

**KAMINAK GOLD CORPORATION**

*(An Exploration Stage Company)*

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**SIX MONTHS ENDED MARCH 31, 2008**

**Unaudited – Prepared by Management**

**Canadian Funds**

## **Notice of Non-review of Interim Financial Statements**

---

The attached interim consolidated financial statements for the six month period ended March 31, 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 Funds*

<b>ASSETS</b>	<b>As at March 31, 2008</b>	<b>As at September 30, 2007</b>
<b>Current</b>		
Cash and cash equivalents	\$ 4,736,075	\$ 2,383,371
Accrued interest receivable	33,783	24,248
Cash call receivable	-	24,761
GST receivable	105,435	64,584
Marketable securities	240,750	234,500
Prepaid expense	782,896	5,818
Short-term investment	31,585	30,750
	<b>5,930,524</b>	<b>2,768,032</b>
<b>Office Equipment</b> , at net book value	<b>10,087</b>	<b>9,686</b>
<b>Resource Property Costs</b> <i>(Note 4) – Schedule</i>	<b>2,850,912</b>	<b>2,439,396</b>
	<b>\$ 8,791,523</b>	<b>\$ 5,217,114</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	119,265	77,224
<b>Future Income Tax Liability</b>	<b>217,000</b>	<b>217,000</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> <i>(Note 5)</i>	<b>10,412,223</b>	<b>5,569,627</b>
<b>Contributed Surplus</b> <i>(Note 6)</i>	<b>1,334,566</b>	<b>1,874,958</b>
<b>Other Comprehensive Loss</b>	<b>(320,000)</b>	<b>(16,250)</b>
<b>Deficit</b> - <i>Statement 2</i>	<b>(2,971,531)</b>	<b>(2,505,445)</b>
	<b>8,455,258</b>	<b>4,922,890</b>
	<b>\$ 8,791,523</b>	<b>\$ 5,217,114</b>

ON BEHALF OF THE BOARD:

"Rob Carpenter", President & CEO, Director

"Charles Chebry, CFO", Director

- See Accompanying Notes -

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

Unaudited – Prepared by Management

*Canadian Funds*

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	For the Six Months Ended March 31, 2008	For the Six Months Ended March 31, 2007
<b>Expenses</b>				
Accounting and legal	\$ 90,499	\$ 5,205	\$ 106,208	\$ 14,127
Amortization	808	776	1,617	1,701
Bank charges and interest	24,799	3,190	25,194	3,341
Consulting	54,921	38,924	140,345	91,826
Investor relations	71,439	41,316	91,125	68,611
Listing and filing fees	10,226	8,803	10,643	8,803
Office and sundry	4,027	10,120	13,068	13,534
Rent	13,083	10,977	19,485	15,578
Stock-based compensation	71,694	512,389	149,774	512,389
Transfer agent fees	5,696	15,415	5,696	16,926
Travel and conference	51,515	34,335	91,295	54,103
<b>Loss before the undernoted</b>	<b>(398,707)</b>	<b>(681,450)</b>	<b>(654,450)</b>	<b>(800,939)</b>
<b>Other Income (Expenses)</b>				
Interest	29,375	26,235	29,375	55,435
Realized gain on marketable securities	-	15,887	-	17,242
Gain on optioning of resource property	-	-	310,000	-
Write-off of resource property costs	(50,241)	(50,724)	(151,011)	(135,307)
	<b>(20,866)</b>	<b>(8,602)</b>	<b>188,364</b>	<b>(62,630)</b>
<b>Loss before income taxes</b>	<b>(419,573)</b>	<b>(690,052)</b>	<b>(466,086)</b>	<b>(863,569)</b>
<b>Future income tax recovery</b>	<b>-</b>	<b>443,300</b>	<b>-</b>	<b>443,300</b>
<b>Net Loss For The Period</b>	<b>(419,573)</b>	<b>(246,752)</b>	<b>(466,086)</b>	<b>(420,269)</b>
<b>Deficit - Beginning of Period</b>	<b>(2,551,958)</b>	<b>(1,152,386)</b>	<b>(2,505,445)</b>	<b>(978,869)</b>
<b>Deficit – End of Period</b>	<b>\$ (2,971,531)</b>	<b>\$ (1,399,138)</b>	<b>\$ (2,971,531)</b>	<b>\$ (1,399,138)</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>32,419,244</b>	<b>27,836,948</b>	<b>31,248,889</b>	<b>27,747,224</b>

- See Accompanying Notes -

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

Unaudited – Prepared by Management

*Canadian Funds*

	<b>For the Three Months Ended March 31, 2008</b>	<b>For the Three Months Ended March 31, 2007</b>	<b>For the Six Months Ended March 31, 2008</b>	<b>For the Six Months Ended March 31, 2007</b>
<b>Net Loss</b>	\$ (419,573)	\$ (246,752)	\$ (466,086)	\$ (420,269)
Other comprehensive income – beginning	(253,250)	14,000	(16,250)	-
Changes in fair value of investments	(66,750)	(5,000)	(303,750)	9,000
Other comprehensive income – ending	(320,000)	9,000	(320,000)	9,000
<b>Total Comprehensive Income (Loss)</b>	\$ (739,573)	\$ (237,752)	\$ (786,086)	\$ (411,269)

- 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 Funds*

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	For the Six Months Ended March 31, 2008	For the Six Months Ended March 31, 2007
<b>Common Shares</b>				
Balance, beginning of period	\$ 6,398,530	\$ 5,327,233	\$ 5,569,627	\$ 5,306,595
Issued for:				
Cash – exercise of warrants	3,325,430	138,850	4,147,930	158,100
Transfer from contributed surplus – exercise of warrants	683,421	13,193	687,503	14,581
Cash – exercise of stock options	2,750	41,500	4,500	41,500
Transfer from contributed surplus – exercise of stock options	2,092	25,493	2,663	25,493
Future income taxes renouncement on flow-through shares issued	-	(443,300)	-	(443,300)
Balance, end of period	10,412,223	5,102,969	10,412,223	5,102,969
<b>Contributed Surplus</b>				
Balance, beginning of period	1,948,385	1,265,828	1,874,958	1,267,216
Stock based compensation	71,694	512,389	149,774	512,389
Transfer from contributed surplus – exercise of warrants	(683,421)	(13,193)	(687,503)	(14,581)
Transfer from contributed surplus – exercise of stock options	(2,092)	(25,493)	(2,663)	(25,493)
Balance, end of period	1,334,566	1,739,531	1,334,556	1,739,531
<b>Deficit</b>				
Balance, beginning of period	(2,551,958)	(1,152,386)	(2,505,445)	(978,869)
Net loss for the period	(419,573)	(246,752)	(466,086)	(420,269)
Balance, end of period	(2,971,531)	(1,399,138)	(2,971,531)	(1,399,138)
<b>Accumulated Other Comprehensive Income (Loss)</b>				
Balance, beginning of period	(253,250)	14,000	(16,250)	-
Changes in fair value of investments	(66,750)	(5,000)	(303,750)	9,000
Balance, end of period	(320,000)	9,000	(320,000)	9,000
<b>Shareholders' Equity</b>	<b>\$ 8,455,258</b>	<b>\$ 5,452,362</b>	<b>\$ 8,455,258</b>	<b>\$ 5,452,362</b>

- See Accompanying Notes -

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

Unaudited – Prepared by Management

Canadian Funds

	For the Three Months Ended March 31, 2008	For the Three Months Ended March 31, 2007	For the Six Months Ended March 31, 2008	For the Six Months Ended March 31, 2007
<b>Cash Flows from Operating Activities</b>				
Net loss for the period	\$ (419,573)	\$ (246,752)	\$ (466,086)	\$ (420,269)
Items not affected by cash:				
Future income tax recovery	-	(443,300)	-	(443,300)
Stock-based compensation	71,694	512,389	149,774	512,389
Amortization	808	776	1,617	1,701
Write-off of resource property costs	50,241	50,724	151,011	135,307
Gain on optioning of property	-	-	(310,000)	-
	<u>(296,830)</u>	<u>(126,163)</u>	<u>(473,684)</u>	<u>(214,172)</u>
Change in non-cash working capital:				
GST receivable	(17,389)	(10,737)	(40,851)	(6,682)
Accrued interest receivable	(20,526)	(13,094)	(9,535)	(11,973)
Prepaid expenses	(752,317)	-	(752,317)	-
Accounts payable and accrued liabilities	31,736	(70,600)	38,805	(33,024)
	<u>(1,055,326)</u>	<u>(220,594)</u>	<u>(1,237,582)</u>	<u>(265,851)</u>
<b>Cash Flows from Investing Activities</b>				
Sale of marketable securities	-	23,000	-	23,000
Increase in short-term investment	(835)	(750)	(835)	(750)
Resource property costs	(144,371)	(229,374)	(559,291)	(45,264)
Office equipment	1	(534)	(2,018)	(534)
	<u>(145,205)</u>	<u>(70,114)</u>	<u>(562,144)</u>	<u>(125,959)</u>
<b>Cash Flows from Financing Activities</b>				
Issuance of share capital, net	3,328,180	180,350	4,152,430	199,600
Repayment of (advances to) related party	-	-	-	(3,816)
	<u>3,328,180</u>	<u>180,350</u>	<u>4,152,430</u>	<u>195,784</u>
<b>Net Increase (Decrease) in Cash</b>	<b>2,127,649</b>	<b>(110,358)</b>	<b>(2,352,704)</b>	<b>(196,026)</b>
Cash - Beginning of period	2,608,426	2,068,804	2,383,371	2,154,472
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 4,736,075</b>	<b>\$ 1,958,446</b>	<b>\$ 4,736,075</b>	<b>\$ 1,958,446</b>
<b>Supplemental Schedule of Non-Cash Investing and Financial Activities</b>				
Accounts payables included in resource property costs	\$ 19,774	\$ 362,452	\$ 3,236	\$ 369,039
Transfer of contributed surplus to share capital on warrant exercise	\$ 679,339	\$ 13,193	\$ 683,421	\$ 14,581
Transfer of contributed surplus to share capital on option exercise	\$ 1,521	\$ 25,493	\$ 2,092	\$ 25,493
Receipt of shares as property option payment	\$ -	\$ 27,000	\$ 310,000	\$ 74,500
Future income tax recovery – flow-through shares	\$ -	\$ 443,300	\$ -	\$ 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 Funds

**For the Six Months Ended March 31, 2008**

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 2007
<b>Mineral Interests</b>				
<b>Angilak (formerly Yathkyed), Nunavut</b>				
Acquisition costs – cash	\$ 50,000	\$ -	\$ 50,000	\$ 7,500
Claim maintenance	35,333	-	35,333	
Recording and staking	14,923	-	14,923	109,647
Assays	-	540	540	1,093
Field and supplies	-	14,573	14,573	28,546
Geological consulting	-	3,149	3,149	17,516
Travel and accommodation	-	-	-	42,766
	100,256	18,262	118,518	207,068
<b>Baker Lake (Uranium), Nunavut</b>				
Claim maintenance		-	137	(152,540)
Geological consulting		203	203	833
Travel and accommodation		-	-	-
Option receipt – shares		-	-	(6,952)
		203	340	(158,659)
<b>Bathurst, Nunavut</b>				
Claim maintenance		-	34	-
Recording and staking	24,	-	24,170	-
Geological consulting		237	237	-
	24,	237	24,441	-
<b>Breakwater, Quebec and Labrador</b>				
Assays		-	-	973
Field and general		8,700	8,700	34,463
Geological consulting		1,090	1,090	8,896
Travel and accommodation		1,641	1,641	31,769
Recovery of costs		(31,261)	(31,261)	-
		(19,830)	(19,830)	76,101
<b>Churchill, Nunavut</b>				
Field and general		-	-	(3,139)
Geological consulting		-	-	613
Travel and accommodation		-	-	455
		-	-	(2,071)
<b>Grenville Nickle, Quebec</b>				
Field and general		2,422	2,422	-
Geological consulting		172	172	-
Travel and accommodation		1,478	1,478	-
		4,072	4,072	-
<b>Balance Forward</b>	\$ 124,5	\$ 2,944	\$ 127,541	\$ 122,439

- See Accompanying Notes -

**Kaminak Gold Corporation**

Schedule

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

Unaudited – Prepared by Management

*Canadian Funds***For the Six Months Ended March 31, 2008**

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 2007
<b>Balance Brought Forward</b>	\$ 124,597	\$ 2,944	\$ 127,541	\$ 122,439
<b>Hemlo, Ontario</b>				
Acquisition costs – shares	-	-	-	28,000
Recording and staking	-	-	-	42,682
Assays	-	10,006	10,006	-
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
<b>IME, Nunavut</b>				
Assays	-	-	-	37,533
Field and general	-	-	-	470
Geological consulting	95	-	95	313
Travel and accommodation	-	-	-	7,719
		95	95	46,035
<b>Lach, Nunavut</b>				
Recording and staking	-	-	-	14,795
Claim maintenance	34	-	34	-
Geological consulting	-	71	71	-
	34	71	105	14,795
<b>Matrix, Nunavut</b>				
Claim maintenance	34	-	34	775
Recording and staking	-	-	-	15,270
Geological consulting	-	308	308	2,063
	34	308	342	18,108
<b>Needle, Nunavut</b>				
Assays	-	-	-	216
Field and general	-	-	-	3,225
Geological consulting	-	95	95	7,716
Travel and accommodation	-	-	-	2,050
	-	95	95	13,207
<b>Nizi, BC</b>				
Options receipt – shares	-	-	-	(26,250)
Field and general	-	-	-	556
	-	-	-	(25,694)
<b>Sail, BC</b>				
Recording and staking	22,651	-	22,651	2,013
	22,651	-	22,651	2,013
<b>Balance Forward</b>	\$ 147,316	\$ 263,781	\$ 411,097	\$ 313,722

- See Accompanying Notes -

**Kaminak Gold Corporation***(An Exploration Stage Company)*

Schedule

**Consolidated Schedule of Resource Property Costs**

Unaudited – Prepared by Management

*Canadian Funds***For the Six Months Ended March 31, 2008**

	Acquisition Costs	Deferred Exploration	Total	For the year ended September 2007
<b>Balance Brought Forward</b>	\$ 147,316	\$ 263,781	\$ 411,097	\$ 313,722
<b>Sharpe Lake, Manitoba</b>				
Acquisition costs – cash	-	-	-	15,000
Field and general	-	-	-	6,583
Geological consulting	-	71	71	8,950
Travel and accommodation	-	-	-	426
	-	71	71	30,959
<b>Sy, Nunavut</b>				
Claim maintenance	34	-	34	
Recording and staking	-	-	-	4,390
Field and supplies	-	-	-	163
Geological consulting	-	209	209	3,500
	34	209	243	8,053
<b>Voigtberg, BC</b>				
Option receipt – shares	-	-	-	(86,281)
Recording and staking	-	-	-	10
Assays	-	-	-	13,003
Field and supplies	-	-	-	6,950
Travel and accommodation	-	-	-	4,962
	-	-	-	(61,716)
<b>Washburn, Nunavut</b>				
Recording and staking	-	-	-	19,788
Claim maintenance	34	-	34	200
Geological consulting	-	71	71	1,970
	34	71	105	21,958
<b>Generative</b>				
Recording and staking	13,172	-	13,172	29,854
Assays	-	4,398	4,398	32,275
Field and supplies	-	52,788	52,788	90,198
Geological Consulting	-	51,734	51,734	171,960
Travel and accommodation	-	28,919	28,919	45,425
Generative costs recoverable	-	-	-	(24,761)
	13,172	137,839	151,011	344,951
<b>Resource Property Costs for the Period</b>	160,556	401,971	562,527	657,927
<b>Write off of Resource Property Costs</b>	(13,172)	(137,839)	(151,011)	(664,471)
Balance, Beginning of the Period	1,234,250	1,205,146	2,439,396	2,445,940
<b>Balance, End of the Period</b>	\$ 1,381,634	\$ 1,469,278	\$ 2,850,912	\$ 2,439,396

- See Accompanying Notes -

# **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

## **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

### **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. See Note 8 for details on the proposed spin out of Kaminak’s Uranium assets.

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”.

### **2. 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 except that the Company now consolidates its subsidiary Kivalliq Energy Corp. incorporated February 13, 2008 and has adopted the following CICA guidelines effective for the Company’s first quarter commencing October 1, 2006. 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.

#### **Recent accounting pronouncements**

The Following accounting pronouncements are applicable to annual and interim periods beginning on or after October 1, 2007:

CICA 1535, Capital Disclosure require that a company disclose information that enables users of its financial statements to evaluate its objectives, policies and procedures for managing capital including disclosures of any externally imposed capital requirements and the consequences for non-compliance.

CICA 3862, Financial Instruments – Disclosure requires disclosure of information related to the significance of financial instruments to a Company’s financial position and performance. A company is also required to disclose information related to the risks of its use of financial instruments and how those risks are managed.

CICA 3863, Financial Instruments – Presentation established standards for presentation of financial instruments. It deals with the presentation of financial instruments and the circumstances in which financial assets and financial liabilities are offset.

The adoption of these new pronouncements does not have a material effect on the Company’s financial statements.

## Kaminak Gold Corporation

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

March 31, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, 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.

#### 4. Resource Property Costs:

Details are as follows:

	Acquisition Costs	Exploration Costs	Cumulative as at March 31, 2008	Cumulative as at September 30, 2007
Angilak, Nunavut (Formerly Yathkeyed)	\$ 217,403	\$ 108,183	\$ 325,586	\$ 207,098
Baker Lake, Nunavut	137	203	340	-
Bathurst, Nunavut	24,204	237	24,441	-
Breakwater, Quebec and Labrador	-	56,271	56,271	76,101
Churchill, Nunavut	783,721	463,534	1,247,255	1,247,225
Grenville Nickle, Quebec	-	4,072	4,072	-
Hemlo, Ontario	70,682	312,405	383,087	122,819
IME, Nunavut	30,509	58,836	89,345	89,250
Lach, Nunavut	34	71	105	-
Matrix, Nunavut	46,497	19,736	66,233	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	4,087	8,253	8,253
Sail, BC	24,664	-	24,664	2,013
Sharpe Lake, Manitoba	67,500	148,389	215,889	215,818
Sy, Nunavut	58,232	209,673	267,905	267,662
Voigtberg, BC	-	-	-	-
Washburn, Nunavut	20,022	2,041	22,063	21,958
	\$ 1,381,634	\$ 1,469,278	\$ 2,850,912	\$ 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.

## **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **4. Resource Property Costs – Continued:**

##### ***Angilak, Nunavut***

The Company signed an Exploration Agreement (EA) with Nunavut Tunngavik Inc. (NTI) whereby Kaminak has been granted a 100% interest in the minerals (except Uranium and Thorium) within privately owned Inuit Owned Lands that comprise parcel RI-30. This parcel is located directly adjacent to Kaminak's "Angilak (formerly "Yathkyed") IOCG Project" which is comprised of staked claims located on Federal Crown land.

##### ***Baker Lake (Uranium), Nunavut:***

On September 28, 2007, the Company signed an option agreement with Pacific Ridge Exploration Ltd., whereby, subject to TSX approval, Pacific Ridge can earn a 100% interest in the Baker Lake Uranium Project located in the Kivalliq District of central Nunavut. In order to complete this new option agreement, Pacific Ridge must complete all of the following:

- (a) issue and deliver to Kaminak 2,000,000 fully paid and non-assessable common shares in the capital of Pacific Ridge within 10 business days of the Effective Date (received);
- (b) carry out Programs to explore the Property and solely fund and incur all the Expenditures on the Property until such time as the Option is exercised or terminated by Pacific Ridge and deliver to Kaminak a Positive Bankable Feasibility Study reasonably acceptable to Kaminak with respect to the Property; and
- (c) issue and deliver to Kaminak an additional 2,000,000 fully paid and non-assessable common shares in the capital of Pacific Ridge on the date of delivery to Kaminak of the Positive Bankable Feasibility Study.

Until all the above requirements are met, Kaminak retains a 40% project interest in the Baker Lake Uranium Project.

Upon the exercise of the Option, Kaminak shall be entitled to elect to earn back a 20% Interest (the "Back-In Right") by paying Pacific Ridge within 90 days of the delivery by Pacific Ridge to Kaminak of the Positive Bankable Feasibility Study an amount equal to 40% of the Expenditures incurred by Pacific Ridge on Programs and the Positive Bankable Feasibility Study. If either Pacific Ridge or Kaminak intend to sell their respective project interests, the other party will have a first right of refusal on any offer.

Exploration Group as to a 2% Net Smelter Return interest and Shear Minerals Ltd. as to an 8.5% Net Profits Interest. The option agreement pertains to all commodities other than diamonds.

##### ***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.

## **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **4. 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***

In April 2006, Newmont Canada Limited, a subsidiary of Newmont formally notified the Company that Newmont has acquired prospecting permits totalling 110,000 acres within an area of mutual interest around the Matrix Gold Project. Since these permits were acquired within the boundaries of the joint venture area, the Company notified Newmont that it elected to accept a proportionate interest in this newly acquired ground, at no cost to the Company.

## **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **4. 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. 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 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.

On March 8, 2007 the Company signed an option agreement with Romios Gold Resources Inc. (“Romios”) giving Romios the right to earn up to a 70% interest in the Nizi Property. Under the terms of the Option Agreement, Romios 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 200,000 Units to the Company. 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. Romios can then increase its interest to 60% by spending an additional \$1 million prior to December 31, 2010. Furthermore, Romios can earn an additional 10% interest in the property by completing a bankable feasibility study, for a total earn-in of 70%. 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.

## **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **4. 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. 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. 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.

##### ***Washburn, Nunavut***

On May 3, 2007 the Company signed an option agreement with Mega Uranium Ltd. (“Mega”) giving Mega the right to earn up to a 55% interest in the Washburn Property. Under the terms of the Option Agreement, Mega has the right to earn its 55% interest by December 31, 2010 by making exploration expenditures totalling \$1.0 million dollars.

The Washburn Uranium Property is located on Victoria Island, Nunavut.

## Kaminak Gold Corporation

(An Exploration Stage Company)

### Notes to Interim Consolidated Financial Statements

March 31, 2008

Unaudited – Prepared by Management

Canadian Funds

#### 5. 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:		
		\$
<b>Balance - September 30, 2007</b>	<b>28,666,961</b>	<b>5,569,627</b>
For cash – exercise of warrants	7,790,559	4,147,930
Transfer from contributed surplus – exercise of warrants (Note 9)	-	687,503
For cash – exercise of stock options	10,000	4,500
Transfer from contributed surplus – exercise of warrants (Note 9)	-	2,663
		\$
<b>Balance – March 31, 2008</b>	<b>36,467,520</b>	<b>10,412,223</b>

b) Warrants:

At March 31, 2008, there were no warrants were outstanding.

c) Stock Options

A summary of the Company's options outstanding at March 31, 2008 and the changes for the period are as follows:

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
	<b>\$0.66</b>	<b>2,653,000</b>	<b>2,559,250</b>	<b>2.89</b>

During the period 10,000 stock options were exercised and 970,000 of the November 9, 2007 options expired without exercise.

#### 6. Contributed Surplus

Balance consists of:

Balance – September 30, 2007	\$	1,874,958
- stock based compensation – Note 6f		149,774
- warrants exercised – transferred to share capital		(687,503)
- stock options exercised – transferred to share capital		(2,663)
Balance – March 31, 2008	\$	1,334,566

## **Kaminak Gold Corporation**

*(An Exploration Stage Company)*

### **Notes to Interim Consolidated Financial Statements**

**March 31, 2008**

Unaudited – Prepared by Management

*Canadian Funds*

---

#### **7. Related Party Transactions**

Included in the current period are consulting fees paid to the Company's President/CEO totaling \$72,800.

#### **8. Spin Out Transaction**

The Company and Nunavut Tunngavik Incorporated ("NTI") have formalized a binding Exploration Agreement on the Angilak uranium property. This comprehensive agreement formalizes the main points covered in the initial MOU signed January 29, 2008 between Kaminak and NTI earlier this year and also sets out terms for any future production lease or joint venture agreement on the property.

Kaminak intends to spin-out all of its uranium interests in Nunavut, including its interest in two other Nunavut uranium properties (Washburn and Baker Lake), into a new company (Kivalliq Energy Corp.) under a court-approved plan of arrangement. Kaminak has scheduled a meeting of shareholders for June 25, 2008 to approve the spin-out.

Key terms of the proposed spin-out are:

- Kaminak shareholders will receive 0.8 Kivalliq shares and 0.5 warrants of Kivalliq for every 2 shares of Kaminak. The Kivalliq warrants will have a short exercise period.
- Kaminak will retain approximately 3.6 million shares of Kivalliq.
- Kaminak shareholders will continue to hold their common shares in Kaminak after the transaction is completed.
- NTI is entitled to 1,000,000 Kivalliq shares (250,000 Kivalliq shares on closing of the spin-out and 250,000 Kivalliq shares 12, 24 and 36 months later) under a property agreement.

The spin-out is subject to TSX Venture Exchange, court and shareholder approval. Kaminak shareholders will be mailed an information circular describing the key terms of the proposed spin-out, with closing of the arrangement currently scheduled for late-June or early-July, 2008.