

KAMINAK GOLD CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2008

Unaudited – Prepared by Management

Canadian Dollars

Notice of Non-review of Interim Financial Statements

The attached interim consolidated financial statements for the nine month period ended June 30, 2008 have not been reviewed by the company's auditors.

Kaminak Gold Corporation
(An Exploration Stage Company)
Interim Consolidated Balance Sheet

Statement 1

Unaudited – Prepared by Management
Canadian Dollars

ASSETS	As at June 30, 2008	As at September 30, 2007
Current		
Cash and cash equivalents	\$ 4,105,969	\$ 2,383,371
Accrued interest receivable	16,523	24,248
Cash call receivable	1,019,874	24,761
Marketable securities	483,500	234,500
GST receivable	100,407	64,584
Prepaid expense	5,000	5,818
Short-term investment	31,585	30,750
	5,762,858	2,768,032
Investments <i>(Note 5)</i>	816,450	-
Office Equipment , at net book value	9,279	9,686
Resource Property Costs <i>(Note 6) – Schedule</i>	2,590,172	2,439,396
	\$ 9,178,759	\$ 5,217,114
LIABILITIES		
Current		
Accounts payable and accrued liabilities	43,169	77,224
Future Income Tax Liability	217,000	217,000
SHAREHOLDERS' EQUITY		
Share Capital <i>(Note 7)</i>	10,412,223	5,569,627
Contributed Surplus <i>(Note 8)</i>	1,362,128	1,874,958
Other Comprehensive Loss	(77,250)	(16,250)
Deficit - Statement 2	(2,778,511)	(2,505,445)
	8,918,590	4,922,890
	\$ 9,178,759	\$ 5,217,114

Nature of Operations (Note 1)
Subsequent Events (Note 10)

ON BEHALF OF THE BOARD:

"Rob Carpenter", President & CEO, Director

"Charles Chebry, CFO", Director

Kaminak Gold Corporation*(An Exploration Stage Company)*Statement 2**Interim Consolidated Statement of Income (Loss) and Deficit**

Unaudited – Prepared by Management

Canadian Dollars

	For the Three Months Ended June 30, 2008	For the Three Months Ended June 30, 2007	For the Nine Months Ended June 30, 2008	For the Nine Months Ended June 30, 2007
Expenses				
Accounting and legal	\$ 106,259	\$ 33,424	\$ 204,415	\$ 46,420
Amortization	808	1,193	2,352	2,758
Bank charges and interest	323	97	22,759	3,170
Consulting	79,432	49,573	199,714	134,053
Investor relations	29,063	21,028	112,858	84,151
Listing and filing fees	34,145	(427)	43,625	7,672
Office and sundry	19,563	7,545	31,564	19,996
Rent	-	2,039	18,223	16,370
Stock-based compensation	27,562	119,177	170,309	590,575
Transfer agent fees	4,719	-	10,415	15,572
Travel and conference	20,511	30,986	106,699	80,760
Loss before the undernoted	(322,385)	(264,635)	(922,933)	(1,001,497)
Other Income (Expenses)				
Interest	32,156	23,344	61,531	78,779
Gain on marketable securities	-	(267)	-	16,975
Gain on optioning of resource property	-	22,048	310,000	22,048
Loss on investments	(61,652)	-	(61,652)	-
Minority interest	10,884	-	10,884	-
Write-off of resource property costs	(21,780)	(63,260)	(172,791)	(198,567)
	(40,392)	(18,135)	147,972	(80,765)
Income (Loss) from continuing operations	(362,777)	(282,770)	(774,961)	(1,082,262)
Gain on disposition of subsidiary	555,797	-	555,797	-
Loss allocated to spin-off assets (Note 2)	-	(23,011)	(53,902)	(87,088)
Net Income (Loss) before income taxes	193,020	(305,781)	(273,066)	(1,169,350)
Future income tax recovery	-	-	-	443,300
Net Income (Loss) For The Period	193,020	(305,781)	(273,066)	(726,050)
Deficit - Beginning of Period	(2,971,531)	(1,399,138)	(2,505,445)	(978,869)
Deficit – End of Period	\$ (2,778,511)	\$ (1,704,919)	\$ (2,778,511)	\$ (1,704,919)
Basic and Diluted Income (Loss) per Share	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.03)
Weighted Average Number of Shares Outstanding	36,467,520	28,294,993	32,982,084	27,929,814

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*Statement 3**Interim Consolidated Statement of Comprehensive Income (Loss)**

Unaudited – Prepared by Management

Canadian Dollars

	For the Three Months Ended June 30, 2008	For the Three Months Ended June 30, 2007	For the Nine Months Ended June 30, 2008	For the Nine Months Ended June 30, 2007
Net Income (Loss)	\$ 193,020	\$ (305,781)	\$ (273,066)	\$ (726,050)
Other comprehensive income – beginning	(320,000)	9,000	(16,250)	-
Changes in fair value of investments	242,750	4,500	(61,000)	13,500
Other comprehensive income – ending	(77,250)	13,500	(77,250)	13,500
Total Comprehensive Income (Loss)	\$ 115,770	\$ (292,281)	\$ (350,316)	\$ (712,550)

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*Statement 4**Interim Consolidated Statement of Changes in Shareholders' Equity**

Unaudited – Prepared by Management

Canadian Dollars

	For the Three Months Ended June 30, 2008	For the Three Months Ended June 30, 2007	For the Nine Months Ended June 30, 2008	For the Nine Months Ended June 30, 2007
Common Shares				
Balance, beginning of period	\$ 10,412,223	\$ 5,102,969	\$ 5,569,627	\$ 5,306,595
Issued for:				
Cash – exercise of warrants	-	236,735	4,147,930	394,835
Transfer from contributed surplus – exercise of warrants	-	53,936	687,503	68,517
Cash – exercise of stock options	-	67,350	4,500	108,850
Transfer from contributed surplus – exercise of stock options	-	48,553	2,663	74,046
Future income taxes renouncement on flow-through shares issued	-	-	-	(443,300)
Balance, end of period	10,412,223	5,509,543	10,412,223	5,509,543
Contributed Surplus				
Balance, beginning of period	1,334,566	1,739,531	1,874,958	1,267,216
Stock based compensation	27,562	129,540	177,336	641,929
Transfer from contributed surplus – exercise of warrants	-	(53,936)	(687,503)	(68,517)
Transfer from contributed surplus – exercise of stock options	-	(48,553)	(2,663)	(74,046)
Balance, end of period	1,362,128	1,766,582	1,362,128	1,766,582
Deficit				
Balance, beginning of period	(2,971,531)	(1,399,138)	(2,505,445)	(1,399,138)
Net income (loss) for the period	193,020	(305,781)	(273,066)	(726,050)
Balance, end of period	(2,778,511)	(1,704,919)	(2,778,511)	(1,704,919)
Accumulated Other Comprehensive Income (Loss)				
Balance, beginning of period	(320,000)	9,000	(16,250)	-
Changes in fair value of investments	242,750	4,500	(61,000)	13,500
Balance, end of period	(77,250)	13,500	(77,250)	13,500
Shareholders' Equity	\$ 8,918,590	\$ 5,584,706	\$ 8,918,590	\$ 5,584,706

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*Statement 5**Interim Consolidated Statement of Cash Flows**

Unaudited – Prepared by Management

Canadian Dollars

	For the Three Months Ended June 30, 2008	For the Three Months Ended June 30, 2007	For the Nine Months Ended June 30, 2008	For the Nine Months Ended June 30, 2007
Cash Flows from Operating Activities				
Net income (loss) for the period	\$ 193,020	\$ (305,781)	\$ (273,066)	\$ (726,050)
Items not affected by cash:				
Amortization	808	1,297	2,425	2,998
Future income tax recovery	-	-	-	(443,300)
Gain on optioning of property	-	-	(310,000)	-
Gain on disposition of subsidiary	(555,797)	-	(555,797)	-
Loss on equity investments	61,652	-	61,652	-
Minority interest	10,884	-	10,884	-
Stock-based compensation	27,562	129,540	177,336	641,929
Write-off of resource property costs	21,780	63,260	170,309	198,567
	<u>(261,859)</u>	<u>(133,732)</u>	<u>(230,514)</u>	<u>(347,904)</u>
Change in non-cash working capital:				
GST receivable	5,028	(25,682)	(35,823)	(32,364)
Cash call receivable	(995,113)	-	(995,113)	-
Accrued interest receivable	17,260	16,116	7,725	4,143
Prepaid expenses	753,135	(15,818)	818	(15,818)
Accounts payable and accrued liabilities	(46,533)	29,372	(7,729)	(3,652)
	<u>(528,082)</u>	<u>(107,696)</u>	<u>(1,765,665)</u>	<u>(373,547)</u>
Cash Flows from Investing Activities				
Sale of marketable securities	-	-	-	23,000
Increase in short-term investment	-	-	(835)	(750)
Resource property costs	(102,024)	(139,243)	(661,315)	(184,507)
Office equipment	-	(5,343)	(2,018)	(5,877)
	<u>(102,024)</u>	<u>76,796</u>	<u>(664,132)</u>	<u>(49,163)</u>
Cash Flows from Financing Activities				
Issuance of share capital, net	-	304,085	4,152,430	503,685
Repayment of (advances to) related party	-	-	-	(3,816)
	<u>-</u>	<u>304,085</u>	<u>4,152,430</u>	<u>499,869</u>
Net Increase (Decrease) in Cash	(630,106)	273,185	1,722,598	(77,159)
Cash - Beginning of period	4,736,075	1,958,446	2,383,371	2,154,472
Cash and Cash Equivalents - End of Period	\$ 4,105,969	\$ 2,231,631	\$ 4,105,969	\$ 2,231,631
Supplemental Schedule of Non-Cash Investing and Financial Activities				
Accounts payables included in resource property costs	\$ (6,553)	\$ 31,155	\$ (26,327)	\$ 400,194
Transfer of contributed surplus to share capital on warrant exercise	\$ -	\$ -	\$ 687,503	\$ -
Transfer of contributed surplus to share capital on option exercise	\$ -	\$ -	\$ 2,663	\$ -
Receipt of shares as property option payment	\$ -	\$ 2,000	\$ 310,000	\$ 76,500
Future income tax recovery – flow-through shares	\$ -	\$ -	\$ -	\$ 443,300

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*

Schedule

Interim Consolidated Schedule of Resource Property Costs

Unaudited – Prepared by Management

Canadian Dollars

For the Nine Months Ended June 30, 2008

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 30, 2007
Mineral Interests				
Angilak (formerly Yathkyed), Nunavut				
Acquisition costs – cash	\$ 50,000	\$ -	\$ 50,000	\$ 7,500
Claim maintenance	35,333	-	35,333	-
Recording and staking	15,901	-	15,901	109,647
Assays	-	540	540	1,093
Field and supplies	-	(20,500)	(20,500)	28,546
Geological consulting	-	641	641	17,516
Travel and accommodation	-	-	-	42,766
Transfer assets to Kivalliq (Note 2)	(218,381)	(70,602)	(288,983)	-
	(117,147)	(89,921)	(207,068)	207,068
Baker Lake (Uranium), Nunavut				
Claim maintenance	136	-	136	(152,540)
Geological consulting	-	238	238	833
Travel and accommodation	-	-	-	-
Option receipt – shares	-	-	-	(6,952)
Transfer assets to Kivalliq (Note 2)	(136)	(238)	(374)	-
	-	-	-	(158,659)
Bathurst, Nunavut				
Claim maintenance	34	-	34	-
Recording and staking	24,170	-	24,170	-
Geological consulting	-	237	237	-
	24,204	237	24,441	-
Breakwater, Quebec and Labrador				
Airborne Geological	-	491,352	491,352	-
Assays	-	-	-	973
Field and general	-	24,318	24,318	34,463
Geological consulting	-	5,290	5,290	8,896
Travel and accommodation	-	14,442	14,442	31,769
Recovery of costs	-	(511,424)	(511,424)	-
	-	23,978	23,978	76,101
Churchill, Nunavut				
Field and general	-	-	-	(3,139)
Geological consulting	-	-	-	613
Travel and accommodation	-	-	-	455
	-	-	-	(2,071)
Grenville Nickle, Quebec				
Field and general	-	2,422	2,422	-
Geological consulting	-	972	972	-
Travel and accommodation	-	1,478	1,478	-
	-	4,872	4,872	-
Balance Forward	\$ (92,943)	\$ (60,834)	\$ (153,777)	\$ 122,439

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*

Schedule

Consolidated Schedule of Resource Property Costs

Unaudited – Prepared by Management

Canadian Dollars

For the Nine Months Ended June 30, 2008

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 30, 2007
Balance Brought Forward	\$ (92,943)	\$ (60,834)	\$ (153,777)	\$ 122,439
Hemlo, Ontario				
Acquisition costs – shares	-	-	-	28,000
Recording and staking	-	-	-	42,682
Assays	-	10,005	10,005	-
Field and general	-	125,199	125,199	17,401
Geological consulting	-	77,110	77,110	26,036
Travel and accommodation	-	47,954	47,954	8,700
	-	260,268	260,268	122,819
IME, Nunavut				
Assays	-	-	-	37,533
Field and general	-	33	33	470
Geological consulting	-	95	95	313
Travel and accommodation	-	-	-	7,719
	-	128	128	46,035
Lach, Nunavut				
Recording and staking	-	-	-	14,795
Claim maintenance	34	-	34	-
Geological consulting	-	71	71	-
	34	71	105	14,795
Matrix, Nunavut				
Claim maintenance	34	-	34	775
Recording and staking	-	-	-	15,270
Geological consulting	-	480	480	2,063
	34	480	514	18,108
Needle, Nunavut				
Assays	-	-	-	216
Field and general	-	-	-	3,225
Geological consulting	-	95	95	7,716
Travel and accommodation	-	-	-	2,050
	-	95	95	13,207
Nizi, BC				
Options receipt – shares	-	-	-	(26,250)
Field and general	-	172	172	556
	-	172	172	(25,694)
Obonga				
Recording and staking	41,287	-	41,287	-
Field and general	-	488	488	-
Geological consulting	-	30	30	-
	41,287	518	41,805	-
Balance Forward	\$ (51,588)	\$ 200,898	\$ 149,310	\$ 311,709

- See Accompanying Notes -

Kaminak Gold Corporation

Schedule

*(An Exploration Stage Company)***Consolidated Schedule of Resource Property Costs**

Unaudited – Prepared by Management

*Canadian Dollars***For the Nine Months Ended June 30, 2008**

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 30, 2007
Balance Brought Forward	\$ (51,588)	\$ 200,898	\$ 149,310	\$ 311,709
Sail, BC				
Recording and staking	22,720	-	22,720	2,013
	22,720	-	22,720	2,013
Sharpe Lake, Manitoba				
Acquisition costs – cash	-	-	-	15,000
Field and general	-	-	-	6,583
Geological consulting	-	71	71	8,950
Travel and accommodation	-	-	-	426
	-	71	71	30,959
Sy, Nunavut				
Claim maintenance	34	-	34	-
Recording and staking	78	-	78	4,390
Field and supplies	-	172	172	163
Geological consulting	-	203	203	3,500
Travel and accommodation	-	75	75	-
	112	450	562	8,053
Voigtberg, BC				
Option receipt – shares	-	-	-	(86,281)
Recording and staking	-	-	-	10
Assays	-	-	-	13,003
Field and supplies	-	71	71	6,590
Travel and accommodation	-	-	-	4,962
	-	71	71	(61,716)
Washburn, Nunavut				
Recording and staking	-	-	-	19,788
Claim maintenance	34	-	34	200
Geological consulting	-	71	71	1,970
Transfer assets to Kivalliq (Note 2)	(20,022)	(2,041)	(22,063)	-
	(19,988)	(1,970)	(21,958)	21,958
Generative				
Recording and staking	5,588	-	5,588	29,854
Assays	-	4,398	4,398	32,275
Field and supplies	-	67,652	67,652	90,198
Geological Consulting	-	55,934	55,934	171,960
Travel and accommodation	-	39,219	39,219	45,425
Generative costs recoverable	-	-	-	(24,761)
	5,588	167,203	172,791	344,951
Resource Property Costs for the Period	(43,156)	366,723	323,567	657,927
Write off of Resource Property Costs	(5,588)	(167,203)	(172,791)	(664,471)
Balance, Beginning of the Period	1,234,250	1,205,146	2,439,396	2,445,940
Balance, End of the Period	\$ 1,185,506	\$ 1,404,666	\$ 2,590,172	\$ 2,439,396

- See Accompanying Notes -

Kaminak Gold Corporation

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements

June 30, 2008

Unaudited – Prepared by Management

Canadian Dollars

1. Nature of Operations

Kaminak Gold Corporation ("Kaminak" or "KAM" or the "Company") 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. The reorganization transaction involved the acquisition from Shear of a 46.24% interest in certain properties ("Hunter Properties") and all of the outstanding shares of 974134 N.W.T. Limited, a wholly-owned subsidiary of Shear which holds the non-diamond properties of Shear. In tandem with the reorganization transaction, the Company acquired the remaining interest in the Hunter Properties from Hunter Exploration Group ("Hunter"), a related party, by issuing common shares and a promissory note. On November 23, 2005, after completion of its private placements, the Company's shares became publicly trading on the TSX Venture Exchange under the symbol "KAM".

As part of the Spin out transaction (Note 2) the Company incorporated a subsidiary, Kivalliq Energy Corp. ("Kivalliq") on February 13, 2008. As at June 30, 2008, the Company owns 48% of this subsidiary which has accounted for by way of the equity method. Upon the completion of Kivalliq's public listing the Company will retain a 13% interest in Kivalliq.

2. Spin Out Transaction

In February 2008, Kaminak completed a transfer of its Uranium properties to Kivalliq in exchange for 3,646,752 units of Kivalliq. In addition, in July 2008, Kivalliq issued an additional 14,587,008 units to Kaminak. Each unit consisted of one half of one common share and one quarter of one share purchase warrant which allows the holder to purchase one additional common share of Kivalliq at a price of \$0.25 per share, exercisable for a period of 30 days from the date Kivalliq's shares are approved for trading on the TSX Venture Exchange (the shares were approved for trading on July 4, 2008). Kaminak then distributed 80% of these to the existing Kaminak shareholders pursuant to a corporate restructuring transaction ("Plan of Arrangement"). This resulted in each shareholder of Kaminak receiving 0.4 of a common share in Kivalliq and one quarter of one share purchase warrant for each outstanding common share of Kaminak held.

The Company's Consolidated Statements of Income (Loss) and Deficit for the period ended June 30, 2008 and 2007 is the result of a "carve-out" of an allocation of general and administrative expenses for those periods to Kivalliq. The allocation of the Company's general and administrative expenses was calculated on the basis of the ratio of costs deferred by the Company on the Uranium mineral properties in each quarter presented as compared to the costs deferred on all mineral properties in each of these quarters.

Kaminak Gold Corporation

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Notes to Interim Consolidated Financial Statements

June 30, 2008

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3. Significant Accounting Policies

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly, the interim financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at September 30, 2007.

4. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, cash call receivable, accrued interest receivable, marketable securities, GST receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

5. Investments

The Company accounts for its investment in Kivalliq on an equity basis. As at June 30, 2008 the Company holds a 48% interest in Kivalliq, which was reduced to 13% on July 4, 2008 with the completion of the Spin Out transaction (Note 2). The Company exercises significant control over the Kivalliq investment. Accordingly the Company has used the equity method to account for this investment since its disposal of a total of 52% on June 9, 2008. Prior to June 9, 2008, the Company consolidated the operations of Kivalliq.

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Notes to Interim Consolidated Financial Statements

June 30, 2008

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6. Resource Property Costs:

Details are as follows:

	Acquisition Costs	Exploration Costs	Cumulative as at June 30, 2008	Cumulative as at September 30, 2007
Angilak (formerly Yathkeyed), Nunavut	-	-	-	207,098
Bathurst, Nunavut	24,204	237	24,441	-
Breakwater, Quebec and Labrador	-	100,079	100,079	76,101
Churchill, Nunavut	783,721	463,534	1,247,255	1,247,225
Grenville Nickle, Quebec	-	4,872	4,872	-
Hemlo, Ontario	70,682	312,405	383,087	122,819
IME, Nunavut	30,509	58,869	89,378	89,250
Lach, Nunavut	34	71	105	-
Matrix, Nunavut	46,497	19,908	66,405	65,891
Needle, Nunavut	33,863	72,541	106,404	106,309
Needle (Diamond), Nunavut	-	8,999	8,999	8,999
Nizi, BC	4,166	4,259	8,425	8,253
Obonga, Sail, BC	41,287	518	41,805	-
Sail, BC	24,733	-	24,733	2,013
Sharpe Lake, Manitoba	67,500	148,389	215,889	215,818
Sy, Nunavut	58,310	209,914	268,224	267,662
Voigtberg, BC	-	71	71	-
Washburn, Nunavut	-	-	-	21,958
	\$ 1,185,506	\$ 1,404,666	\$ 2,590,172	\$ 2,439,396

General

The Company acquired from Hunter and Shear, related parties, two groups of properties: the Hunter Properties and the Shear Properties. The Hunter Properties consists of five mineral properties: the Churchill Gold Property, the Nizi Gold Property, the Matrix Gold Project, the Voigtberg Gold Property and non-diamond rights over the IME Properties. The Shear Properties consist of the Needle, Sy and any non-diamond rights to the Churchill Diamond Projects (except for a 5% non-diamond net profits interest).

Under the reorganization transaction, the following items relate to resource properties:

Hunter retains a 2% gross overriding royalty and a 2% net smelter royalty in all Hunter properties acquired by the Company.

Bathurst, Nunavut

The property is subject to a 2% NSR in favour of a third party, Echo Bay Mines Ltd. In addition, the Company was required to make payments to keep the property in good standing.

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Notes to Interim Consolidated Financial Statements

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6. Resource Property Costs – Continued:

Breakwater, Quebec and Labrador

The Company has acquired through staking with 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-PGE 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 million. 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 million expenditure threshold has been reached, Breakwater can elect to increase its joint venture interest to 60% by solely funding the next \$2 million in cumulative exploration costs across all joint venture blocks.

Churchill, Nunavut

The Churchill property consists of non-diamond rights covering the Churchill Diamond Project operated by Shear Minerals Ltd. in Nunavut.

Hemlo, Ontario

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

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, 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.

Kaminak Gold Corporation

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6. Resource Property Costs – Continued:

Needle, Nunavut

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 (completed and 100,000 shares received).

The Needle Lake Property is subject to a 1% NSR in favour of the former shareholders of Pinnacle Resources (1996) Ltd.

Nizi, British Columbia

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

The Nizi Property is subject to a 2% NSR in favour of Hunter Exploration Group and a 2% gross overriding royalty.

Sail Property, British Columbia

The Company has acquired the 100% owned “Sail property” through staking a land package totalling 5,000 ha 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% Net Smelter Royalty (NSR). The Company has the option to buy back 1% of this NSR at anytime by paying the vendor \$1,000,000.

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6. Resource Property Costs – Continued:

Sy, Nunavut

The “SY” property is in the Archean greenstone belt.

On July 20, 2007 the Company signed an option agreement with Corsa Capital Ltd. (“Corsa”) giving Corsa the right to earn up to a 60% interest in the Sy Property. Under the terms of the Option Agreement, Corsa has the right to initially earn a 51% interest by December 31, 2010 by making exploration expenditures totalling \$1.0 million dollars and staged payments totalling 300,000 Units to the Company (100,000 received April 16, 2008). Each Unit consisting of one common share and one 12-month share purchase warrant with an exercise price set in accordance with market at the time of issuance of the Unit (100,000 received with an exercise price of \$0.35 per share). Corsa can then increase its interest to 60% by spending an additional \$1 million and issuing an additional 100,000 Units to the Company, prior to December 31, 2011.

Underlying interests are held by the Hunter Exploration Group as to a 2% gross overriding royalty and a 2% Net Smelter Return interest.

Voigtberg, British Columbia

By agreement dated July 11, 2006, the Company granted a third party, BCGold Corp., an option to acquire up to a 60% interest in the Voigtberg Gold Project, British Columbia. The Voigtberg Property was part of the properties acquired from Hunter. Under the terms of the Option Agreement, BCGold has the right to initially earn a 60% interest by July 11, 2010 by making exploration expenditures totalling \$2.0 million dollars and staged payments totalling 400,000 Units to the Company. Each Unit consisting of one common share and one half of one common share purchase warrant with an exercise price set in accordance with market at the time of issuance of the Unit. BCGold will be vested with a total of a 50% interest after spending a minimum of \$1,000,000, thereafter BCGold and the Company will form a joint venture in accordance with their interests then held. Upon completion of the required exploration expenditures and issuance of the Additional Units, BCGold will be vested with an additional 10% interest for a total interest of 60%. BCGold can earn an additional 10% interest in the Property by completing a bankable feasibility study, for a total earn-in of 70%.

Underlying interests are held by the Hunter Exploration Group as to a 2% gross overriding royalty and a 2% Net Smelter Return interest.

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7. Share Capital

a) Details as follows:

	Number	Amount
Authorized:		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares without par value		
Issued:		
Balance - September 30, 2006	27,654,070	\$ 5,306,595
For cash – exercise of warrants	735,891	417,035
Transfer from contributed surplus – exercise of warrants	-	75,889
For cash – exercise of stock options	227,000	108,850
Transfer from contributed surplus – exercise of warrants (Note 9)	-	76,558
Acquisition of Sharpe Lake Property	50,000	28,000
Future income taxes on renouncement of flow-through shares issued	-	(443,300)
Balance - September 30, 2007	28,666,961	5,569,627
For cash – exercise of warrants	7,790,559	4,147,930
Transfer from contributed surplus – exercise of warrants (Note 8)	-	687,503
For cash – exercise of stock options	10,000	4,500
Transfer from contributed surplus – exercise of warrants (Note 8)	-	2,663
Balance – June 30, 2008	36,467,520	\$ 10,412,223

b) Warrants:

Details as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, September 30, 2006	9,145,500	\$0.54
Exercised	(735,891)	\$0.60
Outstanding warrants, September 30, 2007	8,409,609	\$0.54
Exercised	(7,790,559)	\$0.53
Expired without exercise	(619,050)	\$0.69
Outstanding warrants, June 30, 2008	-	-

At June 30, 2008, there were no warrants were outstanding.

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7. Share Capital – Continued:

c) Stock Options

Details as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding options, September 30, 2006	3,515,000	\$0.66
Issued	500,000	\$0.70
Exercised	(227,000)	\$0.48
Expired without exercise	(100,000)	\$0.55
Outstanding options, September 30, 2007	3,688,000	\$0.68
Exercised	(10,000)	\$0.45
Expired without exercise	(1,025,000)	\$0.94
Outstanding options, June 30, 2008	2,653,000	\$0.66

At June 30, 2008 the following stock options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Vested Number of Options	Weighted Average Remaining in Years
January 17, 2011	\$0.55	1,663,000	1,663,000	2.80
April 7, 2011	\$0.55	50,000	50,000	3.02
April 25, 2011	\$0.63	50,000	50,000	3.07
July 21, 2011	\$0.55	415,000	415,000	3.31
December 7, 2011	\$0.55	100,000	100,000	3.69
April 2, 2012	\$0.79	240,000	180,000	4.01
June 18, 2012	\$0.79	135,000	101,250	4.22
	\$0.66	2,653,000	2,559,250	2.89

On July 4, 2008 the option exercise prices were revised to reflect the spin out transaction and the issuance of Kivalliq stock options to Kaminak's existing option holders.

8. Contributed Surplus

Balance consists of:

Balance – September 30, 2007	\$ 1,874,958
- stock based compensation	177,336
- warrants exercised – transferred to share capital	(687,503)
- stock options exercised – transferred to share capital	(2,663)
Balance – June 30, 2008	\$ 1,362,128

9. Related Party Transactions

Included in the current period are consulting fees of \$2,000 paid to Company's controlled by management of the Company.

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10. Subsequent Event

a) On July 4, 2007, the TSX Venture Exchange approved Kivalliq for listing and the Spin Out transaction (refer to Note 2) was completed.

b) 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 million 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 31st, 2009. Failure by Avasca to successfully complete the IPO will result in the return of the Property to Kaminak.