

KAMINAK GOLD CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2006

Unaudited – Prepared by Management

Canadian Funds

Notice of Non-review of Interim Consolidated Financial Statements

The attached interim consolidated financial statements for the three month period ended December 31, 2006 have not been reviewed by the company's auditors.

Kaminak Gold Corporation
(An Exploration Stage Company)
Interim Consolidated Balance Sheet
Unaudited – Prepared by Management
Canadian Funds

Statement 1

ASSETS	As at December 31, 2006	As at September 30, 2006
Current		
Cash and cash equivalents	\$ 2,068,804	\$ 2,154,472
Restricted cash <i>(Note 2c)</i>	873,681	633,726
Short-term investment	30,000	30,000
GST receivable	9,599	13,654
Cash call receivable <i>(Note 7)</i>	-	369,799
Accrued interest receivable	13,957	15,078
Marketable securities <i>(Note 5)</i>	61,500	23,000
Prepaid expense	5,000	5,000
	3,062,541	3,244,729
Office Equipment , at net book value <i>(Note 6)</i>	6,381	7,306
Resource Property Costs <i>(Note 7) – Schedule</i>	2,492,959	2,445,940
	\$ 5,561,881	\$ 5,697,975
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
- Due to related party <i>(Note 10)</i>	\$ -	\$ 3,816
- Trade payables and accrued liabilities	107,206	99,217
	107,206	103,033
Future Income Tax Liability <i>(Note 11)</i>		
SHAREHOLDERS' EQUITY		
Share Capital <i>(Note 8)</i>	5,327,233	5,306,595
Contributed Surplus <i>(Note 9)</i>	1,265,828	1,267,216
Deficit - <i>Statement 2</i>	(1,152,386)	(978,869)
Accumulated Other Comprehensive Income - <i>Statement 3</i>	14,000	-
	5,454,675	5,594,942
	\$ 5,561,881	\$ 5,697,975

ON BEHALF OF THE BOARD:

"Rob Carpenter", Director

"John Williamson", Director

- See Accompanying Notes -

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

Unaudited – Prepared by Management

*Canadian Funds*Statement 2

	For the three months ended December 31, 2006	For the three months ended December 31, 2005
Expenses		
Accounting and legal	\$ 8,922	\$ 6,234
Amortization	925	-
Bank charges and interest	151	381
Consulting	52,902	12,180
Investor relations	27,295	25,512
Listing and filing fees	-	266
Office and sundry	3,414	7,130
Rent	4,601	2,013
Stock-based compensation <i>(Note 8f)</i>	-	45,692
Transfer agent fees	1,511	3,128
Travel and conference	19,768	2,851
	119,489	105,387
Loss Before the Undernoted	(119,489)	(105,387)
Other Expenses		
Interest income	29,200	641
Realized gain on marketable securities	1,355	-
Write-off of resource property costs	(84,583)	-
	(54,028)	641
Net Loss for the Period	(173,517)	(104,746)
Deficit, Beginning of the Period	(978,869)	(24,005)
Deficit, End of the Period	\$ (1,152,386)	\$ (128,751)
Basic and Diluted Loss per Share	\$ (0.01)	\$ (0.01)
Weighted Average Number of Shares Outstanding	27,659,152	11,152,436

- See Accompanying Notes -

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

Unaudited – Prepared by Management

*Canadian Funds*Statement 3

	For the three months ended December 31, 2006	For the three months ended December 31, 2005
Net Loss	\$ (173,517)	\$ (104,746)
Other comprehensive income		
Changes in fair value of investments	14,000	-
Other comprehensive income	14,000	-
Total comprehensive loss	\$ (159,517)	\$ (104,746)

Kaminak Gold Corporation*(An Exploration Stage Company)*

Statement 4

Interim Consolidated Statement of Cash Flows

Unaudited – Prepared by Management

Canadian Funds

	For the Three Months Ended December 31, 2006	For the Three Months Ended December 31, 2005
Cash Flows from Operating Activities		
Net (loss) for the period	\$ (173,517)	\$ (104,746)
Items not affected by cash:		
Stock-based compensation	-	45,692
Amortization	925	-
Write-off of resource property costs	84,583	-
	(88,009)	(59,054)
Changes in non-cash working capital:		
GST receivable	4,055	(8,486)
Accrued interest receivable	1,121	-
Prepaid expenses	-	(5,000)
Trade payables and accrued liabilities	37,576	2,089
	(45,257)	(70,451)
Cash Flows from Investing Activities		
Resource property costs	184,110	(356,977)
Increase in restricted cash	(239,955)	-
	(55,845)	(356,977)
Cash Flows from Financing Activities		
Issuance of share capital, net of issuance costs	19,250	1,382,747
Advances from related party	(3,816)	42,674
	15,434	1,425,421
Net Increase (Decrease) in Cash for the Period	(85,668)	997,993
Cash, Beginning of the Period	2,154,472	-
Cash and cash equivalents, End of the Period	\$ 2,068,804	\$ 997,993
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Accounts payable included in resource property costs	\$ 6,587	\$ -
Receipt of shares and warrants as property option payment	\$ 47,500	\$ -
Issuance of share capital to acquire subsidiary	\$ -	\$ 1,159,900
Issuance of share capital to acquire 53.76% of Hunter Properties	\$ -	\$ 18,436
Issuance of share capital for property	\$ -	\$ 35,000
Transfer of contributed surplus to share capital on warrant exercise	\$ 1,833	\$ -
Cash call receivable	\$ 369,799	\$ -

- See Accompanying Notes -

Kaminak Gold Corporation*(An Exploration Stage Company)*

Statement 5

Interim Consolidated Statement of Changes in Shareholders' Equity

Unaudited – Prepared by Management

Canadian Funds

	For the three months ended December 31, 2006	For the three months ended December 31, 2005
Common Shares		
Balance, beginning of period	\$ 5,306,595	\$ 1
Issued for:		
Cash – exercise of warrants	20,638	-
Cash – private placement	-	1,164,450
Cash – private placement – flow through	-	286,505
Property	-	35,000
Acquisition of 53.76% of Hunter Properties	-	18,436
Acquisition of 974134 N.W.T. Limited	-	1,159,900
Share issuance costs	-	(68,208)
Balance, end of period	\$ 5,327,233	\$ 2,596,084
Contributed Surplus		
Balance, beginning of period	1,267,216	-
Stock based compensation	-	45,692
Transfer to common shares on exercise of warrants	(1,833)	
Balance, end of period	1,265,828	45,692
Deficit		
Balance, beginning of period	(978,869)	(24,005)
Net loss for the period	(173,517)	(104,746)
Balance, end of period	(1,152,386)	(128,751)
Accumulated Other Comprehensive Income		
Balance, beginning of period	-	-
Changes in fair value of investments	14,000	-
Balance, end of period	14,000	-
Shareholders' Equity	\$ 5,440,675	\$ 2,513,025

- 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 Three Months Ended December 31, 2006			For the year ended September 2006
	Acquisition Costs	Deferred Exploration	Total	
Mineral Interests				
<i>Baker Lake (Uranium), Nunavut</i>				
Claim maintenance	\$ -	\$ -	\$ -	\$ 163,705
Geological consulting	-	832	832	14,046
Travel and accommodation	-	-	-	3,908
Option receipt – shares	-	-	-	(23,000)
	-	832	832	158,659
<i>Bathurst, Nunavut</i>				
Acquisition costs – shares	-	-	-	197,025
Claim maintenance	-	-	-	12,085
<i>Field and general</i>	-	-	-	-
Geological consulting	-	-	-	1,807
Travel and accommodation	-	-	-	11,643
	-	-	-	222,560
<i>Br, Nunavut</i>				
Acquisition costs – shares	-	-	-	284,012
Geological consulting	-	-	-	2,125
Travel and accommodation	-	-	-	11,643
Write down of property	-	-	-	(297,780)
	-	-	-	-
<i>Churchill, Nunavut</i>				
Acquisition costs – cash	-	-	-	208,350
Acquisition costs – shares	-	-	-	552,908
Claim maintenance	-	-	-	22,463
Assays	-	-	-	12,603
Field and general	-	1,109	1,109	188,202
Geological consulting	-	295	295	58,903
Travel and accommodation	-	349	349	114,103
	-	1,753	1,753	1,157,532
<i>IME, Nunavut</i>				
Acquisition costs – cash	-	-	-	8,350
Acquisition costs – shares	-	-	-	22,159
Assays	-	13,758	13,758	-
Geological consulting	-	648	648	12,064
Travel and accommodation	-	7,719	7,719	-
	-	22,125	22,125	42,573
<i>Lach, Nunavut</i>				
Acquisition costs – cash	-	-	-	8,325
Acquisition costs – shares	-	-	-	22,093
Recording and staking	-	-	-	11,193
Assays	-	-	-	2,340
Field and general	-	-	-	1,306
Geological consulting	-	-	-	8,676
Travel and accommodation	-	-	-	11,124
	-	-	-	65,057
Balance Forward	\$ -	\$ 24,710	\$ 24,710	1,646,381

- 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 Three Months Ended December 31, 2006			For the year ended September 2006
	Acquisition Costs	Deferred Exploration	Total	
Balance Brought Forward	\$ -	\$ 24,710	\$ 24,710	\$ 1,646,381
Matrix, Nunavut				
Acquisition costs – cash	-	-	-	8,325
Acquisition costs – shares	-	-	-	22,093
Claim maintenance	775	-	775	-
Recording and staking	10	-	10	-
Geological consulting	-	2,063	2,063	2,080
Travel and accommodation	-	-	-	15,285
	785	2,063	2,848	47,783
Needle, Nunavut				
Acquisition costs – shares	-	-	-	33,863
Assays	-	216	216	312
Field and general	-	82	82	41,226
Geological consulting	-	164	164	4,938
Travel and accommodation	-	2,050	2,050	12,763
	-	2,512	2,512	93,102
Needle (Diamond), Nunavut				
Field and general	-	-	-	389
Geological consulting	-	-	-	2,411
Travel and accommodation	-	-	-	6,199
	-	-	-	8,999
Nizi, BC				
Acquisition costs – cash	-	-	-	8,325
Acquisition costs – shares	-	-	-	22,091
Field and general	-	556	556	-
Geological consulting	-	-	-	-
	-	556	556	30,416
Sail, BC				
Recording and staking	2,013	-	2,013	-
	2,013	-	2,013	-
Sharpe Lake, Manitoba				
Acquisition costs – cash	15,000	-	15,000	17,500
Acquisition costs – shares	-	-	-	35,000
Assays	-	-	-	33,253
Field and general	-	1,298	1,298	23,678
Geological consulting	-	15,016	15,016	47,028
Travel and accommodation	-	426	426	28,400
	15,000	16,168	31,740	184,859
Balance Forward	\$ 17,798	\$ 46,009	\$ 63,807	\$ 2,011,540

- 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 Three Months Ended December 31, 2006			For the year ended September 2006
	Acquisition Costs	Deferred Exploration	Total	
Balance Brought Forward	\$ 17,798	\$ 46,009	\$ 63,807	\$ 2,011,540
Sy, Nunavut				
Recording and staking	-	-	-	32,300
Claim maintenance	-	-	-	21,508
Recording and staking	4,390	-	4,390	-
Airborne Surveys	-	-	-	175,280
Field and supplies	-	-	-	4,176
Geological consulting	-	1,182	1,182	-
Travel and accommodation	-	-	-	26,345
	4,390	1,182	5,572	259,609
Voigtberg, BC				
Acquisition costs – cash	-	-	-	8,325
Acquisition costs – shares	-	-	-	22,092
Option receipt – shares	(47,500)	-	(47,500)	-
Recording and staking	10	-	10	9,043
Assays	-	13,003	13,003	-
Field and supplies	-	681	681	5,500
Geological consulting	-	-	-	14,215
Planning and supervision	-	5,912	5,912	1,257
Travel and accommodation	-	4,962	4,962	-
	(47,490)	24,558	(22,932)	60,432
Generative				
Recording and staking	84,706	-	84,706	-
Assays	-	1,404	1,404	-
Field and supplies	-	2,094	2,094	-
Geological Consulting	-	35,515	29,906	5,000
Travel and accommodation	-	2,967	2,967	-
Property cost write down	(84,706)	(41,980)	(126,686)	(5,000)
	-	-	-	-
Resource Property Costs for the Period	(25,302)	71,749	46,447	2,331,581
Balance, Beginning of the Period	1,448,421	997,519	2,445,940	114,359
Balance, End of the Period	\$ 1,423,119	\$ 1,069,268	\$ 2,492,387	\$ 2,445,940

- See Accompanying Notes -

Kaminak Gold Corporation

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements

December 31, 2006

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.

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

a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 974134 N.W.T. Limited, a subsidiary acquired as a result of a reorganization transaction (Note 3). Results of operations of 974134 N.W.T. Limited are included in these consolidated financial statements from the date of acquisition on November 9, 2005.

b) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with maturities at point of purchase of 90 days or less.

c) Restricted Cash

As at December 31, 2006 the Company had \$873,681 of restricted cash. This balance is the remaining cash held by the Company from its spending of the proceeds from the issuance of flow through shares and will be utilized by the Company in the coming year on eligible Canadian exploration expenditures.

d) Marketable Securities

The Company accounts for marketable securities at the lower of cost or quoted market value.

e) Amortization

The Company provides for amortization on its equipment at an annual rate of 30% for computer equipment and 100% for computer software on the declining balance method. One-half of the rates are taken in the year of acquisition.

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Notes to Interim Consolidated Financial Statements

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2. Significant Accounting Policies – Continued:

f) Resource Property Costs

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable.

Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic diamond 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.

The recoverability of the amount capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

g) Asset Retirement Obligations

The Company recognizes the fair value of legal obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement cost is recognized at fair value when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. No asset retirement costs have been recognized during the current period as none of the Company's properties are estimated to require any remediation or other expenditures upon their retirement.

h) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on deferred or future income taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

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Notes to Interim Consolidated Financial Statements

December 31, 2006

Unaudited – Prepared by Management

Canadian Funds

2. Significant Accounting Policies – Continued

i) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

j) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

k) Loss per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share by application of the treasury stock method. The treasury stock method assumes that the options and/or warrants are exercised at the beginning of the year (or issue date if later) and the proceeds are used to repurchase outstanding shares of common stock.

l) Flow-Through Shares

The Company accounts for flow-through shares using the recommendations of the Emerging Issues Committee EIC-146. Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

If the Company has sufficient unused tax losses and deductions ("losses") to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

m) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. In particular, resource property costs may be affected. Actual results could differ from those estimates.

Kaminak Gold Corporation

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements

December 31, 2006

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Canadian Funds

3. Reorganization Transaction

Effective November 9, 2005, pursuant to reorganization transaction (the Spin Out Agreement), the Company acquired from Hunter and Shear, related parties, two groups of properties: the Hunter Properties and the Shear Properties. The Hunter Properties consist of seven mineral properties: the Churchill Gold Property, the Lach Gold Property, the Nizi Gold Property, the Matrix Gold Project, the Sy Property, the Voigtberg Gold Property and non-diamond rights over the IME Properties. The Shear Properties consist of the Bathurst, BR, Needle and any non-diamond rights to the Churchill Diamond Projects (except for a 5% non-diamond net profits interest).

Details are as follows:

- i) The Company issued 11,225,684 common shares to Shear, to acquire 46.24% of the Hunter Properties and all of the outstanding shares of 974134 N.W.T. Limited, a company which owns the Shear Properties; these shares were distributed to Shear's shareholders pursuant to a spin-out transaction,
- ii) The Company issued 3,000,000 shares to Hunter together with warrants to acquire an additional 3,000,000 shares at \$0.35 per share to November 9, 2007, to acquire the remaining 53.76% interest in the Hunter Properties. The 3,000,000 shares are subject to escrow restrictions and held on deposit with the Transfer Agent. Ten percent were released upon the Company's public trading, with the balance to be released in equal tranches of 15% every 6 months over 36 months.
- iii) The Company agreed to reimburse Hunter for exploration costs incurred by Hunter on the Hunter Properties by the issuance of a Promissory Note in favour to Hunter for the principal sum of \$250,000, bearing interest at 5% per annum, with principal and accrued interest to become due and to be paid in full on or before November 9, 2007. The Company paid this promissory note in full on December 1, 2005.
- iv) The Company will pay Hunter an advance royalty on the Lach Gold Property in the sum of \$10,000 on June 1st in each of 2008, 2009 and 2010 and \$25,000 on June 1st in each year thereafter, if Kaminak is and remains the beneficial owner of the Lach Gold Property on such dates.
- v) Hunter retains a 2% gross overriding royalty and a 2% net smelter royalty in all Hunter properties acquired by the Company.
- vi) Hunter has entered into a voting trust agreement whereby it will grant Shear an irrevocable proxy to vote Hunter's common shares for a period of three years from the issuance of the common shares and the warrants to acquire common shares.
- vii) Since the above reorganization transaction was between related parties, the properties acquired were recorded in the Company's books at the same amount as the carrying value in the books of Shear and Hunter.

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4. Fair Value of Financial Instruments

The Company adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income effect for the current fiscal year. This requires that all non-derivative financial instruments be measured at fair value with changes in fair value of available for sale marketable securities disclosed in other comprehensive income. The current period's gains or losses in value are recognized in other comprehensive income until the underlying securities are sold and gains or losses are realized. These gains or losses will then be removed from other comprehensive income and reported in the consolidated statement of loss and deficit. The transition provisions do not require restatement of previous financial statements.

5. Marketable Securities

	December 31, 2006		September 30, 2006	
	Market Value	Cost	Market Value	Cost
Common shares and warrants of public companies received as property payment, representing less than 5% interest in the company	\$ 61,500	\$ 47,500	\$ 24,000	\$ 23,000

6. Office Equipment

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value December 31, 2006	Net Book Value September 30, 2006
Computer equipment	\$ 6,560	\$ 1,476	\$ 5,084	\$
Computer software	3,460	2,163	1,297	
	\$ 10,020	\$ 3,639	\$ 6,381	\$

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7. Resource Property Costs:

Details are as follows:

	Acquisition Costs	Exploration Costs	Cumulative as at December 31, 2006	Cumulative as at September 30, 2006
Baker Lake, Nunavut	\$ 140,705	\$ 18,786	\$ 189,491	\$ 158,659
Bathurst, Nunavut	209,110	13,450	222,560	222,560
Churchill, Nunavut	783,721	467,358	1,251,079	1,249,326
IME, Nunavut	30,509	34,831	65,340	43,215
Lach, Nunavut	43,911	38,254	82,165	82,165
Matrix, Nunavut	31,203	19,428	50,631	47,783
Needle, Nunavut	33,863	61,751	95,614	93,102
Needle (Diamond), Nunavut	-	8,999	8,999	8,999
Nizi, BC	30,416	4,087	34,503	33,947
Sail, BC	2,013	-	2,013	-
Sharpe Lake, Manitoba	67,500	149,099	216,599	184,859
Sy, Nunavut	58,198	206,983	265,181	259,609
Voigtberg, BC	(8,030)	46,814	38,784	61,716
	\$ 1,423,119	\$ 1,069,840	\$ 2,492,959	\$ 2,445,940

General

Effective November 9, 2005, pursuant to reorganization transaction (the Spin Out Agreement), the Company acquired from Hunter and Shear, related parties, two groups of properties: the Hunter Properties and the Shear Properties. The Hunter Properties consist of six mineral properties: the Churchill Gold Property, the Lach 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 Bathurst, BR, Needle, Sy and any non-diamond rights to the Churchill Diamond Projects (except for a 5% non-diamond net profits interest) (Note 3).

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

The Company agreed to reimburse Hunter for exploration costs incurred by Hunter on the Hunter Properties by the issuance of a Promissory Note in favour of Hunter for the principal sum of \$250,000, bearing interest at 5% per annum, with principal and accrued interest to become due and to be paid in full on or before November 9, 2007. The Company may prepay the promissory note at any time and Hunter may elect at any time on written notice to the Company to convert, in whole or in part, the principal amount outstanding into common shares at a deemed price equal to the weighted average closing price of the Company for 20 trading days prior to the date of the written notice. The Company paid this promissory note in full on December 1, 2005.

The Company will pay Hunter an advance royalty on the Lach Gold Property in the sum of \$10,000 on June 1st in each of 2008, 2009 and 2010 and \$25,000 on June 1st in each year thereafter, if Kaminak is and remains the beneficial owner of the Lach Gold Property on such dates.

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

The above reorganization transaction was between related parties, the properties acquired were recorded in the Company's books at carrying value in the books of Shear and Hunter.

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7. Resource Property Costs – Continued:

Baker Lake (Uranium), Nunavut:

By agreement dated January 24, 2006, the Company granted a third party, Pacific Ridge Exploration Ltd., an option to acquire up to a 60% interest in the Baker Lake Uranium Project, Nunavut. The Baker Lake Property forms part of the Churchill property. Under the terms of the Option Agreement, Pacific Ridge has the right to initially earn a 51% interest by December 31, 2008 by making exploration expenditures totalling \$2.0 million dollars and staged payments totalling 400,000 Units (100,000 received) 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. Pacific Ridge will have the right to increase its interest to 60% by spending an additional \$1.0 million prior to December 31, 2010. Thereafter Pacific Ridge and the Company will form a joint venture in accordance with their interests then held. Underlying interests are held by the Hunter 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 is required to make payments to keep the property in good standing.

Matrix, Nunavut

The Company was notified in X that Pacific Ridge Exploration Ltd. its 50% joint venture partner in the Matrix Project that it did not meet its exploration expenditure schedule and as such the Company has regained complete control of the Matrix project.

Pacific Ridge Exploration Ltd. had been a 50% joint venture partner, assigned by Hunter to the Company as a result of the reorganization transaction (Note 3), In 2006 the Company and Pacific Ridge granted Newmont Mining Corporation, a third party the option to earn up to an undivided 70% interest in the Matrix Gold Project by spending \$14 million on exploration.

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.

In August 2006, notified the Company that it was terminating its option on the Matrix Project.

Needle, Nunavut

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

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7. Resource Property Costs – Continued:

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 5,000 hectare 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.

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 (100,000 units received to date). Each Unit consisting of one common share and one half of one common share purchase warrant with an exercise price for each whole warrant of \$0.40. BCGold will be vested with a total of a 50% interest after spending a minimum of \$1,000,000, thereafter BCGold and the Company will form a joint venture in accordance with their interests then held. Upon completion of the required exploration expenditures and issuance of the Additional Units, BCGold will be vested with an additional 10% interest for a total interest of 60%. BCGold can earn an additional 10% interest in the Property by completing a bankable feasibility study, for a total earn-in of 70%.

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

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8. Share Capital

a) Details as follows:

	Number	Amount
Authorized:		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares without par value		
Issued:		
Balance – September 30, 2005	1	1
Acquisition of 974134 N.W.T. Limited (Note 3 (i))	11,225,684	1,159,900
Acquisition of 53.76% of Hunter Properties (Note 3 (ii))	3,000,000	13,225
Acquisition of Sharp Lake Property (Note 7)	100,000	35,000
For corporate finance fee	100,000	-
For cash – Private Placement, flow-through shares, Nov. 9, 2005	818,585	286,505
For cash – Private Placement, November 9, 2005	4,657,800	1,164,450
For cash – Brokered Private Placement, flow-through shares, March 13, 2006	2,600,000	1,298,747
For cash – Brokered Private Placement, March 13, 2006	4,135,000	1,498,111
For cash – non-brokered private placement, March 22, 2006	517,000	251,353
For cash – exercise of warrants	500,000	175,000
Transfer from contributed surplus – exercise of warrants (Note 9)	-	867
Future income tax on flow-through expenditure renunciation	-	(97,755)
Share issuance costs	-	(478,809)
Balance - September 30, 2006	27,654,070	5,306,595
For cash – exercise of warrants	27,500	19,250
Transfer from contributed surplus – exercise of warrants (Note 9)	-	1,388
Balance – December 31, 2006	27,681,570	5,327,233

b) Private Placements

March 22, 2006

On March 22, 2006, the Company completed a non-brokered private placement of 517,000 non-flow-through (NFT) units at \$0.50 per unit. The units were issued under the same terms as the non-flow-through units issued under the brokered private placement of March 13, 2006. Each unit consisted of one common share and one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share to March 22, 2008 at a price of \$0.60 per share.

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8. Share Capital – Continued:

b) Private Placements – Continued:

March 13, 2006

On March 13, 2006, the Company completed a brokered private placement of 4,135,000 non-flow-through (NFT) units at \$0.50 per unit and 2,600,000 “flow-through” (FT) units at \$0.55 per unit. Each FT Unit consisted of one flow through common share and half of one non-flow through common share purchase warrant. Each whole common share purchase warrant is exercisable to March 13, 2008 at \$0.70 per share. Each NFT Unit consisted of one common share and one whole common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share to March 13, 2008 at a price of \$0.60 per share. The agent was paid a cash commission of \$279,800, corporate finance fee of 100,000 NFT units, a one time administrative fee of \$5,000, plus all reasonable costs and expenses relating to the offering, and granted compensation options of 593,500 warrants at an exercise price equal to \$0.60 per warrant. The Company has also granted the agent the right of first refusal on all brokered financings for a period of 12 months from closing.

November 9, 2005

On November 9, 2005, the Company completed two private placements of 4,657,800 common shares at \$0.25 per share and 818,585 “flow-through” common shares at \$0.35 per share. The proceeds of \$286,505 from the flow-through shares must be used for qualifying exploration expenditures (as defined under the Income Tax Act) and renounced to the flow-through shareholders effective December 31, 2005. After deducting share issuance costs, the Company generated \$1,376,691 net proceeds (gross proceeds of \$1,450,955).

c) Flow-through Shares:

The total proceeds of \$286,505 from the issuance of 818,585 flow-through shares in the November 9 2005 private placement and \$1,430,000 from the brokered March 13, 2006 private placement must be used for qualifying exploration expenditures and to be renounced to the flow-through shareholders effective March 31, 2006 for \$286,505 and effective March 31, 2007 for \$1,430,000. The unspent balance of this flow-through issuance at December 31, 2006 was \$873,681 and is included in the Company's restricted cash. The future income tax liability, estimated to be \$97,755 for the November 9, 2005 share issuance (by applying the tax statutory rate of 34.12%) resulting from the renunciation of these qualifying expenditures was recorded in February 2006 when the renunciation tax forms are filed, in accordance with the pronouncement of the CICA Emerging Issue Committee (EIC). The future income tax liability estimated to be \$487,916 for the March 13, 2006 share issuance will be recorded in February 2007 when the related renunciation tax forms are filed in accordance with the EIC pronouncement.

d) Hunter Shares

Pursuant to the reorganization transaction (Note 3), the Company issued 3,000,000 shares to Hunter to acquire the remaining 53.76% interest in the Hunter Properties. The 3,000,000 shares are subject to escrow restrictions and held on deposit with the Transfer Agent. Ten percent were released upon the Company's public trading, with the balance to be released in equal tranches of 15% every 6 months over 36 months. As at December 31, 2006, 1,800,000 of these shares remain in escrow.

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8. Share Capital – Continued:

e) Warrants:

At December 31, 2006, the following warrants were outstanding:

Expiry Date	Weighted Average Exercise Price	Issued Number of Warrants	Weighted Average Remaining Contractual Life in Years
Hunter Property Warrants			
November 9, 2007	\$0.35	2,500,000	0.86
Share Purchase Warrants			
March 13, 2008	\$0.60	4,828,500	1.20
March 13, 2008	\$0.70	1,272,500	1.20
March 22, 2008	\$0.60	517,000	1.22
Weighted average of exercise price	\$0.54	9,118,000	1.14

The fair value of exercised warrants transferred from contributed surplus to share capital during the period was \$1,388.

f) Stock Options

A summary of the Company's options outstanding at December 31, 2006 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
November 9, 2007	\$1.00/\$1.25	897,200	897,200	0.86
November 9, 2007	\$0.35	157,800	157,800	0.86
January 17, 2011	\$0.55	1,845,000	1,383,750	4.05
April 7, 2011	\$0.55	50,000	25,000	4.27
April 25, 2011	\$0.63	50,000	25,000	4.32
July 21, 2011	\$0.55	415,000	103,750	4.56
	\$0.66	3,415,000	2,592,500	3.13

During the period no stock options were exercised and 100,000 of the January 17, 2011 options were forfeited.

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8. Share Capital – Continued:

On November 9, 2005, the Company adopted a stock option plan with the following terms:

- i) Options granted can not be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange and the minimum exercise price per share must be at least \$0.10.
- ii) At the time of the grant:
 - a) the total number of shares so reserved for issuance by the Board of directors shall not exceed ten (10%) percent of the issued and outstanding shares (on a non-diluted basis);
 - b) the aggregate number of shares so reserved for issuance to any one optionee in a 12 month period shall not exceed five (5%) percent of the issued shares (on a non-diluted basis);
 - c) the aggregate number of options granted to any one consultant in a 12 month period shall not exceed 2% of the issued shares;
 - d) the aggregate number of options granted to employees, who provide investor relations activities must not exceed 2% of the issued shares in any 12 month period; and
 - e) options issued to consultants performing investor relations services must vest in stages over 12 months with no more than one-quarter of the options vesting in any 3 month period.

Pursuant to the reorganization transaction, the Company reserves for issuance an aggregate of 1,055,000 common shares for issuance to holders of outstanding incentive stock options granted by Shear. The amount of 897,200 options are to the directors of Shear, exercisable for a period of two years (expiring November 9, 2007) at an exercise price of \$1.00 per share in the first year and \$1.25 per share in the second year. All other options, being the balance of 157,800 options, are exercisable at \$0.35 per share for a period of two years (expiring November 9, 2007).

Pursuant to the Company's stock option plan, on January 17, 2006, the Company granted a total of 1,945,000 employee stock options, of which stock options to acquire a total of 1,100,000 common shares were granted to insiders of the Company and 845,000 shares were granted to independent consultants. The options carry an exercise price of \$0.55 per common share and will expire on January 17, 2011. The stock options vest in the amount of 25% every three months from date of granting. The stock-based compensation relating to this option grant, totalling \$813,909 has been recorded at \$203,477 (an estimated \$193,017 will be recorded after forfeiture) every three months commencing April 17, 2006.

On April 7, 2006, the Company granted a total of 50,000 employee stock options to an independent consultant. The options carry an exercise price of \$0.55 per common share and will expire on April 7, 2011. The stock options vest in the amount of 25% every three months from date of granting. The stock-based compensation relating to this option grant, totalling \$18,236 has been recorded at \$4,559 every three months commencing July 7, 2006.

On April 25, 2006, the Company granted a total of 50,000 employee stock options to an independent consultant. The options carry an exercise price of \$0.63 per common share and will expire on April 25, 2011. The stock options vest in the amount of 25% every three months from date of granting. The stock-based compensation relating to this option grant, totalling \$21,572 has been recorded at \$5,393 every three months commencing July 25, 2006.

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8. Share Capital – Continued:

f) Stock Options - Continued

On July 21, 2006, the Company granted a total of 415,000 employee stock options to directors and consultants. The options carry an exercise price of \$0.55 per common share and will expire on July 21, 2011. The stock options vest in the amount of 25% every three months from date of granting. The estimated stock-based compensation relating to this option grant, totalling \$175,620 will be recorded at \$43,905 every three months commencing October 21, 2006.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted in November 2005:

Average risk-free interest rate	3.71%
Expected dividend yield	0%
Expected stock price volatility	100%
Average expected option life in years	1-2 years

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted in January 2006:

Average risk-free interest rate	3.84%
Expected dividend yield	0%
Expected stock price volatility	100%
Average expected option life in years	5 years

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted in April 2006:

Average risk-free interest rate	3.47-4.35%
Expected dividend yield	0%
Expected stock price volatility	83.217-80.532%
Average expected option life in years	5 years

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted in July 2006:

Average risk-free interest rate	4.24%
Expected dividend yield	0%
Expected stock price volatility	101.45%
Average expected option life in years	5 years

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8. Share Capital – Continued:

f) Stock Options - Continued

In total the stock-based compensation on the options issued during the current year amounted to \$462,599, with the offsetting entry to Contributed Surplus.

9. Contributed Surplus

Balance consists of:

Balance – September 30, 2005	\$	1,267,216
Fair value related to warrants issued on private placements and warrants issued on mineral properties		
- warrants issued (Note 8b)		671,058
- agents warrants issued (Note 8b)		134,426
- warrants exercised – transferred to share capital		(867)
Fair value of stock-based compensation		
- stock options issued November 2005		45,692
- stock options issued January 17, 2006		406,956
- stock options issued April 7, 2006		4,559
- stock options issued April 25, 2006		5,392
Balance – September 30, 2006		1,267,216
- warrants exercised – transferred to share capital		(1,388)
Balance – December 31, 2006	\$	1,265,828

10. Related Party Transactions

Except as disclosed in these interim consolidated financial statements, related party transactions are as follows:

- a) Included in the current period are consulting fees paid to the Company's President/CEO totaling \$29,960 of which \$3,328 are capitalized as resource property costs (December 31, 2005 - \$19,020 – all of which were capitalized).

The above transaction, occurring in the normal course of operations, is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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11. Income Taxes

- a) Reconciliation of accounting and taxable income (rounded to the nearest 000)

	For the Period Ended December 31, 2006	For the Year Ended September 30, 2006
Net Loss for the period	\$ (174,000)	\$ (1,053,000)
Add:		
Amortization	1,000	3,000
Stock- based compensation	-	463,000
Write-off of resource property costs	85,000	303,000
Future income tax expense (recovery) (Note 8c)	-	(98,000)
Net Loss for tax purposes	\$ (88,000)	\$ (382,000)

To December 31, 2006, the Company has incurred non-capital loss for tax purposes of approximately \$470,000, which may be carried forward to reduce future taxable income.

- b) During the previous year, the Company recognized tax recoveries of \$97,755 on the renunciation of \$286,505 of Canadian Mineral Exploration Costs to its flow through share holders.
- c) The components of the future income tax asset (liability) balances are as follows: (rounded to the nearest ,000)

	December 31, 2006	September 30, 2006
Future income tax asset (liability)		
Non-capital loss carry-forward	\$ 382,000	\$ 22,000
Non-capital loss for the period	88,000	284,000
Share issue costs	387,000	387,000
Resource property costs tax basis in excess of (below) book value	(287,000)	(287,000)
	570,000	406,000
Effective income tax rate	31.0%	34.12%
Future income tax asset (liability)	177,000	139,000
Allowance for future income tax	(177,000)	(139,000)
Future income tax asset	\$ -	\$ -

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse.