

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

Containing information up to and including January 24, 2011.

Note to Reader

The following information should be read in conjunction with the Company’s audited financial statements for the year ended September 30, 2010, 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, 2010:

Financing and Corporate

Tony Reda was appointed Vice President Corporate Development, Tim Smith was appointed Exploration Manager and Alan Wainwright was appointed Senior Geologist.

On September 24, 2010 the company issued 1,925,000 stock options to insiders, employees and consultants of the company with an exercise price of \$3.45.

On September 14, 2010 the company issued 250,000 stock options to an advisor of the company with an exercise price of \$3.12.

On July 29, 2010, the Company completed a bought deal private placement, issuing 5,335,000 common shares at a price of \$1.50 per share and 3,824,300 flow-through common shares at a price of \$1.70 per share for gross proceeds of \$14,503,810.

On June 23 and June 29, 2010 the company issued a total of 40,000 stock options exercisable at \$1.58 and \$1.50 per share to consultants.

On April 12, 2010, the Company issued 780,000 stock options to insiders, employees and consultants with an exercise price of \$1.00.

On March 18, 2010 the Company issued 25,000 stock options to an advisor of the company with an exercise price of \$1.07.

On January 8, 2010, the Company issued 885,000 stock option to insiders, employees and consultants with an exercise price of \$0.70.

On January 7, 2010, the Company exercised its option to accelerate the exercise date of the outstanding warrants issued in June and July 2009. Warrant holders were entitled to exercise the Warrants for a period of 30 days commencing January 7th, 2010 and ending February 5th, 2010. All 4,117,309 warrants were exercised prior to February 5, 2010.

On December 22, 2009, the Company completed a non-brokered private placement, issuing 1,885,300 flow-through common shares at a price of \$0.75 per share for gross proceeds of \$1,413,975. In connection with this financing, a finder's fee of 6% was paid through the issuance of 113,118 shares valued at \$0.68 per common share

Exploration

On October 6, 2009, the Company granted Shear Minerals Ltd. ("Shear") the right to purchase a 100% interest in the non-diamond mineral rights of the Churchill property and related datasets in exchange for:

- i. Receiving 3,000,000 common shares of Shear (received)
- ii. Retaining a 20% back-in-right of the non-diamond mineral rights of the Property exercisable anytime up to the completion of an independent bankable feasibility study completed in accordance with National Instrument 43-101. The Company will repay at cost, all non-diamond expenditures within 90 days of exercising the back-in right.
- iii. Receiving annual summary reports on all non-diamond exploration work on the Property which will include a detailed yearly accounting summary.

On October 29, 2009, the Company acquired an option to earn an undivided 100% interest in 2 properties located in Nevada. The option agreement requires the Company to pay a third party vendor \$74,052 and issue 1,280,000 common shares of the Company's wholly owned subsidiary 082917 B.C. Ltd.

On October 29, 2009 the Company issued an additional 250,000 shares to Shawn Ryan pursuant to its agreement on the Coffee, Cream and Kirkman properties.

On December 20, 2009, the Company was notified by Corsa that Corsa was terminating its option agreement on the Sy Property. The Company retains an undivided 100% interest in the property, subject to the Hunter royalty.

The Company staked an additional 750 mineral claims (37,500 acres) in the White Gold District, Yukon Territory, expanding the Coffee Gold Property to 1,803 claims totalling 90,150 acres.

1. Coffee, Cream and Kirkman, Yukon

Drill Results

- A. The Company announced drill results from the first two holes drilled at the Supremo Zone.

Highlights

- CFD-001 intersected **17.07 grams per tonne gold (g/t Au) over 15.5m** (from 15m core depth)
- CFD-002 ended in mineralization and yielded 5 significant gold-bearing intersections:
 - **3.95 g/t Au over 11.95m** (starting at 18.7m)
 - **0.89 g/t Au over 5m** (starting at 72m)
 - **2.11 g/t Au over 14.0m** (starting at 124m)
 - **4.31 g/t Au over 2.75m** (starting at 145.25m)
 - **2.96 g/t Au over 4.1m** (starting at 169.65m to end of hole)
- Gold zones are associated with linear structures characterized by extensive silicification, quartz veining and brecciation. Host augen gneiss has undergone As-Ag-Sb-Ba enrichment (akin to Underworld Resources Inc.'s Golden Saddle Deposit)
- New geological mapping and structural measurements from oriented drill core indicate that the mineralized zones at Supremo are north-south trending, steeply dipping and open along trend and at depth

- B. The Company announced drill results from the first two holes completed at the Latte Zone, which is situated approximately 1 kilometer south of the Supremo Zone.

Highlights

- A total of 7 drill holes were completed at the Latte Zone over a 400m length. Assays from the first 2 holes are detailed in this release
 - CFD-006 intersected **1.08 grams per tonne gold (g/t Au) over 83.93m** (from 28.07m core depth)
 - CFD-007 intersected **1.12 g/t Au over 55m** (from 33m core length) in addition to a second zone of **1.24 g/t Au over 8m** (from 101m core length)
 - The Latte Zone is associated with a regionally significant, east-west trending, steeply-dipping structural corridor co-incident with a 1 kilometer long gold-in-soil anomaly. Regional geophysical surveys trace the Latte structural zone for over 8 kilometers
 - Gold-bearing rocks at Latte closely resemble rocks from the Supremo Zone, i.e. extensive silica-sericite-clay alteration and brecciation accompanied by As-Ag-Sb-Ba enrichment
- C. The Company announced assay results from step-out holes drilled on the newly discovered Latte and Supremo Zones, located on the Company's 100% owned Coffee property, Yukon Territory. These separate zones are located 1 kilometer apart and were found by drilling shallow holes beneath gold-in-soil anomalies. Both the Latte and Supremo Zones remain open along trend and at depth.

Highlights

- Latte step-out hole extends strike length of strongly oxidized mineralization for an additional 100m east with hole CFD-008 yielding **51m grading 1.32 grams per tonne gold (g/t Au)** starting at 7m core depth
- Supremo step-out holes extend strike length of oxidized mineralization for an additional 50m north with hole CFD-003 intersecting **3.26 g/t Au over 17.35m** starting at 37m core depth and hole CFD-004 yielding **2.47 g/t Au over 20m** starting at 50m core depth
- The drill is currently located on the Supremo Zone and is focused on extending the strike length of high-grade and shallow gold mineralization
- A total of 7 drill holes have been completed at the Latte Zone over a 400m length. Samples for the remaining 4 holes (CFD-009 to CFD-012) are currently being processed at the assay laboratory. Samples from Supremo hole CFD-005 are also being processed.

2. Nizi, BC

The Company and project partner Solomon Resources Ltd. completed a diamond drill program on Kaminak's 100% owned Cry Lake Gold-Silver Project (Nizi) located in north western British Columbia, Canada. The program was funded by Kaminak's partner who completed two diamond drill holes totaling 416 metres as well as geological mapping and sampling of an extended soil geochemical grid.

Subsequent Events

Highlights of the Company's activities subsequent to the period ended September 30, 2010:

- a. On October 1, 2010, the Company issued 50,000 options to an employee of the Company with an exercise price of \$3.29 per share.
- b. On November 16, 2010, the Company completed a bought deal private placement offering of 3,342,600 flow-through common shares at a price of \$3.60 per unit, for total gross proceeds of \$12,033,360.
- c. On December 9, 2010, the Company issued 200,000 options to an officer of the Company with an exercise price of \$2.76 per share.
- d. On December 9, 2010, Tim Smith was promoted to VP, Exploration.
- e. The Company announced a \$15 million budget for 2011 exploration at its Coffee Gold Project in the Yukon.

Drill Highlights

- CFD-027 intersected an upper zone of **2.04 grams per tonne gold (g/t Au) over 9m** (from 34m core depth) and a lower zone of **6.3 g/t Au over 35m** (from 139m core depth)
- Double Double Zone is associated with a regionally significant, east-northeast trending and steeply north dipping structural splay of the Latte shear zone and

remains open along strike and at depth

- Gold-bearing rocks at Double Double closely resemble rocks from the nearby Supremo and Latte Zones, i.e. extensive silicification, clay alteration, oxidized pyrite and brecciation accompanied by As-Ag-Sb-Ba enrichment
 - A total of 4 drill holes have been completed at the Double Double Zone over a 200m length.
- A. The Company reported geochemical results from over 5,300 soil samples taken by Ground Truth Exploration Ltd. from the Company's 100% owned Coffee property, located in the White District, Yukon. These grid samples were taken over previously unexplored portions of the property in order to generate additional targets for the ongoing 2010 exploration program. To date, approximately 10% of the Coffee property has been covered by grid soil sampling.

Key Point Summary:

- Gold-in-soil results up to 1,200 ppb Au recovered from a new 4km long geochemical anomaly known as the "Americano Trend" which remains open
 - Two additional >1km long trends identified north and east of the Supremo trend known as the "Macchiato" and "Cappuccino" trends.
 - Main Coffee gold-in-soil anomaly now extends over 15km long by 5km wide and comprises 11 separate trends
 - Reconnaissance ridge-line sampling returns values as high as 146 ppb Au
- B. The Company announced the results of 11 new step-out drill holes from the Supremo gold zone as well as results from the first 2 drill holes on the Double Double target, both located on the Company's 100% owned Coffee Property, Yukon Territory.

Drill Highlights

CFD-16 – **21.3 grams per tonne gold (g/t Au) over 8m** (starting at 53m core length)

CFD-18 – **6.93 g/t Au over 7m** (starting at 71m) plus **2.5 g/t Au over 7m** (starting at 127m)

CFD-21 - **1.38 g/t Au over 22m** (starting at 60m)

CFD-23 – **1.21 g/t Au over 51m** (starting at 83m)

- C. The Company announced assay results from four new step-out holes drilled on the newly discovered Latte Zone.

Drill Highlights

- CFD-009 – **1.12 grams per tonne gold (g/t Au) over 40m** with hole beginning in mineralization
- CFD-010 – **3.71 g/t Au over 16m** starting at 119m depth
- CFD-011 - **2.35 g/t Au over 51m** starting at 38m depth
- CFD-012 – **1.27 g/t Au over 78m** starting at 24m depth plus a newly recognized high-grade deep zone yielding **17.4 g/t Au over 1m** starting from 176m depth

Key Point Summary

- Latte step-out holes extend strike length of strongly oxidized mineralization for a total of 400m and mineralization remains open in all directions
- Gold at Latte is associated with an untested 10km long structure known as the “Latte shear zone”
- The drill is currently located on the Supremo Zone and is focused on extending the strike length of high-grade and shallow gold mineralization
- A total of 21 drill holes have been completed on the Coffee property.

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 September 30, 2010 working capital of \$13,320,657 as well as the additional funds raised in July 2010 to fund its operations and planned exploration activities for the coming year.

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 year ended September 30, 2010 resource property costs were increased by \$8,417,200 after capitalizing \$10,145,979 offset by write downs of \$1,728,779 (September 30, 2009 – increase of \$903,194 after capitalizing \$1,249,486 offset by write downs of \$346,292). As at September 30, 2010, the Company’s investment in resource property costs totalled \$11,788,616 (September 30, 2009 - \$3,371,416) 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 year ended September 30, 2010

During the year ended September 30, 2010, the Company’s main task was the exploration of the Coffee property, and the continued identification of new projects as well as advancing the Company’s profile. The Company’s net loss for this period was influenced by the associated general and administrative expenses including stock based compensation and the write off of exploration expenses relating to generative activities and those costs relating to the Churchill project which was optioned out during the period.

Net loss for the year ended September 30, 2010 was \$8,259,519 or \$0.18 per share, an increase of \$7,226,606 over the net loss of \$1,032,913 for the year ended September 30, 2009 (\$0.03 loss per share). Of this difference \$1,728,779 related to the increase in the write-off of resource property costs. In addition \$6,241,912 related to stock based compensation from the Black Scholes calculation for the options vesting during the period.

Operating expenses before stock-based compensation for the period totalled \$1,126,272, an increase of \$520,069 (86%) from 2009. The four areas with the largest differences were:

- Travel and conference fees have increased by \$175,456 from \$81,852 to \$257,308, as a result of the Company’s increased efforts to increase its profile. These efforts included attendance at several corporate development conferences and meetings.

- Salaries and consulting fees increased by \$123,604 from \$296,698 to \$420,302, as the Company now employs a full time investor relations person, incurred higher fees to consultants and the higher fees to related parties.
- Accounting and legal fees have increased by \$48,297 from \$97,877 to \$146,174. The increase relates to fees incurred from the lawyers involved in the incorporation of the Company's new subsidiaries, as well as increased ongoing legal fees for advice provided the Company regarding day to day activities as well as the recent financings completed by the Company.
- Investor Relations have increased by \$42,542 from \$44,561 to \$87,103 due to sponsorships of Yukon-based organizations and increased advertising efforts.

The above expenses represented approximately 80% (2009 – 86%) of total operating expenses before stock-based compensation.

For the three months ended September 30, 2010

Net loss for the three month period ended September 30, 2010 was \$5,390,464 or \$0.10 per share, an increase of \$5,186,893 over the net loss of \$203,571 for the period ended September 30, 2009 (\$0.01 loss per share). Of this difference \$5,258,524 related to the increase in stock-based compensation relating to the Black Scholes calculation for the stock options that vested during the period.

Operating expenses for the period totalled \$382,301 before stock-based compensation, an increase of \$256,450 (204%) from the net loss of \$125,851 for 2009. The areas with the largest differences were:

- Travel and conference fees have increased by \$82,794 from \$10,824 to \$93,618, as a result of the Company's increased efforts to increase its profile. These efforts included attendance at several corporate development conferences and meetings.
- Salaries and consulting fees increased by \$38,192 from \$76,463 to \$114,655, as the Company incurred higher fees to consultants and the higher fees to related parties.
- Listing and Filing Fees have increased by \$38,202 from \$2,256 to \$40,458 due to \$30,000 of filing fees related to the July private placement

The above expenses represented approximately 65% (2009 – 62%) 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, 2010, 2009 and 2008. 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, 2010	For the year ended or as at September 30, 2009	For the year ended or as at September 30, 2008
Revenues	Nil	Nil	Nil
Interest and other income	\$28,344	\$28,407	\$114,303
Loss	\$8,898,269	\$1,003,913	\$882,277
Basic and diluted loss per share	\$0.18	\$0.03	\$0.03
Total assets	\$26,073,983	\$9,297,207	\$8,174,790
Total long term debt	Nil	Nil	Nil
Shareholders' equity	\$25,383,016	\$8,981,145	\$8,078,793
Share Capital	\$31,448,983	\$11,885,816	\$10,412,223
Contributed Surplus	\$6,978,937	\$1,880,714	\$1,419,042
Deficit	\$12,811,404	\$4,391,635	\$3,387,722
Cash dividends declared per	Nil	Nil	Nil

Summary of Quarterly Results

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

	Sept. 30, 2010	June 30, 2010	Mar.31, 2010	Dec.31, 2009	Sept.30, 2009	June 30, 2009	Mar.31, 2009	Dec.31, 2008
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income	\$19,870	\$3,921	\$4,553	Nil	\$56	\$4,113	\$10,750	\$13,600
Net income (loss)	\$(5,390,464)	\$(1,019,635)	\$(689,251)	\$(1,320,419)	\$(203,571)	\$(245,540)	\$(337,380)	\$(217,422)
Basic and diluted income (loss) per share	\$(0.10)	\$(0.02)	\$(0.02)	\$(0.03)	\$(0.01)	\$0.00	\$(0.01)	\$(0.01)
Total assets	\$26,073,983	\$11,878,684	\$11,570,118	\$9,300,976	\$9,297,207	\$8,174,932	\$7,488,903	\$7,800,460
Total long term debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' equity	\$25,383,016	\$11,354,325	\$11,363,497	\$9,216,259	\$8,981,145	\$8,059,008	\$7,383,533	\$7,715,662
Share capital	\$31,448,983	\$16,873,838	\$16,180,201	\$13,433,641	\$11,885,816	\$11,004,223	\$10,412,223	\$10,412,223
Contributed surplus	\$6,978,937	\$2,336,177	\$1,982,601	\$1,886,172	\$1,880,714	\$1,696,599	\$1,451,084	\$1,432,334
Deficit	\$(12,811,404)	\$(7,420,940)	\$(6,401,305)	\$(5,712,054)	\$(4,391,635)	\$(4,188,064)	\$(3,942,524)	\$(3,605,144)
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 September 30, 2010, the company had working capital of \$13,320,657 (September 30, 2009, \$5,430,469).

Cash and cash equivalents was \$12,466,401 (September 30, 2009 – \$5,175,302).

For the year ended September 30, 2010

During the period, the Company had cash inflows of \$18,243,478 from the sale of shares and warrants and its outflows consisted of \$9,290,391 on its resource properties and other investing activities and \$1,661,988 on operating activities. The Company maintains a strong cash position and is currently maintaining tight control of its costs while it explores its Coffee property and its other existing property's and reviews new property acquisitions and joint ventures.

For the three month period ended September 30, 2010

During the three month period ended September 30, 2010, the Company had cash inflows of \$14,428,881 from share issuance of share capital. Outflows included \$5,406,920 spent on its resource properties other investing activities, as well as \$1,660,045 from operating activities.

At September 30, 2010, the Company's investment in resource properties, net of write downs aggregated \$11,788,616 (September 30, 2009 - \$3,371,416), made up of the following:

	Acquisition Costs	Exploration Costs	Cumulative as at June 30, 2010	Cumulative as at September 30, 2009
Bathurst, Nunavut	\$ 46,003	\$ 409	\$ 46,412	\$ 36,628
Breakwater, Quebec	63,144	123,050	186,194	163,440
Churchill, Nunavut	-	-	-	1,252,205
Coffee, Cream and Kirkman, Yukon	1,336,433	8,944,105	10,280,538	608,411
Hemlo, Ontario	70,682	327,227	397,909	388,601
IME, Nunavut	30,957	60,238	91,195	91,195
Lach, Nunavut	14,792	46	14,838	-
Matrix, Nunavut	47,066	20,054	67,120	67,074
Needle, Nunavut	-	41,519	41,519	41,438
Needle (Diamond), Nunavut	-	8,999	8,999	8,999
Nevada Gold Properties, Nevada	-	-	-	10,950
Nizi, BC	-	4,189	4,189	-
Sail, BC	28,662	-	28,662	28,457
Sharpe Lake, Manitoba	-	-	-	219,489
Sy, Nunavut	18,379	210,219	228,598	228,431
TBN, Ontario	61,200	188,931	250,131	226,098
Voigtberg, BC	-	-	-	-
Misc. Properties, Yukon	72,159	70,153	142,312	-
	\$ 1,789,477	\$ 9,999,139	\$ 11,788,616	\$ 3,371,416

At September 30, 2010, share capital totalled \$31,448,983 comprised of 59,194,356 issued and outstanding common shares (September 30, 2009 - \$11,885,816, comprised of 40,984,829 issued and outstanding shares). As a result of the loss for the period of \$8,419,769, the deficit at September 30, 2010 was \$12,811,404 (September 30, 2009 – loss of \$1,003,913, deficit \$4,391,635). With contributed surplus of \$6,978,937 resulting from the fair value calculation of stock-based compensation and warrants (September 30, 2009 – \$1,880,714), and accumulated other comprehensive loss of \$233,500 (September 30, 2009 - \$393,750), the shareholders' equity at September 30, 2010 was \$25,383,016 (September 30, 2009 - \$8,981,145).

The Company currently has sufficient financial resources to meet its administrative overhead expenses and exploration expenditures at least for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity.

Exploration Update

Breakwater, Quebec

The Company has acquired through staking a number of copper-nickel-platinum group element targets in the Grenville geological domain of Southern Quebec. These claims were originally staked with Breakwater Resources Ltd., however, Breakwater agreed to return 100% interest in them to the Company in exchange for a 1% NSR and the retirement of an outstanding debt of \$61,200. Prior to returning the property, Breakwater had completed a high resolution airborne geophysical survey (AeroTem) as well as ground mapping and prospecting which totalled approximately \$650,000. A grab sample collected in 2007 from one showing returned 2.84% copper, 0.53% nickel, 0.12% Cobalt as well as 0.75 g/t gold, 0.35 g/t platinum and 0.55 g/t palladium.

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.

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.

On October 6, 2009, the Company granted Shear Minerals Ltd. (“Shear”) the right to purchase a 100% interest in the non-diamond mineral rights of the Churchill property and related datasets in exchange for:

- a. Receiving 3,000,000 common shares of Shear (received subsequent to September 30, 2009);
- b. Retaining a 20% back-in-right of the non-diamond mineral rights of the Property exercisable anytime up to the completion of an independent bankable feasibility study completed in accordance with National Instrument 43-101. The Company will repay at cost, all non-diamond expenditures within 90 days of exercising the back-in right; and
- c. Receiving annual summary reports on all non-diamond exploration work on the property which will include a detailed yearly accounting summary.

Coffee, Cream and Kirkman, Yukon

The Company entered into an agreement to acquire a 100% interest in three prospective gold properties located approximately 120 km south of Dawson City, Yukon. The Coffee, Cream and Kirkman properties total 90,150 acres and are located in the newly recognized “White” gold district in the west-central Yukon.

The Company can earn a 100% interest in the properties from Shawn Ryan of Dawson City, Yukon, subject to a 2% NSR in favour of the vendor. To earn its interest Kaminak incurred

\$250,000 in exploration expenditures in 2009 and issued Mr. Ryan an initial payment of 250,000 common shares of Kaminak and paid \$75,000 cash.

Kaminak will be required to complete an additional \$1,550,000 in exploration expenditures over three years, issue 1,750,000 shares over 5 years and make cash payments totaling \$325,000 to Mr. Ryan over 4 years. Mr. Ryan would retain a 2% NSR subject at anytime to a 1% buy-back for \$2 million with annual advance royalty payments of \$20,000 commencing December 31st, 2013. A finder's fee of 100,000 common shares in the capital of Kaminak valued at \$107,000 was issued to an arm's length party.

The Company has defined eight significant gold trends on the Coffee property over a total length of 11km:

Supremo Trend

Drill Results

Drill holes #1 and #2 were drilled to the east from the same set-up and were designed to test the depth extent of high-grade gold-in-rock results obtained by Kaminak in 2009 along the Trench 3 (T3) trend. Hole #1 was drilled at a -50 degree angle and hole #2 was drilled at a -70 degree angle.

Both holes intersected extensively oxidized, limonitic, clay- and silica-altered augen gneiss host rocks displaying complex multi-phase hydrothermal breccia (fragmental) textures in addition to quartz vein stockworks, minor pyrite and rare arsenopyrite. Hole #1 intercepted a single, thick interval of **17.07 g/t Au over 15.5m** (starting at 15m downhole), hosted primarily in silicified breccia units and minor non-brecciated silica-altered gneiss.

Hole #2 ended in mineralization and intersected several zones over a greater length than the hole #1 intercept including: **3.95 g/t Au over 11.95m** (starting at 18.7m); **4.89 g/t Au over 5m** (starting at 72m); **2.11 g/t Au over 14m** (starting at 124m); **4.31 g/t Au over 2.75m** (starting at 145.25m) and **2.96 g/t Au over 4.1m** (starting at 169.65m to end of hole). Unlike the single, wide gold-bearing hydrothermal breccia zone in hole #1, mineralization in hole #2 is mainly hosted in broad zones of quartz veining and silica-flooding with restricted breccia zones. The mineralized intervals from hole #2 were calculated using a 1/g/t Au grade envelope, that are separated by weakly anomalous intervals. If these intervening low-grade segments are included in the grade / interval calculations, then the hole #2 intercept can also be considered to grade **1.26 g/t Au over 60.32m** (starting at 18m) with a second zone of **1.15 g/t Au over 51.32m** (starting at 122.43m).

New geological mapping and trenching completed at Supremo in 2010 indicate that mineralization at Trench 3 is hosted in a north-south trending linear structure/alteration zone that extends for at least 200m and is open in both directions along trend, as well as to depth. Measurements from oriented core from both holes #1 and #2 also indicate that gneissic banding is shallowly dipping to the west and that mineralized veins occur at high angle to the gneissic fabric, suggesting "near-vertical" dipping gold zones. More drilling on this section will be required in order to correlate rock units and mineralized zones from hole #1 and #2 and also to determine the true width of these zones.

Drill Hole #	From (m)	To (m)	Length (m)	Weighted Grade (g/t)
CFD-001	15	30.5	15.5	17.07
<i>including</i>	23.05	28.6	5.55	31.63
CFD-002	18	78.32	60.32	1.26
<i>including</i>	18.7	30.65	11.95	3.95
<i>and</i>	72	77	5	4.89
	122.43	173.75	51.32	1.15
<i>including</i>	124	137	14	2.11
<i>and</i>	145.25	148	2.75	4.31
<i>and</i>	169.65	173.75	4.1	2.96

Additional Supremo Drill Results

Drill holes CFD-003 and CFD-004 were drilled facing west from the same set-up with CFD-003 drilled at a -50 degree angle and CFD-004 drilled at a -70 degree angle. These holes were drilled 50m north of high-grade drill intercepts from CFD-001 and CFD-002 (see Kaminak news release dated May 26th). Hole CFD-003 intersected **17.35m grading 3.26 g/t Au** starting from 37m core length and CFD-004 yielded **20m grading 2.47 g/t Au** starting at 50m core length. These results confirm that mineralization along the Trench 3 trend is north-south trending and steeply dipping to the east and remains open along strike and at depth.

Drill Hole #	From (m)	To (m)	Length (m)*	Weighted Grade (g/t)
CFD-003	37	54.35	17.35	3.26
CFD-004	50	70	20	2.47
<i>incl</i>	52	62	10	3.48
CFD-008	4	69	65	1.10
<i>incl</i>	7	58	51	1.32

*true width is estimated at 70-100% of core length

Latte Trend

Drill Results

The Latte Zone is associated with a regionally-significant, east-west trending and south-dipping structural corridor co-incident with a 1 kilometer long by 100m wide gold-in-soil anomaly. The structural corridor is comprised of variably-textured paragneiss and amphibolite that generally appears mylonitic or strongly foliated, giving the overall appearance of a high-strain fault zone. Gold mineralization is preferentially concentrated in the structural corridor and consists of silicification and oxidized sulphides hosted in brittle fractures and breccia zones that appear to overprint older fabrics.

Drill holes CFD-006 and CFD-007 were drilled to the north from the same set-up and were designed to test the depth extent of the 1 kilometer long gold-in-soil trend.

Trenching of the soil anomaly near CFD-006 and CFD-007 by Kaminak in 2009 yielded 1.01 g/t Au over 10m. CFD-006 was drilled at a -50 degree angle and CFD-007 was drilled at a -70 degree angle. A detailed plan map, cross-section, assay sheet and photo montage of select core samples from these holes are available on the Kaminak website at www.kaminak.com.

Both holes intersected wide intervals of consistent gold content from shallow depths. Drill hole CFD-006 intersected **83.93m grading 1.08 g/t Au** (starting from 28.07m core depth) and CFD-007 intersected **1.12 g/t Au over 55m** (starting from 33m core depth) in addition to a second down hole interval of **1.24 g/t Au over 8m** (starting from 101m core depth). These intercepts outline a broad, steep south-dipping mineralized zone which is open along trend and to depth.

Drill Hole #	From (m)	To (m)	Length (m)*	Weighted Grade (g/t)
CFD-006	28.07	112	83.93	1.08
CFD-007	33	88	55	1.12
and	101	109	8	1.24

*true width is estimated at 70-100% of core length

Additional Latte Results

Drill hole CFD-008 was drilled facing north at a -50 degree angle and is located 100m to the east and along trend of previously announced discovery hole CFD-006 which returned 83.93m grading 1.08 g/t Au (see Kaminak news release dated June 7th, 2010).

Drill hole CFD-008 intersected a thick interval of gold mineralization yielding **51m at a grade of 1.32 g/t Au** starting at 7m core depth. It should be noted that this hole collared in well altered and mineralized rocks and true width of the intersection could be significantly longer. This result confirms an east- west trend to mineralization at Latte which remains open along trend and at depth. A total of 7 drill holes have been completed at the Latte Zone over a 400m length. Samples for the remaining 4 holes (CFD-009 to CFD-012) are currently being processed at the assay laboratory.

Comparison Between Latte and Supremo Zones

The Supremo and Latte gold zones are both hosted in As-Ag-Sb-Ba –enriched, altered paragneiss and amphibolite in addition to non-foliated “dacitic-looking” rocks accompanied by pervasive silicification and breccia textures. This suggests that the two discrete zones were formed during the same hydrothermal event although the gold mineralization at Supremo is north-south trending whereas the Latte gold zone is east-west trending. More drilling is needed to define the relationship between these two zones and the projected intersection of these two structures could be an important focus for gold. Several high-quality gold-in-soil anomalies occur at this projected intersection and Kaminak considers the area to be a high priority exploration target.

Latte Trend

Initial drilling at the Latte Zone by Kaminak in 2010 successfully intersected gold mineralization in all 17 holes over a strike length of at least 600m. Ground magnetic data acquired over the Coffee property suggests the main structural feature that hosts gold mineralization at the Latte Zone extends well beyond the limit of drilling in 2010. To test this theory, Kaminak drilled a “wildcat” step-out exploration hole 900m west of the Latte Zone in order to intercept the projected extension of the Latte gold mineralization in a region informally labeled the “B52 Zone”.

Drill hole CFD-61 was drilled to the north at a -50 degree angle and successfully intersected rocks correlated with the Latte shear zone located 900m to the east. Three discrete gold zones were intersected over a core length of approximately 32m (starting at 85m depth). Highlights include **3.04 g/t Au over 6m** including a high-grade interval of **10.25 g/t Au over 1m**. Mineralization is interpreted to occur within an east-west trending and steep south-dipping shear zone structure believed to be the extension of the Latte gold structure. This result confirms that the gold-bearing structure at Latte continues well beyond the limits of Kaminak’s 2010 drilling and future exploration work in this area will focus on expanding these zones. **Double Double Trend**

The Double Double Zone is associated with a regionally significant, east-northeast trending and steeply north dipping structure co-incident with a 300m long by 100m wide gold-in-soil anomaly. The structure is comprised of shear zone and breccia fabrics overprinting variably-textured schist giving the overall appearance of a high-strain fault zone. Gold occurs in this fault zone and alteration typically consists of silicification, clay alteration local sericite and oxidized sulphides.

Drill hole CFD-27 and CFD-28 were drilled to the north at -50 and -70 angles respectively and are located 200m east of previously drilled holes CFD-13 and CFD-14. Drill hole CFD-13 intersected 1.43 g/t Au over 5m within highly sheared and altered rocks (see Kaminak news release dated August 5th, 2010). This result prompted Kaminak’s technical team to re-evaluate the overall setting of gold at the Double Double prospect resulting in the subsequent drilling of CFD-27. Two significant gold zones were encountered in CFD-27 comprising an upper zone of **2.04 g/t Au over 9m** (from 34m core depth) and a lower high-grade intercept of **6.3 g/t Au over 35m** (from 139m), including **18m grading 10.42 g/t Au** (from 156m). ne **Kona Trend**

The Kona Trend, 5km west of the high-grade Supremo Zone, comprises a northeast trending >50 ppb Au soil anomaly traceable for over 1,500m along strike and up to 500m wide. A series of anomalous grab samples were obtained along the southern margin of the target, ranging from 0.19 g/t Au to 3.92 g/t Au.

- Drill testing the extensive gold-in-soil anomalies at Kona has yielded a new gold mineralizing environment in the Coffee exploration camp (i.e. granite-hosted). Gold mineralization is hosted in near-vertical brittle structural zones that are co-incident with overlying gold-in-soil anomalies. Drill holes CFD-51 and CFD-53 were drilled from the same set-up at -50 and -70 degree angles, respectively, and both holes intersected two separate gold zones which are interpreted as steeply-dipping zones within the host structure. Drilling intersected two separate gold zones grading 2.2 grams per tonne gold

(g/t Au) over 57m and 1.9 g/t Au over 23m, respectively, with gold grades as high as 28 g/t Au over 2m.

Connector Zone

The Connector Zone is named for the interpreted intersection of the Latte and Supremo mineralized trends, when projected along strike towards the east and south respectively. This intersection zone is interpreted to be prospective for gold mineralization and was targeted initially for follow-up detailed grid soil sampling on 25m x 25m spacing. The soil sampling subsequently defined a broad 500m x 450m soil anomaly peaking at 460ppb Au.

Diamond core holes were drilled to test the bedrock source of the broad gold in soil anomaly, on two orientations: CFD-69 and 71 were drilled from the same set-up at -50° and -70° inclination towards the west to target the projected southerly strike extension of the north-south trending Supremo T3 mineralized corridor.

The Connector Zone drilling intersected lithological sequences typical of the Supremo and Latte Zones, comprising felsic augen gneiss, biotite-schist and discrete mylonite (shear) zones. In CFD-69 & 71, gold mineralization occurs within two discrete steeply-dipping zones of elevated gold with widths up to 50m (see cross-section for Connector Zone on Kaminak website). Significant gold grades, including up to 5.50g/t over 11 metres in CFD-69, are associated with sulphidic and strongly silica + clay altered, sheared and brecciated mafic schist and andesite dykes. The gold mineralized zones intersected in CFD-69 and 71 are interpreted to project to surface, and remain open along strike and at depth.

Americano Trend

TheAmericano area is underlain by granite and comprises two parallel northeast trending linear gold-in-soil trends totaling over 4km in length. These two trends become linked to the east by a north by northeast trending gold-in-soil anomaly informally known as theAmericano “link” structure. This link structure is at least 700m long. A total of 10 widely-spaced holes were drilled atAmericano in order to test for the presence of steeply-dipping gold-bearing brittle structures analogous to the nearby Kona gold zone where CFD-53 returned 2.2 g/t Au over 57m (see Kaminak news release dated October 12, 2010).

Nine of the ten holes drilled atAmericano successfully intersected gold mineralization hosted in sulphidic and clay altered brittle fault zones cross-cutting granite. Notable intercepts occur in the north by northeast trending “link” structure where four holes were drilled over 300m. All four holes intersected significant gold mineralization including **2.36 g/t Au over 18m** from CFD-64 and **6.5 g/t Au over 3m** from CFD-55. Gold zones at the link structure remain open at depth and along trend. The interpreted length of the entire gold-in-soil trend at theAmericano link area exceeds 700m.

Espresso Trend

The Espresso trend, 1km west of the Kona trend, was identified late in the summer of 2009 and constitutes a broadly northeast trending > 25 ppb Au soil anomaly traceable for 1200 meters by 750 meters that is open to the west. Three holes were drilled into the

Espresso gold-in-soil trend located approximately 1km south of Americano link structure and 1.5 kilometers southeast of the Kona gold zone discovered earlier in 2010. Two of the three holes successfully intersected gold-bearing granitic host rocks characterized by clay and sulphide alteration including CFD-70 that yielded **1.36 g/t Au over 8m**.

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.

Nevada Gold Properties, Nevada

During the year, the Company staked claims located in the state of Nevada. In addition, on October 29, 2009, the Company acquired an option to earn an undivided 100% interest in certain properties located in Nevada. The option agreement requires the Company to pay a third party vendor \$74,052 (Paid) and issue 1,280,000 common shares of the Company's wholly owned subsidiary 082917 B.C. Ltd. (Not issued at March 31, 2010). The Company abandoned these claims during the year.

Nizi, British Columbia

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

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

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 under which Corsa spent a total of \$506,917 and issued a total of 100,000 units to the Company. 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. In December, 2009 the option agreement with Corsa was cancelled and the property is now fully owned by the Company (subject to the Hunter royalty).

“TBN” Platinum-Palladium, Ontario

The 100% owned “TBN” property is located approximately 50 kilometres north of Thunder Bay, Ontario.

The Company completed a 1,470 line-km high-definition AeroTEM 2 electromagnetic and magnetic helicopter-borne survey over the property. The survey indentified 14 potential dyke shaped bodies.

The property was staked as a result of the Company’s agreement with GeoVector Management Inc. (“Geovector”), whereby GeoVector develops grassroots exploration concepts for Kaminak within specified regions of eastern Canada. Initial project ideas are evaluated by Kaminak and any ground acquisition must be approved by Kaminak. GeoVector will design and undertake approved work programs. Kaminak will issue to GeoVector 50,000 common shares for each property acquired (issued) and an additional 50,000 common shares for every property upon which drilling is undertaken. GeoVector will retain a 2% NSR on each property with 1% of this NSR purchasable at anytime by Kaminak for \$500,000. The remaining 1% NSR can be purchased by Kaminak at anytime for \$1,000,000.

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 agreement terms were extended by 1 year upon issuance to the Company of 100,000 common shares of BCGold (received).

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.

Yukon Properties, Yukon

Four new claim blocks were staked in 2010. The RUN, APOLLO, RICE and LADUE claims are located approximately 10km and 50km south and northwest of the Coffee claim block. The ground was staked to cover favourable coincident Yukon Geological Survey 'Minfile', regional magnetic, structural and geochemical anomalies. Reconnaissance mapping and sampling programs were completed in 2010, with plans to conduct follow-up systematic exploration on the properties in 2011.

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 September 30, 2009, available on www.sedar.com.

Outstanding Share Data

KAM's authorized capital is unlimited common shares without par value. As at January 24, 2011, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at January 24, 2010	63,154,456		
Agents Warrants	534,557	\$1.62	July 29, 2012
	200,556	\$3.60	November 16, 2012
Employee Stock Options	125,000	\$0.45	July 21, 2011
	105,000	\$0.65	June 18, 2012
	450,000	\$0.12	December 5, 2013
	545,000	\$0.70	January 28, 2015
	25,000	\$1.07	March 18, 2015
	730,000	\$1.00	April 12, 2015
	10,000	\$1.58	June 23, 2015
	20,000	\$1.50	June 29, 2015
	250,000	\$3.12	September 14, 2015
	1,925,000	\$3.45	September 24, 2015
	50,000	\$3.29	October 1, 2015
	200,000	\$2.76	December 9, 2015
Fully Diluted at January 24, 2011	<u>68,324,569</u>		

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 \$55,216 (2009 - \$22,298), travel and conference charges of \$46,950 (2009 - \$34,555), office and sundry charges of \$26,186 (2009 - \$19,255), rent charges of \$25,011 (2009 - \$19,425) and investor relations charges of \$nil (2009 - \$21,652) to a company controlled by directors of the Company.

During the period the Company incurred \$193,310 (2009 - \$157,000) in consulting fees and \$35,450 (2009 - \$32,750) in accounting fees to directors and officers. Of this \$9,376 (2009 - \$8,715) remained in accounts payable at September 30, 2010.

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.

Amounts due to related parties are non-interest bearing, with no fixed terms of repayment. The fair value of the amounts due to related parties cannot be determined as there are no specific terms of repayment.

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, 2010 and 2009, the carrying value of the Company's financial instruments approximates their fair value. The carrying value of the Company's financial instruments is classified into the following categories:

	September 30, 2010	September 30, 2009
Held-for-trading	\$ 12,518,827	\$ 5,206,887
Available-for-sale	\$ 673,250	\$ 323,000
Loans and receivables	\$ 723,047	\$ 209,398
Other financial liabilities	\$ 690,967	\$ 316,062

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 September 30, 2010, the Company had a cash and cash equivalent balance of \$12,466,401 (September 30, 2009 - \$5,175,302) to settle current liabilities of \$690,967 (September 30, 2009 - \$316,062). 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 September 30, 2010, the Company had \$52,426 invested in investment-grade short-term deposit certificates (September 30, 2009 - \$31,585).

(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 Policy

The Company has not made any changes to its accounting policies during the period.

Conversion to International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011.

The Company completed a preliminary IFRS transition assessment which highlighted several key areas of difference between existing Canadian GAAP and IFRS, specifically, presentation of financial statements, the treatment of asset retirement obligations, impairment of assets and share-based payments.

The Company developed an IFRS project plan assigning responsibilities and outlining the proposed timing of execution of key IFRS conversion projects. The Company's IFRS project plan stipulates several project phases. The first phase includes initial training and education for key finance staff. This phase is currently underway and is expected to be completed by the end of the Company's fiscal quarter ending March 31, 2011, with key members of the IFRS project team attending external courses, as well as conducting self-study training.

The next phase of the Company's IFRS project was the “impact assessment” phase, whereby the project team reviewed each of the significant areas of difference highlighted by the initial diagnostic. In this phase, the project team determined the potential qualitative differences

between Canadian GAAP and IFRS and assessed the impact of these differences on the Company's accounting policies, information systems, internal controls over financial reporting and other business processes. To-date, the Company has identified the following key areas of potential difference with respect to the accounting for:

- Share-based payments – Canadian GAAP allows the preparer to choose from two options, namely a) treating all options granted at a particular date and with the same terms and conditions as one pool (pooling method) and b) treating options with different vesting dates as different grants (vesting method). The cost of such options is calculated according to Black-Scholes for both methods. For the pooling method, the total expense is amortized on a straight line basis over the longest vesting period of all of the options in the pool resulting in equal charges to income over the period. The vesting method looks at each vesting tranche and the expense associated with that particular vesting tranche and amortizes that in a straight line. This second method front end loads the expense so that although available, this method is rarely used under Canadian GAAP. Under IFRS, the vesting method is the only method that may be used.
- Asset retirement obligation – Canadian GAAP requires that the future cost of asset retirement be discounted at the credit adjusted risk-free interest rate with the asset book value being increased by the discounted amount and a liability being recognized in the same amount. The credit adjusted risk-free interest rate is defined as the rate of interest on monetary assets that are essentially free of default risk, adjusted for the effect of the entity's credit standing. On the asset side, the discounted asset retirement amount is amortized over the life of the asset whereas the liability is increased or accreted at the credit adjusted risk-free rate so that, at the end of the project's life, the full liability for the rehabilitation work will have been recorded. Unless the anticipated cost of the asset retirement obligation changes due to more stringent requirements, improved technology or for other reasons, no further adjustment is made to the original asset retirement obligation except for ongoing amortization (asset side) or accretion (liability side).

In contrast, IFRS requires that the asset retirement obligation must be calculated using a discount rate equal to the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Further, re-measurement must be made at the end of each reporting period to give a best estimate of the obligation and includes recalculating using the discount rate at the balance sheet date. As interest rates fluctuate, the discounted asset retirement obligation will also change causing changes to both the amortization and accretion expense. The effect of these changes may be material. Re-measurement for changes in the interest rate is not a requirement of Canadian GAAP.

- Impairment of assets – IAS 36, Impairment of Assets ("IAS 36"), uses a one-step approach for testing and measuring asset impairments with asset carrying values being compared to the higher of value in use and fair value less costs to sell. Value in use is defined as being equal to the present value of future cash flows expected to be derived from the asset in its current state. In the absence of an active market, fair value less costs to sell may also be determined using discounted cash flows. The use of discounted cash flows under IFRS to test and measure asset impairment differs from Canadian GAAP where undiscounted future cash flows are used to compare against the asset's carrying value to determine if impairment exists. This may result in more frequent write-downs in the carrying value of assets under IFRS since asset carrying values that were previously supported under Canadian GAAP based on undiscounted cash flows

may not be supported on a discounted cash flow basis under IFRS. However, under IAS 36, previous impairment losses may be reversed where circumstances change such that the impairment has been reduced. This also differs from Canadian GAAP, which prohibits the reversal of previously recognized impairment losses.

- Mineral property costs – The Company has evaluated its existing policy for exploration cost accounting and does not expect any of the differences between IFRS and Canadian GAAP to impact its accounting for exploration costs.

On changing to IFRS, the Company will be eligible to make elections under the standard for the transition to IFRS, namely IFRS 1 – First Time Adoption. In some cases, the changes that would otherwise have been retrospective are, with election, applicable from the date of transition and prospectively; in a number of other cases, there is a mandatory approach to deal with the effects of the changes. Where an election is available, the Company is currently reviewing the selection of a suitable option. Typically, IFRS requires significantly more disclosure than is the case under current Canadian GAAP, particularly with respect to the notes to the financial statements. The Company, as part of the Plan, will be reviewing its data collection and reporting systems to ensure that the requisite information will be available and reliable.

The Company has completed a preliminary review of the above areas of potential difference on its information systems and is planning a number of new software implementations as a result. The above changes are not expected to have a significant impact on the Company's information and data systems, business processes, internal controls over financial reporting, disclosure controls and business activities.

The Company has completed the majority of its impact assessment phase. The next project phase consists of developing new IFRS-compliant accounting policies, implementation of these policies, calculating the Company's opening balance sheet under IFRS as at October 1 2010, related testing and additional training as required. The Company expects to have developed new IFRS-compliant accounting policies and calculated its opening balance sheet under IFRS by the end of its fiscal quarter ending March 31, 2011.

Approval

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

Additional Information

Additional information can be obtained by contacting:

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