones of quartz veining with results of 1.17g/t Au over 0.65 meters and 1.03g/t Au over 1.27m.

No significant mineralization was encountered in TXR08-005 which was designed to test the zinc and lead precious metal occurrence. TerraX will review the work done to date on this target to ascertain why it was missed in the drilling, and to better target any future exploration.

2008 Needle Gold Assay Results

Hole No.	From (m)	To (m)	Interval (m)	Au Grade (g/t)
TXR08-001	40.15	48.62	8.47	0.44
TRX08-002	80.35	83.05	2.70	0.80
TXR08-003	22.00	22.65	0.65	1.17
and	29.53	30.80	1.27	1.03
TXR08-004	34.60	37.85	3.25	2.47
and	71.40	74.35	2.95	1.09
TXR08-005	No significant values			

Drill holes were designed to intersect zones at right angles and reported drill intercepts are approximately true widths.

Drilling assays were analyzed at TSL Laboratories in Saskatoon, Saskatchewan. Reference standards were inserted into the sample streams as part of a comprehensive QA/QC program to ensure accurate results.

TerraX assembled a complete GIS database on the property, reprocessed available geophysical data and conducted a field program that consisted of prospecting, geological mapping, examination of known gold showings, and soil surveys over the most prospective portion of the property. Fifty-nine grab samples were collected, of which fourteen assayed greater than 5 g/t Au, and the highest was 486 g/t Au. Several geochemical anomalies were obtained from the soil survey, which the parties intend to follow up in 2008.

A new style of mineralization was discovered on the property and consists of zinc and lead-rich precious metal occurrences. An outcropping surface grab sample from one such discovery yielded 24 g/t Au, 70 g/t Ag, 1.7% Zn and 0.5% Pb. This occurrence is coincident with a strong geophysical conductor which has yet to be fully defined. No previous drilling had been completed over this target.

TerraX identified additional drill targets from the main Needle Gold Zone which was drilled by previous workers in 1990. Data examination revealed evidence that the three mineralized intercepts from the 1990 drill program occur on the same structure, which remains untested along strike or down dip. Drill results from 1990 at the Needle Zone include 9.46 g/t Au over 3.43m of core length and 11.58 g/t Au over 2.02m core length. The 486 g/t Au assay obtained by TerraX in 2007 was from a large (> 1 cubic m), angular boulder/subcrop, located within 100 metres of the mineralized structure described above. The rock contains visible gold associated with vein quartz and abundant arsenopyrite and chlorite.

Nizi, British Columbia

The Nizi Creek Gold-Silver Property is located northeast of Dease Lake, British Columbia.

The Company signed a letter of agreement with Avasca Inc. on Kaminak's Nizi Creek Gold-Silver Property located near Cry Lake, British Columbia. Avasca has the right to earn a 51% project interest by making exploration expenditures totaling \$2,000,000 and staged share payments totaling 400,000 units to Kaminak by December 31, 2011. Year 1 (2008) exploration

expenditures are set at a minimum of \$50,000. The letter of agreement is subject to regulatory approval from the TSX Venture Exchange. Share payments are subject to Avasca successfully completing an IPO by December 31, 2009. Failure by Avasca to successfully complete the IPO will result in the return of the Property to Kaminak.

Underlying interests are held by the Hunter Exploration Group as to a 2% royalty on all minerals.

During the previous year, the Nizi property was subject to property-wide geological mapping, augmented by a detailed petrographic and spectroscopic study of clay alteration minerals from several mineralized occurrences. This work successfully identified drill targets for 2008 and indicates further drilling is needed at the Discovery vein / Surprise vein. This is the most advanced prospect on the property with historical chip samples yielding 27.09 g/t Au plus 1220.6 g/t Ag over 2.0m and 15.09 g/t Au plus 1073.2 g/t Ag over 3.5m. Minor shallow drilling on this zone in the mid-1990's confirmed surface assays and yielded 5.68 g/t Au over 13.77m and 3.54 g/t Au plus 27.21 g/t Ag over 6.1m; however, no deep drilling (>120m) has ever been completed. Structural mapping combined with alteration studies completed by a third party in 2007, suggest known "stockwork-style" mineralization could represent the upper portion of a larger vein system at depth.

Obonga, Ontario

The Obonga nickel property is located in Archean greenstones of the Lake Nipigon area of Northern Ontario.

Sail Property, British Columbia

The Company has acquired the 100% owned "Sail property" through staking a land package in the Cry Lake area.

Sharpe Lake, Manitoba

The Company entered into a Letter of Agreement with a third party on October 18, 2005, amended October 29, 2006, to acquire a 100% interest in the Sharpe Lake Gold Project. The project is located 550 kilometres northeast of Winnipeg, Manitoba. To earn its interest, the Company paid the vendor \$15,000 (in January 2006) and issued 100,000 common shares (valued at \$35,000), in addition to the initial payment of \$2,500 upon signing of the agreement covering the license renewal fees for the property. On November 23, 2006 the Company paid the vendor a further \$15,000 and the Company will issue a further 100,000 common shares once Kaminak finds an option partner for the gold and base metal rights exploration licence. The vendor will retain a 2% NSR. The Company has the option to buy back 1% of this NSR at anytime by paying the vendor \$1,000,000.

Sy, Nunavut

The "SY" property covers over 120,000 acres in the Archean greenstone belt. Underlying interests are held by the Hunter Exploration Group as to a 2% royalty on all minerals.

On July 20, 2007, the Company signed an option agreement with Corsa Capital Ltd. ("Corsa") on its Sy Property. Corsa has the right to earn a 51% project interest by making exploration expenditures totalling \$1 Million (\$100,000 in year 1) and staged payments totalling 300,000 units to the Company by December 31, 2010. Each unit consist of 1 common share and 1 - 12

month share purchase warrant with an exercise price to be set in accordance with market at the time of issuance. Corsa will also have the right to increase its project interest to 60% by spending an additional \$1.0 million and issuing the Company an additional 100,000 Units prior to December 31, 2011.

Voigtberg Gold Project, British Columbia

In July 2006, the Company entered into an agreement with BCGold Corp. whereby, BCGold can earn an interest in Kaminak's 100% owned Voigtberg Property. Underlying interests are held by the Hunter Exploration Group as to a 2% royalty on all minerals.

Kaminak granted BCGold the option to acquire up to a 60% interest in the Voigtberg Property ("Property" or "Voigtberg") by making \$2,000,000 in exploration expenditures over four years and by issuing 400,000 units of BCGold to Kaminak. BCGold can earn an additional 10% interest in the Property by completing a bankable feasibility study, for a total earn-in of 70%.

The 2900 hectare Voigtberg Property is located 130 kilometres northwest of the town of Stewart, British Columbia and 70 kilometres from the prolific Galore Creek copper-gold-silver project. Voigtberg is a gold porphyry target subject to a 2% net smelter returns royalty interest held by third parties.

An independent NI 43-101 compliant technical report on the Voigtberg Property was commissioned by Kaminak Gold Corp. and was completed as part of this agreement.

Risks and Uncertainties

Exploration Stage Company

Kaminak is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. All of its properties are in the early stages of exploration and are without known deposits of commercial ore. Development of Kaminak's properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that Kaminak's existing or future exploration programs will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, that it can be commercially mined.

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mineral deposit or orebody may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on Kaminak.

Mining Operations and Insurance

Mining operations generally involve a high degree of risk. Kaminak's operations are subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flowing and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and in the case of diamonds, theft of production. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. Kaminak does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays.

No Operating History and Financial Resources

Kaminak does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its existing cash resources following the private placements, will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for Kaminak acquire and explore other mineral interests. Kaminak has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause Kaminak to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Government Regulation

The current or future operations of Kaminak, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various foreign federal, state and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. There can be no assurance, however, that Kaminak will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which Kaminak may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to Kaminak's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged

in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Competition

The mineral exploration and mining business is competitive in all of its phases. Kaminak will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. Kaminak's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that Kaminak will be able to compete successfully with others in acquiring such prospects.

Title to Property

Many of Kaminak's properties are held in the names of others. Kaminak has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that Kaminak will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of Kaminak's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that Kaminak may lose all or part of its interest in the properties to which such defects relate.

Environmental Risks and Hazards

All phases of Kaminak's operations will be subject to environmental regulation in the jurisdictions in which it intends to operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which Kaminak holds interests or on properties that will be acquired which are unknown to Kaminak at present and which have been caused by previous or existing owners or operators of the properties.

Commodity Prices

The price of Kaminak's securities, its financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of precious or base minerals. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond Kaminak's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange

rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. The price of precious or base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of Kaminak's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly lower precious or base minerals prices could result in material write-downs of Kaminak's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for Kaminak's securities will be subject to such market trends and that the value of such securities may be affected accordingly. There is currently no market through which the securities of Kaminak can be sold and there can be no assurance that one will develop or be sustained. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price under the Private Placement.

Key Executives

Kaminak is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of Kaminak are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of Kaminak, the loss of these persons or Kaminak's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. Kaminak does not currently carry any keyman life insurance on any of its executives. The directors and officers of Kaminak only devote part of their time to the affairs of Kaminak.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

Kaminak has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Kaminak and will depend on Kaminak's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Kaminak deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

At the present time, there are no proposed transactions that should be disclosed.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning KAM's general and administrative expenses and resource property costs is provided in the Company's Consolidated Statement of Loss and Deficit and Consolidated Schedule of Resource Property Costs contained in its Consolidated Financial Statements for December 31, 2008, available on www.sedar.com.

Outstanding Share Data

KAM's authorized capital is unlimited common shares without par value. As at February 13, 2009, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at February 13, 2009	36,467,520		
Employee Stock Options	1,598,000	\$0.45	January 17, 2011
	50,000	\$0.45	April 7, 2011
	50,000	\$0.51	April 25, 2011
	415,000	\$0.45	July 21, 2011
	100,000	\$0.45	December 7, 2011
	240,000	\$0.65	April 2, 2012
	135,000	\$0.65	June 18, 2012
	227,000	\$0.45	July 16, 2013
	650,000	\$0.15	December 5, 2013
Fully Diluted at February 13, 2008	39,932,520		

Off Balance Sheet Arrangements

The Company does not utilize off balance sheet arrangements.

Transactions with Related Parties

Included in the current period are consulting fees of \$3,910, travel and conference charges of \$9,000, office and sundry charges of \$2,385 and investor relations charges of \$14,300 to a company controlled by directors of the Company.

During the year the Company incurred \$46,000 in consulting fees to directors and officers or which \$1,000 is payable to a director at December 31, 2008.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Financial Instruments and Other Instruments

Categories of financial assets and liabilities

As at September 30, 2008, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

	December 31, 2008	September 30, 2008
Held for trading	\$ 4,694,509	\$ 4,887,240
Available for sale	\$ 151,000	\$ 310,000
Loans and receivables	\$ 255,680	\$ 246,204
Other financial liabilities	\$ 84,798	\$ 95,997

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2008, the Company had a cash and cash equivalent balance of \$4,622,924 (September 30, 2008 - \$4,855,655) to settle current liabilities of \$84,798 (September 30, 2008 - \$95,997). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2008, the Company had \$3,539,696 invested in investment-grade short-term deposit certificates.

(b) Foreign currency risk

The Company operates predominately in Canada and is not exposed to any significant foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Critical Accounting Estimates

The Company's accounting policies are presented in note 2 of the accompanying financial statements. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of mineral properties; and
- the valuation of stock-based compensation expense.

Mineral properties and deferred exploration costs

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof. The discovery or establishment of adequate reserves is dependent on successful exploration. Competition for exploration resources at all levels is currently very intense, particularly affecting availability of manpower, drill rigs and helicopters. As a result of this, and other factors inherent in exploration, the Company has uncertainty that it will be able to carry out its planned exploration programs.

Stock-based compensation expense

From time to time, the Company may grant share purchase options to directors, employees, and service providers. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model, and other models which are used to value options, require inputs such as expected volatility, expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the stock-based compensation recorded in a period.

CHANGES IN ACCOUNTING POLICIES

Section 1535 – Capital Disclosures

Effective October 1, 2007, the Company adopted CICA Section 1535, "Capital Disclosures". This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. The additional disclosure includes quantitative and qualitative information regarding an entity's objectives, policies and procedures for managing capital.

Section 3862 and 3863 – Financial Instruments Disclosures and Presentation

The Company adopted CICA Section 3862 and 3863, "Financial Instruments Disclosures and Presentation". This section requires disclosures of both qualitative and quantitative information

that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed.

Approval

The Board of Directors of Kaminak Gold Corporation has approved the disclosure contained in this annual MD&A. A copy of this annual MD&A will be provided to anyone who requests it.

Additional Information

Additional information can be obtained by contacting:

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