

**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 17, 2008.

**Note to Reader**

The following information should be read in conjunction with the Company’s audited financial statements for the year ended September 30, 2007, 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. 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”.

Highlights of the Company's activities during the year ended September 30, 2007:

### ***Financing and Corporate***

- The Company announced the appointment of Dr. Craig S. Finnigan, Ph.D. as Chief Geologist.
- The Company appointed Charles Chebry and Sean Mager to its Board of Directors and also appointed Mr. Chebry to the position of CFO. The company's former CFO John Williamson remains on the Board as Director, while Pamela Strand has resigned from the Board.

### ***Property Agreements***

- The Company signed a letter of intent with TerraX Resource Corp. ("TerraX") on its Needle Property. TerraX has the right to earn a 51% project interest by making exploration expenditures totalling \$1 Million (\$100,000 in year 1) and staged share payments totalling 400,000 shares to the Company by December 31, 2010. The letter of intent is subject to approval by the TSX Venture Exchange and the share payments are subject to TerraX successfully completing an Initial Public Offering by June 30, 2008. Failure by TerraX to successfully complete the IPO will result in the return of the Property to Kaminak with no retained interest by TerraX, and TerraX will have and no further obligations to the Company.
- The Company signed an option agreement with Corsa Capital Ltd. ("Corsa") on its Sy Property. Corsa has the right to earn a 51% project interest by making exploration expenditures totalling \$1 Million (\$100,000 in year 1) and staged payments totalling 300,000 units to the Company by December 31, 2010. Each unit consist of 1 common share and 1 - 12 month share purchase warrant with an exercise price to be set in accordance with market at the time of issuance. Corsa will also have the right to increase its project interest to 60% by spending an additional \$1.0 million and issuing the Company an additional 100,000 Units prior to December 31, 2011.
- The Company signed an Exploration Agreement (EA) with Nunavut Tunngavik Inc. (NTI) whereby Kaminak has been granted a 100% interest in the minerals (except Uranium and Thorium) within privately owned Inuit Owned Lands that comprise parcel RI-30. This 18,000 acre parcel is located directly adjacent to Kaminak's 200,000 acre "Yathkyed IOCG Project" which is comprised of staked claims located on Federal Crown land.
- The Company signed an option agreement with Pacific Ridge Exploration Ltd., whereby, subject to TSX approval, Pacific Ridge can earn a 100% interest in the Baker Lake Uranium Project located in the Kivalliq District of central Nunavut. In order to complete this new option agreement, Pacific Ridge must complete all of the following:
  - (a) issue and deliver to Kaminak 2,000,000 fully paid and non-assessable common shares in the capital of Pacific Ridge within 10 business days of the Effective Date (received);
  - (b) carry out Programs to explore the Property and solely fund and incur all the Expenditures on the Property until such time as the Option is exercised or terminated by Pacific Ridge and deliver to Kaminak a Positive Bankable

Feasibility Study reasonably acceptable to Kaminak with respect to the Property; and

- (c) issue and deliver to Kaminak an additional 2,000,000 fully paid and non-assessable common shares in the capital of Pacific Ridge on the date of delivery to Kaminak of the Positive Bankable Feasibility Study.

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

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

- The Company signed an option agreement with Mega Uranium Ltd. ("Mega") on its Washburn Uranium Property. Mega has the right to earn a 55% project interest by making exploration expenditures totalling \$1 Million (\$50,000 in year 1, \$200,000 in year 2, \$350,000 in year 3 and \$400,000 in year 4) by December 31, 2010.
- The Company signed an option agreement with Romios Gold Resources Inc. ("Romios") on its Nizi Property. Romios has the right to earn a 51% project interest by making exploration expenditures totalling \$1 Million (\$50,000 in year 1) and staged payments totalling 200,000 units to the Company by December 31, 2010. Each unit consist of 1 common share and 1 - 12 month share purchase warrant with an exercise price to be set in accordance with market at the time of issuance. The Company also granted Romios the right to elect to option the Sail Property for a period of six months.
- The Company renegotiated the terms of the Sharp Lake Agreement for an extension once Kaminak finds an option partner for the gold and base metal rights exploration licence.
- The Company was notified by Pacific Ridge that it did not meet its exploration expenditures schedule and as such the Company has regained complete control of the Matrix project.

### **Exploration**

- The Company reported assay results from a recently completed field program on claims and prospecting permits that comprise the Company's 200,000 acre Yathkyed IOCG (Iron-Oxide-Copper-Gold) project located in Nunavut, Canada. The key result was from a grab sample Grab sample from the YAT trend that returned 31.9 g/t Au, 1,170 g/t Ag, 1.18% Cu and 0.24% U<sub>3</sub>O<sub>8</sub>. See "Exploration Update" for more details on these results.
- The Company was notified that that field work has begun on three separate 100% owned Kaminak projects. The Needle and SY Gold Projects are located in Nunavut and the Nizi Gold-Silver Project is located in northwestern British Columbia. Kaminak's project partners are funding and operating the exploration programs. All three programs

consist of geological mapping, prospecting and ground inspection of known gold occurrences.

- The Company has acquired through staking with strategic partner Breakwater Resources Ltd. an interest in a number of nickel targets in the Grenville geological domain of Southern Quebec. On April 26th, 2007, Kaminak and Breakwater Resources Ltd. entered into a generative strategic alliance targeting primarily nickel-copper-PGE deposits over parts of eastern North America. Each company initially funds \$50,000 for data compilation, targeting and field work during the 2007 season. Kaminak will initially act as Project Operator. Upon ground acquisition, a 50-50 joint venture is formed on each separate property. Breakwater shall bear 100% of the exploration costs in each joint venture block until the cumulative total amount expended for exploration across all joint venture blocks equals \$1 million. Upon completion of such expenditure, the interests of the parties in each joint venture shall be Breakwater 51% and Kaminak 49%. Within thirty days after Kaminak and Breakwater agree that this \$1 million expenditure threshold has been reached, Breakwater can elect to increase its joint venture interest to 60% by solely funding the next \$2 million in cumulative exploration costs across all joint venture blocks.
- 525 claim units (21,000 acres) covering gold targets in the Archean Hemlo Greenstone Belt of Ontario, "Hemlo North". These claims are located directly north of the current Hemlo mine leases and patented claims owned by Teck Cominco Limited, Barrick Gold Corporation and Newmont Mining Corporation.
- The Company and joint venture partner Pacific Ridge Exploration Ltd. reported assays from the first three holes drilled during the 2007 drilling program on the Lucky-7 zone, on Kaminak's 100% owned Baker Lake Uranium Project in Nunavut. See "Exploration Update" for details on these results.
- The Company has acquired through staking a 100% interest in 525 claim units (21,000 acres) covering gold targets in the Archean Hemlo Greenstone Belt of Ontario, "Hemlo North". These claims are located directly north of the current Hemlo mine leases and patented claims owned by Teck Cominco Limited, Barrick Gold Corporation and Newmont Mining Corporation.
- The Company and joint venture partner BCGold Corp. have commissioned an airborne geophysical survey which will consist of 412 line-kilometers using frequency domain electromagnetic "DIGHEM" and standard magnetometer systems on Kaminak's 100% owned Voigtberg Property in British Columbia.
- The Company has generated two new uranium projects located in the Canadian Territory of Nunavut. These 100% owned properties were acquired through government issued prospecting permits and are not subject to any third party royalties.
  - The new "Yathkyed" Uranium Project is comprised of 130,000 acres and is located approximately 200 km southwest of Kaminak's Baker Lake Uranium Project.
  - The new "Washburn" Uranium Project is comprised of approximately 200,000 acres and covers portions of the Elu Basin located on southeastern Victoria Island, Nunavut.

- The Company increased its staking at the Yathkyed Uranium Project by 70,000 acres bringing the total land position to approximately 200,000 acres.
- The Company and joint venture partner Pacific Ridge Exploration Ltd. are working on a \$3M exploration program on Kaminak's 100% owned Baker Lake Uranium Project in Nunavut. The program is to include 3,000 metres of drilling on the "Lucky-7" and "KZ" zones.
- The Company and joint venture partner BCGold Corp. reported assay results from the four holes drilled on Kaminak's 100% owned Voigtberg Property in British Columbia.
- The Company and BCGold staked additional claims totalling 850 hectares at the Voigtberg Project in British Columbia bringing the total land holdings to approximately 2900 hectares.
- The Company has acquired the 100% owned "Sail property" through staking a land package totalling 5,000 ha in the Cry Lake area of British Columbia.

Highlights of the Company's activities subsequent to the year ended September 30, 2007:

- Romios completed a property-wide geological mapping augmented by a detailed petrographic and spectroscopic study of clay alteration minerals from several mineralized occurrences. This work successfully identified drill targets for 2008 and indicates further drilling is needed at the Discovery vein / Surprise vein. This is the most advanced prospect on the property with historical chip samples yielding 27.09 g/t Au plus 1220.6 g/t Ag over 2.0m and 15.09 g/t Au plus 1073.2 g/t Ag over 3.5m.
- The Company and joint venture partner Pacific Ridge Exploration Ltd. reported assays from the fourteen holes drilled on Kaminak's 100% owned Baker Lake Uranium Project in Nunavut.
- The Company and joint venture partner BCGold Corp. reported assay results from the four holes drilled on Kaminak's 100% owned Voigtberg Property in British Columbia.
- The Company announced assay results from a recently completed field program on claims and prospecting permits that comprise the Company's 200,000 acre Yathkyed IOCG (Iron-Oxide-Copper-Gold) project located in Nunavut, Canada. With the key points being:
  - Grab sample from the YAT trend returning 31.9 g/t Au, 1,170 g/t Ag, 1.18% Cu and 0.24% U<sub>3</sub>O<sub>8</sub>.
  - Separate outcrop grab samples from the BOG occurrence yield up to 2.45% Cu and 0.22% U<sub>3</sub>O<sub>8</sub>, respectively
  - Distinctive zonation of copper, silver and uranium established at outcrop scale
  - Textural and geochemical data suggests mineralization at Yathkyed is linked to similar processes as the IOCG class of mineral deposits
- 2,350,000 warrants expiring November 9, 2007 were exercised for proceeds of \$822,500.
- 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. With the key points being:

- 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 in the coming weeks
- The Company and joint venture partner Breakwater Resources Ltd. commenced high-definition airborne geophysical surveys over priority nickel-copper-platinum group element (PGE) targets in Quebec, Canada. Kaminak intends to survey a total of 4,050 line kilometres over five separate properties. This program is being funded solely by Breakwater Resources Ltd.

The Company is planning to continue to carry out exploration of its mineral properties, and to evaluate new prospects and opportunities. In addition to the private placements closed in November 2005 and March 2006, the Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing of the Company's properties to qualified mineral exploration companies.

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 disclosed in Note 3 to the consolidated financial statements.

The Company's loss from operations for the year ended September 30, 2007 was \$1,526,576 or \$0.05 loss per share (September 30, 2006 - \$809,125, \$0.04 per share). Assets totalled \$5,217,114 as at September 30, 2007 (\$5,697,975 as at September 30, 2006).

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, 2007 a resource property costs were reduced by \$6,544 after capitalizing \$657,927 offset by write downs of \$664,471 (September 30, 2006 – increase of \$2,634,361 after capitalizing \$2,634,361 offset by write downs of \$302,780). As at September 30, 2007, the Company's investment in resource property costs totalled \$2,439,396 (September 30, 2006 - \$2,445,940) 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, 2007

During the year ended September 30, 2007, the Company's main task was the continued identification of new projects and partners with whom to share the costs of those projects as well as to support the Company's profile as a project generator in the Canadian North. The Company's net loss for this period was largely an influence of these general and administrative expenses including stock based compensation.

Net loss after tax recovery of \$226,300 for the year ended September 30, 2007 was \$1,526,576 or \$0.05 per share, an increase of 60% over the net loss of \$954,864 for the year ended September 30, 2006 (\$0.04 loss per share).

Operating expenses for the year ended September 30, 2007 totalled \$1,345,227 (September 30, 2006 - \$809,125). The five largest expense categories for the current period are as follows:

- Stock-based compensation expenses of \$760,189 (September 30, 2006 – \$462,599) resulting from the application of the Black-Scholes Option Pricing Model on the granting of common share stock options.
- Consulting expenses of \$192,818 (September 30, 2006 – \$88,439). \$40,000 of these fees were paid to the Company's Chairman/director for management services rendered, \$16,856 was paid to the Company's President and CEO for management services rendered, \$18,930 of these fees were paid to the Company's corporate secretary, \$8,152 of these fees were paid to a marketing consultant who assisted in the design of Company logo, investor relations system and corporate development, the balance was paid for marketing consulting services provided.
- Investor relations expenses of \$130,551 (September 30, 2006 – \$93,011). In addition to the costs of dissemination of press releases and investor information packages to shareholders and potential investors, \$41,392 was expended for marketing consulting services and approximately \$37,622 was expended for the design, set-up and maintenance of the Company's website and investor data base.
- Travel and conference expenses of \$107,528 (September 30, 2006 - \$47,628). These expenditures related to the Company's attendance at several technical and investor relations conferences.
- Accounting and legal expenses of \$68,439 (September 30, 2006 - \$51,224). Legal expenses relating to the private placements were shown as share issuance costs and deducted from Share Capital. The Company's legal and accounting requirements have increased as the Company's operations have continued to grow and the number of projects generated and partnered have increased.

The above expenses represented approximately 94% (September 30, 2006 – 92%) of total operating expenses.

The Company's net loss was reduced by \$443,300 (September 30, 2006 - \$97,755) as a result of an income tax recovery on the renouncing of exploration expenditures to the holders of the Company's flow through shares.

**Selected Annual Information:**

The following table summarizes selected financial data reported by the Company for the years ended September 30, 2007, 2006, and the period ended September 30, 2005. 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, 2007	For the year ended or as at September 30, 2006	For the period ended or as at September 30, 2005
Revenues	Nil	Nil	Nil
Interest and other income	\$128,580	\$59,286	Nil
Loss	\$1,526,576	\$954,864	\$24,005
Basic and diluted loss per share	\$0.05	\$0.04	\$24,005
Total assets	\$5,217,114	\$5,697,975	\$114,359
Total long term debt	217,000	Nil	Nil
Shareholders' equity (deficiency)	\$4,922,890	\$5,594,942	\$(24,004)
Share Capital	\$5,569,627	\$5,306,595	\$1
Contributed Surplus	\$1,874,958	\$1,267,216	-
Deficit	\$2,505,445	\$978,869	\$24,005
Cash dividends declared per share	Nil	Nil	Nil

**Summary of Quarterly Results**

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

	Sept.30, 2007	June 30, 2007	Mar. 31, 2007	Dec. 31, 2006	Sept.30, 2006	June 30, 2006	Mar.31, 2006	Dec.31, 2005
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income	\$49,801	\$23,344	\$26,235	\$29,200	\$31,702	\$21,502	\$5,441	\$641
Net loss <sup>(2)</sup>	\$(800,526)	\$(305,781)	\$(246,752)	\$(173,517)	\$(553,280)	\$(249,571)	\$(47,267)	\$(104,746)
Basic and diluted loss per share	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.00)	\$(0.01)
Total assets	\$5,217,114	\$5,710,666	\$5,517,795	\$5,561,881	\$5,697,975	\$5,893,542	\$5,866,691	\$2,696,152
Total long term debt	217,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' equity (deficiency)	\$4,922,890	\$5,509,543	\$5,452,362	\$5,454,675	\$5,594,942	\$5,759,452	\$5,810,294	\$2,513,025
Share capital	\$5,569,627	\$5,102,969	\$5,102,969	\$5,327,233	\$5,306,595	\$5,935,872	\$5,940,620	\$2,596,084
Contributed surplus	\$1,874,958	\$1,766,582	\$1,739,531	\$1,265,828	\$1,267,216	\$249,169	\$45,692	\$45,692
Deficit	\$(2,505,445)	\$(1,704,919)	\$(1,399,138)	\$(1,152,386)	\$(978,869)	\$(425,589)	\$(176,018)	\$(128,751)
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Fourth Quarter Results

The Company's loss for the quarter ended September 30, 2007 totalled \$800,526, a loss of \$0.03 per share, as compared to a loss of \$533,280 (\$0.02 per share) for the quarter ended September 30, 2007. The write off of mineral property costs of \$465,904 bringing the total write off to \$664,471 and stock based compensation of \$118,260 bringing the total to \$760,189 were the largest items contributing to the loss.

General and administrative expenses totalled \$138,382, excluding stock based compensation of \$118,260 (September 30, 2006 - \$73,772).

The Company's cash and cash equivalents decreased by \$556,567 from \$2,231,631 at June 30, 2007 to \$2,383,371 at September 30, 2007 (decrease of \$519,630 June 30, 2006 to September 30, 2006 from \$3,307,828 to \$2,788,198). Cash used for operations totalled \$65,315; cash utilized for investing activities \$438,872; and \$22,201 cash was provided from financing activities (2006 – cash provided by operations \$8,452; cash utilized for investing activities \$823,205 {\$792,909 cash used for resource property costs}; and \$295,123 cash was provided from financing activities).

## Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash flow. At September 30, 2007, the company had working capital of \$2,690,808 (September 30, 2006, \$3,141,696).

Cash and cash equivalents was \$2,383,371 (September 30, 2006 – \$2,788,198), of which \$274,881 (2006 - \$633,726) was the remainder of the flow-through funds raised and must be spent on eligible Canadian exploration expenditures.

### For the year ended September 30, 2007

During the year ended September 30, 2007, the Company's primary source of cash was from the exercise of share purchase warrants and stock options, netting the Company \$525,886 in cash proceeds (September 30, 2006 - \$4,995,630 for share capital issuance). From the money raised and brought forward from the prior year, \$503,284 cash was spent on the Company's resource properties (2006 – 1,864,390). Operating activities for the year ended September 30, 2007 amounted to \$438,862 (2006 - 300,595 in cash).

(THIS SPACE INTENTIONALLY LEFT BLANK)

At September 30, 2007, the Company's investment in resource properties, net of write downs aggregated \$2,439,396 (September 30, 2006 - \$2,445,940), made up of the following:

	Acquisition Costs	Exploration Costs	Cumulative as at September 30, 2007	Cumulative as at September 30, 2006
Baker Lake, Nunavut	\$ -	\$ -	\$ -	\$ 158,659
Bathurst, Nunavut	-	-	-	222,560
Breakwater, Quebec and Labrador	-	76,101	<b>76,101</b>	-
Churchill, Nunavut	783,721	463,534	<b>1,247,255</b>	1,249,326
Hemlo, Ontario	70,682	52,137	<b>122,819</b>	-
IME, Nunavut	30,509	58,741	<b>89,250</b>	43,215
Lach, Nunavut	-	-	-	82,165
Matrix, Nunavut	46,463	19,428	<b>65,891</b>	47,783
Needle, Nunavut	33,863	72,446	<b>106,309</b>	93,102
Needle (Diamond), Nunavut	-	8,999	<b>8,999</b>	8,999
Nizi, BC	4,166	4,087	<b>8,253</b>	33,947
Sail, BC	2,013	-	<b>2,013</b>	-
Sharpe Lake, Manitoba	67,500	148,318	<b>215,818</b>	184,859
Sy, Nunavut	58,198	209,464	<b>267,662</b>	259,609
Voigtberg, BC	-	-	-	61,716
Washburn, Nunavut	19,988	1,970	<b>21,958</b>	-
Yathkyed, Nuanvut	117,147	89,921	<b>207,068</b>	-
	<b>\$ 1,234,250</b>	<b>\$ 1,205,146</b>	<b>\$ 2,439,396</b>	<b>\$ 2,445,940</b>

At September 30, 2007, share capital totalled \$5,569,627 comprised of 28,666,961 issued and outstanding common shares (September 30, 2006 - \$5,306,595, comprised of 27,654,070 issued and outstanding shares). As a result of the loss for the period of \$1,525,576, the deficit at September 30, 2007 was \$2,505,445 (September 30, 2006 – loss of \$954,864, deficit \$978,869). With contributed surplus of \$1,874,958 resulting from the fair value calculation of stock-based compensation and warrants, the shareholders' equity at September 30, 2007 was \$4,922,890 (September 30, 2006 - \$5,594,942).

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

At September 30, 2007, the Company had 3,688,000 stock options outstanding, which, if exercised, would increase the Company's available cash by approximately \$2,516,580. In addition, the Company had 8,409,609 warrants outstanding which, if exercised, would increase the Company's available cash by \$4,575,265. The closing price of the Company's shares (TSXV:KAM) was \$0.57 on September 28, 2007.

## Exploration Update

### **General – 2007 Overall Program:**

During the period the Company and its partners completed drill programs on its Baker Lake, Churchill and Voigtberg Projects. The Company also completed airborne magnetic and

electromagnetic surveys over both its Needle and Sy Properties. The results of these surveys will be used to focus the Company's 2007 exploration activities on these properties.

**Churchill Gold Property, Nunavut Territory**

In May 2006, Kaminak commenced drilling on the Churchill Property. The program consisted of approximately 5 drill holes (459 metre total) designed to test near surface, gold targets in the "Sedna Corridor" of the multi-million acre Churchill Project. This was the first ever drill designed to evaluate the gold potential of the multi-million acre Churchill property. The most significant result came from drill hole KCF-01. This hole collared in banded-iron-formation and intersected a number of sulphide-bearing quartz veins. Visible gold was noted along the margin of one such vein at a depth of 30 metres. An assay of this material yielded 7.06 g/t Au over a core length of 0.69 metres. Poor drilling conditions caused the hole to be shut down prematurely at a depth of 45 metres while still within banded iron formation. This target is modeled to have a length of approximately 800 metres and occurs on the same trend of banded-iron-formation as the Aklak and Aqpik Gold Zones located on the adjacent Meliadine Property, where surface assays of >30.0 g/t Au have been reported (See Comaplex Minerals Corp. Press Release, September 1, 2005).

Banded-iron-formation was also encountered in the other two targets tested and anomalous gold values were encountered in sulphidic quartz veins in hole KD-467-2 (up to 0.50 g/t Au). Archived drill core that was originally drilled for diamond exploration in 2005 was also sampled due to the presence of banded-iron-formation and sulphides. Several intervals of anomalous gold values were obtained from this core (up to 0.22 g/t Au). Table 1 summarizes results from all drilling and sampling.

**Table 1 - Summary of Drill Results**

Hole	From (m)	To (m)	Interval (m)	Au (g/t)
KCF-01A	No Significant Values			
KCF-01B	26.30	27.05	0.75	0.17
	29.00	29.52	0.52	0.21
	29.52	30.21	0.69	7.06
	39.00	40.00	1.00	0.12
KD-448-1	No Significant Values			
KD-467-1	No Significant Values			
KD-467-2	32.00	32.62	0.62	0.26
	43.60	44.47	0.87	0.50
* KD-601-01	19.00	20.00	1.00	0.18
	21.09	21.77	0.68	0.22
	22.17	23.30	1.13	0.20

\* Sampled from archived drill core originally drilled in 2005 by diamond explorers  
 Due to variable drilling angles, true thickness of zones range from 50% to 60% of reported core length

### ***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.

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

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

1. The agreement calls for BCGold Corp. to issue:
  - a. 100,000 units (the "Initial Units"\*\*) to Kaminak on the closing date of BCGold's Qualifying Transaction ("closing date") (received); and
  - b. 100,000 units (the "Additional Units"\*\*) to Kaminak on each of the first, second and third anniversaries of the closing date for an aggregate of 300,000 Additional Units.

\*Each Initial Unit will consist of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one common share at \$0.40 per share for one year following the Closing Date.

\*\*Each Additional Unit will consist of one common share of BCGold and one-half of one common share purchase warrant, each whole warrant being exercisable for one year following the date of issuance to purchase one common share at an exercise price to be determined by taking the weighted average closing price of the common shares of BCGold for the twenty consecutive trading days immediately prior to the date of issuance plus 25%.

2. BCGold is required to make staged exploration expenditures on the property totaling \$2,000,000 within four years of the closing date. Year 1 expenditures will be a minimum of \$350,000. Year 2 expenditures will be a minimum of \$350,000. Year 3 expenditures will be a minimum of \$650,000 and Year 4 expenditures will be a minimum of \$650,000. BCGold will be project operator in Years 2 through 4.

Upon spending a minimum of \$1,000,000 in exploration expenditures, BCGold will be vested with a total of a 50% interest in the Voigtberg Property and a joint venture will be formed, with BCGold being the operator of the Property. The Joint Venture Agreement will state that the operator of the joint venture shall recommend an annual exploration program of at least \$500,000.

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 property interest of 60%.

3. BCGold can earn an additional 10% interest in the Property by completing a bankable feasibility study, for a total earn-in of 70%.

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

A proposed \$350,000 exploration program was completed for Year 1, consisting of initial mapping and prospecting, which was followed by 717 metres of core drilling in 4 holes. This drilling was directed at determining the extent and grade of mineralization in the "Gold Zone" and the cause of a chargeability anomaly under fresh limestone in the "West Zone."

### Drill Results

Drill hole VGT06-05 was drilled to test the core of a 700 metres by 400 metres gold in soil geochemical anomaly referred to as the "Gold Zone." Anomalous gold mineralization occurs through the entire length of the hole including a near surface intercept of 51.15 metres grading 1.03 g/t Au. Within this 51.15 metre zone, separate intervals of 11.27 metres grading 2.0 g/t Au and 4.17m grading 2.74 g/t Au were encountered. Individual assays ranged up to 7.97 g/t Au over 1.3 metres.

Three closely spaced drill holes (151 metres each) were completed along the margin of the Gold Zone soil anomaly in 1996. Anomalous gold was encountered throughout each of the three holes and the final 2.43 metres of the third hole yielded 2.01 g/t Au. Nonetheless, the main soil anomaly was never drill tested until hole VGT06-05 was completed this season.

Extensively altered volcanic and felsic porphyritic rocks and anomalous gold mineralization were encountered through the entire hole. It should be noted that limited drilling data and the disseminated mineralization style prohibits any reliable estimate of true width.

A second drill hole (VGT06-06) was attempted and abandoned along the far southern extent of the soil anomaly. Drilling conditions were poor and the hole was shut down in overburden.

### Gold Zone Assay Table

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
VGT06-05	29.9	81.05	51.15	1.03
<i>Including</i>	29.9	41.17	11.27	2.04
<i>And</i>	46.81	50.98	4.17	2.74
VGT06-06	Hole Abandoned			

### Additional Drill Results

Two holes (VGT06-04 and VGT06-07) were designed to test regional base metal targets and establish geological correlations up to several hundred metres away from the main Gold Zone. Hole VGT06-07 was located 160 metres south of the Gold Zone and was designed to detect any base metal zones or haloes along the margin of the Gold Zone. The most interesting intersections cut 22.52 metres grading 1.02% Zn containing a higher grade interval of 6.13 metres grading 2.18% Zn.

Hole VGT06-04 was set-up to evaluate a molybdenum outcrop occurrence discovered earlier this season (see Kaminak news release dated September 14<sup>th</sup>, 2006). Highly altered volcanic and porphyritic rocks were encountered with abundant sulphide mineralization, yet no significant assays were obtained. Further interpretation will be completed in order to locate depth extent of the known molybdenum mineralization.

Results from these two regional holes have provided important geological information about the nature and zoning patterns within the large-scale Voigtberg porphyry hydrothermal system.

**VGT06-04 AND VGT06-07 ASSAY TABLE**

Hole ID	From (metres)	To (metres)	Interval (metres)	Zn (%)
VGT06-07	72.27	138.26	65.99	0.43
<i>including</i>	82.77	105.29	22.52	1.02
<i>and</i>	91.27	97.4	6.13	2.18
VGT06-04	No significant values			

***Needle Gold Property, Nunavut:***

In late April 2006, the Company completed 530 line kilometre airborne magnetic and electromagnetic survey over the Needle Gold Property. The survey consisted of the DIGHEM electromagnetic system and was flown at a line spacing of 50m. The survey was designed to determine the geophysical properties of the known zones and map the extent of important host rocks such as banded iron formation. Minor historical diamond drilling in the early 1990's by Trigg Woollett Olson Consulting Ltd. confirmed the gold potential of the claim block. Notable intersections at the Needle Zone include 9.46 g/t Au over 3.43 metres (Hole# 0N001) and 11.58 g/t Au over 2.02 metre (Hole# 0N006). No follow-up drilling has been conducted on the property since these initial results. The property was visited by Kaminak geologists and prospectors during the summer of 2005 and additional sampling at the Jed Zone uncovered a previously unknown and locally derived boulder that returned an assay of 17.28 g/t Au (Sample #05-AVP-017). Results from the survey were received and have been interpreted to allow Kaminak to focus and prioritize the Company's exploration plan for the Needle Gold Property.

The 5,165 acre 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.

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

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

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

- (c) issue and deliver to Kaminak an additional 2,000,000 fully paid and non-assessable common shares in the capital of Pacific Ridge on the date of delivery to Kaminak of the Positive Bankable Feasibility Study.

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

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 (400,000 Units 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 and Stornoway Diamond Corp. as to an 8.5% Net Profits Interest. The option agreement pertains to all commodities other than diamonds.

This approximate 350,000 acre portion of the property is located within a highly favourable geological environment for the discovery of uranium and gold mineralization. The property is host to at least 20 known uranium prospects that occur along 75 kilometres of a geological unconformity. The Baker Lake Basin is one of four Proterozoic Age basins within the Canadian Shield that are host to uranium deposits, including the Athabasca, Thelon and Hornby Bay basins.

In March 2006, Pacific Ridge Exploration Ltd. completed the initial data compilation of previous exploration within the Baker Lake Uranium Project. Historic airborne geophysics, surface sampling, and drill hole assay results indicate potential for high-grade uranium mineralization within the project area.

A total of fourteen drill holes were completed in 2006 to test the depth extent of the previously known KZ and 694 Zones and also drill test the newly discovered Lucky-7 Zone. The first four drill holes were completed at the KZ Zone, where intercepts of 0.31%  $U_3O_8$  over 11.5 metres and 0.27%  $U_3O_8$  over 5.8 metres were reported by Kaminak on October 18<sup>th</sup>. New results from the remaining ten drill holes at the Lucky 7, KZ, and 694 Zones are presented below.

### **Drill Results - KZ Zone**

The KZ Zone has been defined by a radiometric survey to be over 1 kilometre in length. Historic drilling of vertical holes along approximately 350 metres of the 1 kilometre target zone saw several holes with uranium values of 0.84%  $U_3O_8$  over 5.4 metres at depths less than 100 metres from surface. The 2006 drilling program is the first attempt to test mineralized extensions to depth. The first four holes all intersected significant uranium mineralization (see Kaminak news release dated October 18<sup>th</sup>, 2006). Hole KZ06-05 returned 0.14%  $U_3O_8$  over 0.8 metres extending known mineralization approximately 55 metres along strike. Hole 6 was a deep step-out hole designed to test the unconformity region for uranium mineralization. Although worsening drill conditions stopped the drill short of the unconformity, several intervals

of 0.10% U<sub>3</sub>O<sub>8</sub> to 0.20% U<sub>3</sub>O<sub>8</sub> over 1 to 3 metres were encountered between 88 and 317 metre depths.

### Drill hole assays from KZ Zone

HOLE	SECTION	INTERVAL (m)	WIDTH (m)**	ASSAY	
				(% U <sub>3</sub> O <sub>8</sub> )	(lbs U <sub>3</sub> O <sub>8</sub> /t)
* KZ 06-01	9065 N	36.0 – 41.8	5.8	0.27	5.4
* KZ 06-02	9065 N	79.5 – 91.0	11.5	0.31	6.2
	Includes	85.5 – 91.0	5.5	0.56	11.2
	and	95.5 – 97.5	2.0	0.23	4.6
* KZ 06-03	2750 E	No significant intersections, drilled away from target			
* KZ 06-04	9065 N	123.0 – 128.2	5.2	0.40	8.0
	Includes	123.0 – 125.0	2.0	0.90	18.0
KZ 06-05	9120N	125.5 – 126.3	0.8	0.14	2.8
KZ 06-06	9065N	89.1 – 89.8	0.7	0.12	2.4
	And	131.0 – 133.5	2.5	0.11	2.2
	And	303.0 – 304.0	1.0	0.16	3.2

\* Previously reported in a Kaminak news release dated October 18<sup>th</sup>, 2006.

\*\* True widths are estimated at between 50% and 70% of total drill intervals, with the exception of holes 06-05 and 06-06 which were drilled at a steeper angle.

### “7-one Zone” – New Surface Discovery at Baker Lake Uranium Project

Recent surface exploration has identified a new zone of uranium mineralized boulders assaying up to 1.3% U<sub>3</sub>O<sub>8</sub>. The new discovery, called the ‘7-one’ Zone, is located 4 kilometres northeast of the previously announced (see Kaminak news releases August 16 and October 2, 2006).

The ‘7-one’ Zone has been outlined by a 300-metre-long and 100-metre-wide grid-controlled radiometric anomaly. Prospecting within the ‘7-one’ radiometric anomaly defined a north-south trending frost-heaved boulder trend of mineralized sandstone. Assays of eight large angular boulders range from 0.81% U<sub>3</sub>O<sub>8</sub> to 1.83% U<sub>3</sub>O<sub>8</sub> and average 1.29% U<sub>3</sub>O<sub>8</sub>. Uranium mineralization appears as disseminated blebs and thin bedding parallel black seams of pitchblende within coarse grained Kazan sandstone. The ‘7-one’ Zone represents a new discovery on the property and will be drill tested in 2007

### Lucky-7 Zone

Lucky-7 is a prospecting discovery uncovered during the summer of 2006.

On August 7, 2007, the Company announced the results of the first three drill holes from the 2007 drilling program on the Lucky-7 Zone. Drill results contain 0.20% U<sub>3</sub>O<sub>8</sub> over 15.3 metres including 2.74% U<sub>3</sub>O<sub>8</sub> over 0.9 metres. Lucky-7 drill holes L7-07-04, L7-07-05, and L7-07-06 intersected the near vertical Lucky-7 Zone approximately 150, 200 and 250 metres respectively below surface, with the width of mineralization and the alteration envelope increasing with depth. Two additional holes are planned at Lucky-7:

- Hole# L7-07-07 is targeting the structure at a depth below 300 metres
- Hole# L7-07-08 is planned to test on-strike or lateral continuity of uranium mineralization

### Lucky-7 Zone: 2007 Drill Hole Assays

Hole	Section	Interval (m)**	Width (m)**	Assay	
				(% U <sub>3</sub> O <sub>8</sub> )	(lbs U <sub>3</sub> O <sub>8</sub> /ton)
L7-07-04	8200 N	167.0 – 176.0	9.0	0.11	2.2
		incl. 167.0 – 170.0	3.0	0.15	3.0
L7-07-05	8200 N	231.3 – 234.0	2.7	0.24	4.8
L7-07-06	8200 N	278.5 – 293.8	15.3	0.20	4.0
		incl. 292.9 – 293.8	0.9	2.74	54.8

\*\* True widths are estimated at between 50% and 70% of total drill intervals.

During 2006, the surface exposure of the Lucky-7 Zone was chip sampled across its width and yielded an assay of 0.27% U<sub>3</sub>O<sub>8</sub> over 3.9 metres. A saw cut channel several metres away yielded 0.19% U<sub>3</sub>O<sub>8</sub> over 3.1 metres and the average grade of 23 mineralized frost-heaved boulders assayed 0.32% U<sub>3</sub>O<sub>8</sub> (see Kaminak news release dated October 2<sup>nd</sup>, 2006). Three angled drill holes were completed from a single set-up along section 8200N. The first two holes returned intercepts of 0.14% U<sub>3</sub>O<sub>8</sub> over 1.6 metres and 0.32% U<sub>3</sub>O<sub>8</sub> over 3.4 metres. The third hole was the deepest hole at Lucky-7 and worsening drill conditions at depth forced this hole to be shut down before the target was completely tested. No significant uranium assays were obtained despite strong alteration at the bottom of the hole.

### Drill hole assays from Lucky-7 Zone

HOLE	SECTION	INTERVAL (m)	WIDTH (m)**	ASSAY	
				(% U <sub>3</sub> O <sub>8</sub> )	(lbs U <sub>3</sub> O <sub>8</sub> /t)
L7-06-01	8200 N	51.4 – 53.0	1.6	0.14	2.8
L7-06-02	8200 N	74.1 – 77.5	3.4	0.32	6.4
	Includes	74.5 – 76.0	1.5	0.68	13.6
L7-06-03	8200 N	No significant values			

\*\* True widths are estimated at between 50% and 70% of total drill intervals.

Uranium mineralization at Lucky-7 occurs in altered and bleached Kazan sandstone associated with a northerly trending structure. A ground radiometric survey was completed over an area measuring approximately 2 kilometres by 2 kilometres that defined a northerly trending radiometric target measuring 500 metres in length and 100 to 200 metres in width contoured with values of 200 cps.

### 694 Zone

The 694 Zone, partially explored by previous operators with a program of pitting and 6 short drill holes, consists of structurally-controlled uranium mineralization within basement gneissic rocks just below the eroded basin sediments. Field work in 2006 confirmed the presence of several north-south trending structures that host structurally-controlled uranium mineralization within basement gneissic rocks. Six individual mineralized structures have been mapped within a 250 metre-wide zone over a strike length of 200 metres. Grab samples of frost-heaved mineralization graded to 16.4% U<sub>3</sub>O<sub>8</sub>.

Drilling determined that the 694 structures controlling the uranium mineralization were moderately dipping to the west and the historic drilling program hit the zones at a sharp angle thus exaggerating the length of the mineralized intervals. The angled drilling program confirmed the depth continuity of the uranium-bearing structures but narrow widths and variable grades

obtained during the 2006 drilling program has reduced the priority of this target. Five angled holes were completed at the 694 Zone and results are summarized below.

### Drill hole assays

HOLE	INTERVAL (m)	WIDTH (m)**	ASSAY	
			(% U <sub>3</sub> O <sub>8</sub> )	(lbs U <sub>3</sub> O <sub>8</sub> /t)
694-06-01	88.4 – 88.8	0.4	0.18	3.6
694-06-02	No significant values			
694-06-03	13.3 – 13.7	0.4	0.16	3.2
694-06-04	25.2 – 25.7	0.5	0.16	3.2
694-06-05	16.8 – 17.3	0.5	0.23	4.6
And	43.9 – 44.9	1.0	0.62	12.4

\*\* True widths are estimated at between 50% and 70% of total drill intervals, with the exception of holes 06-04 which was drilled at a steeper angle.

### History

Prior explorers completed airborne radiometric surveys in 1969 and 1974 that defined a trend of uranium targets along the 60 kilometre length of the southern boundary area of the Baker Lake Basin. Intermittent follow-up exploration programs by New Continental Oil, Pan Ocean, Cominco, and Noranda during the period 1969 thru 1981 outlined 'in place' as well as glacial boulders containing uranium mineralization. No significant uranium exploration is reported in the area since the early 1980's.

The 694 Zone, originally discovered and explored by New Continental Oil Co. (Assessment Reports 19889 & 60760), consists of three parallel north trending structural zones positioned in the Archaean footwall to the recently eroded Baker Lake basin sediments. The eastern zone, traced by ground radiometric surveys, with values exceeding 100 counts per second, is open beyond 450 metres in length. Three shallow holes along a 120 metre length of the northern end of the 694 Zone reported uranium values as tabled below.

Hole	Intercept (m)	Interval (m)	Assay (% U <sub>3</sub> O <sub>8</sub> )	Assay (lbs/T U <sub>3</sub> O <sub>8</sub> )
T-1	63.1 – 64.6	1.5	0.37	8.1
and	79.1 – 80.5	1.4	0.87	19.1
T-4	91.4 – 92.9	1.5	0.31	6.8
T-5	120.7 – 123.1	2.4	1.68	37.0

The western zone, located 200 metres west of the eastern zone, was traced for 200 metres on surface and tested by two shallow holes with intercepts assaying less than 0.1% U<sub>3</sub>O<sub>8</sub> over 1.0 metre.

The central zone, defined by radiometric anomalies and surface prospecting with select grabs assaying to 3.4% U<sub>3</sub>O<sub>8</sub>, was not drill tested. The central zone structure also hosted sections of massive pitchblende up to 0.2 metre-thick that provides an immediate drill target for high-grade uranium mineralization.

Elsewhere, exposed mineralization is reported as disseminated to massive pitchblende within a fracture system varying in thickness of 0.3 to 3.7 metres. This fault-controlled mineralization

occurs in the Archaean basement approximately 1.0 kilometre south of the present Baker Lake basin's southern boundary.

Radiometric anomalies were followed by ground surveys and limited drilling programs as further described below. Additional regional targets that did not see ground follow-up will form part of Pacific Ridge's 2006 exploration program

### 741 Zone

Located 16 kilometres to the northeast of the 694 Zone and within the Baker Lake basin sandstone formation, the 741 Zone was discovered by surface prospecting and tested with 17 drill holes by a Cominco/Pan Ocean joint venture in 1975 and 11 holes in 1976. The joint venture intersected uranium mineralization in 6 holes with the highlight being hole KZ-10 which reported 3 intersections along a 120 metre length separated by barren intervals, as follows:

Hole	Intercept (m)	Interval (m)	Assay (% U <sub>3</sub> O <sub>8</sub> )	Assay (lbs/T U <sub>3</sub> O <sub>8</sub> )
KZ – 10	23.5 – 40.9	17.4	0.15	3.3
KZ – 10	76.5 – 90.1	13.6	0.35	7.7
KZ – 10	105.8 – 111.2	5.4	0.84	18.5

### B119 Prospect

As follow-up to an airborne radiometric anomaly located within the basin sediments near the basement unconformity and approximately 12 kilometres northeast of the 694 Zone, Pan Ocean discovered 'unconformity-style' uranium mineralization in 1980. Pan Ocean reported completion of 22 drill holes averaging 120 metres deep to the basement rocks. Uranium mineralization was intersected in several widespread holes with the following values in drill holes 80-9 and 80-16, as reported by Pan Ocean.

Hole	Intercept (m)	Interval (m)	Assay (% U <sub>3</sub> O <sub>8</sub> )	Assay (lbs/T U <sub>3</sub> O <sub>8</sub> )
80-9	95.4 – 121.3	25.9	0.13	2.9
including	96.3 – 100.2	3.9	0.44	9.7
including	96.3 – 107.9	11.6	0.23	5.1
80-16	151.4 – 152.9	1.5	0.37	8.1

Mineralization was described as being related to an electromagnetic conductor. Data compilation by Pacific Ridge indicates that additional electromagnetic conductors remain to be drill tested.

Located 3 kilometres north of Lake Bissett and 10 kilometres east of 741 Zone, prospecting by Pan Ocean located a zone of anomalous angular radioactive frost-heaved boulders. Scintillometer readings ranged from 800 cps to greater than 10,000 cps. Three boulders assayed 1.20% U<sub>3</sub>O<sub>8</sub> to 2.12% U<sub>3</sub>O<sub>8</sub> and averaged 1.55% U<sub>3</sub>O<sub>8</sub>. All mineralized float is composed of cross-bedded sandstone.

Within the general area of Bissett Lake, approximately 30 kilometres east of Zone 694, prior workers outlined a cluster of uranium occurrences within altered regolith lying on basement rocks at the unconformity. Boulder sampling yielded selected grabs to 1.6% U<sub>3</sub>O<sub>8</sub>. Several areas were drill tested with results that are currently being reviewed and compiled. Prior holes

did intersect uranium mineralization with reported intersections as high as 0.48% U<sub>3</sub>O<sub>8</sub> over 2.1 metres.

In summary, historic exploration has outlined attractive uranium targets and zones of uranium mineralization throughout a 60 kilometre length along the southern unconformable contact of the Baker Lake basin. Preliminary compilation by Kaminak and Pacific Ridge has already outlined drill targets prospective for discovery of high-grade uranium mineralization.

Pacific Ridge has been notified that crews have been mobilized to the project as part of a \$1.6million program which will initially consist of the field checking of the historical uranium occurrences as well as prospecting in new areas across the property. A 20 hole drill program is scheduled for later in the summer subject to initial program results and final permit approval.

### ***Matrix Gold Project, Nunavut***

Kaminak acquired Hunter's interest in a joint venture agreement with Pacific Ridge Exploration Ltd. and Newmont Mining Corporation ("Newmont") pursuant to the reorganization transaction. The agreement stipulates that Newmont was to earn up to an undivided 70% interest in the Matrix Gold Project by spending \$14 million on exploration.

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.

The Matrix Gold Project covers gold targets hosted in Proterozoic quartz pebble conglomerates and represents a unique analogue to the prolific goldfields of the Witwatersrand Basin of South Africa which has produced more than 1 billion ounces of gold.

In January 2006 Newmont approved a 2006 drilling program on the Matrix Property. The Company has been advised that the 2005 exploration program conducted by Newmont at the Matrix Gold Project was successful in identifying of gold-bearing conglomerate zones.

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 Kaminak.

In August 2006, Newmont advised the Company that it would terminate its agreement in the Matrix Gold Project. Newmont had spent a total of \$2.2 million on the project and had planned a 1,200 meter drilling program but logistical problems prevented the drill program from being completed. Newmont did complete geological mapping and prospecting during the 2006 season uncovering new surface gold showings yielding assays up to 10.56 g/t Au.

In September 2006, Kaminak presented Pacific Ridge Exploration Ltd. with an updated schedule of exploration expenditures that were required to keep its option in good standing through 2006; however, the terms of this timetable were not met and as a result Kaminak now has complete control of the Matrix project. Kaminak's technical staff visited the Matrix property in July of 2006 and the Company is currently seeking a new joint venture partner and determining an appropriate work program for 2007.

### ***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% gross overriding royalty and a 2% Net Smelter Return interest.

### ***Washburn Uranium Project, Nunavut***

The Washburn Uranium Property comprises 197,797 acres located on Victoria Island in Nunavut.

### ***Yathkyed, Nunavut***

During the year, the company completed a field program on claims and prospecting permits that comprise the Company's 200,000 acre Yathkyed IOCG (Iron-Oxide-Copper-Gold) project located in Nunavut, Canada. The results of these assays were obtained subsequent to September 30, 2007 and included:

- A grab sample from the YAT trend returns 31.9 g/t Au, 1,170 g/t Ag, 1.18% Cu and 0.24% U<sub>3</sub>O<sub>8</sub>.
- Historical data indicates the gold potential on the YAT trend was overlooked as previous companies assayed only for uranium, base metals and silver.
- Mineralized veins hosted in sandstone and conglomerate located near basin unconformity

### ***YAT Mineralized Trend***

The YAT showings were originally discovered by Pan Ocean Oil Ltd. in the late 1970's and consist of a number of high-grade U-Cu-Ag showings hosted in outcrop and boulders coincident with strong geophysical and geochemical anomalies covering an area at least 100m north-south by 100m east-west (see Kaminak news release dated May 2nd, 2007). Kaminak geologists visited these sites in 2007 and collected a single representative sample of football-sized rubble from locally-derived frost heave. This sample yielded an assay of 31.9 g/t Au, 1,170 g/t Ag, 1.18% Cu and 0.24% U<sub>3</sub>O<sub>8</sub>.

Since anomalous gold had not been reported in the YAT region before, Kaminak requested a re-assay of this sample from the lab. This second assay duplicated the original gold value, therefore, confirming the presence of gold in the sample. A subsequent review of the Pan Ocean historical data indicates that significant U-Cu-Ag mineralization was detected in the YAT area; however, their samples were never analyzed for gold.

Following the initial samples, Kaminak subsequently sent an independent geological consultant to the YAT area to conduct further sampling. A total of 6 samples were collected from surface frost heave and locally derived boulders. These samples were collected from several different styles of mineralization and alteration. Significantly anomalous gold results of 4.77 g/t Au and 2.54 g/t Au were obtained from two of these samples located 35m and 5m away, respectively, from Kaminak's original sample. Base metal results from these samples have not yet been received from the lab.

The extent and significance of the 2007 prospecting results are currently being evaluated by Kaminak's technical team. The association of gold with uranium and base metals makes YAT a high-priority target. No previous drilling is reported from the YAT area.

## **QA / QC**

Samples were shipped to ALS Chemex Laboratories and were analyzed for 48 elements by four acid digest ICP-MS. Over limit uranium was analyzed by XRF method and gold was analyzed by fire assay with an AA and GRAV finish.

Historical assays and previous sampling were obtained from government archived assessment reports, and although this data cannot be confirmed, they are considered reliable.

## **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, 2007, available on [www.sedar.com](http://www.sedar.com).

### **Outstanding Share Data**

KAM's authorized capital is unlimited common shares without par value. As at January 15, 2008, the following common shares, options and share purchase warrants were outstanding:

	<b># of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Issued and Outstanding Common Shares at January 15, 2008	31,021,961		
Warrants	1,170,000	\$0.70	March 13, 2008
Share purchase warrants	4,400,609	\$0.60	March 13, 2008
	489,000	\$0.60	March 22, 2008
Employee Stock Options	1,668,000	\$0.55	January 17, 2011
	50,000	\$0.55	April 7, 2011
	50,000	\$0.63	April 25, 2011
	415,000	\$0.55	July 21, 2011
	100,000	\$0.55	December 7, 2011
	240,000	\$0.79	April 2, 2012
	135,000	\$0.79	June 18, 2012
Fully Diluted at January 15, 2008	<u>39,739,570</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 paid to the Company's President/CEO totaling \$123,560 of which \$7,488 was capitalized as resource property costs.

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.

## **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**

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

## **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.

### **Disclosure Controls and Procedures**

The Company evaluated its disclosure controls and procedures as defined under Multilateral Instrument 52-109 for the year ended September 30, 2007. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer with the assistance of other Company employees to the extent necessary or appropriate. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operations of these disclosure controls and procedures were effective.

### **Internal Controls and Procedures**

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under Multilateral Instrument 52-109 for the year ended September 30, 2007. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer with the assistance of other Company employees to the extent necessary or appropriate. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design of these internal controls and procedures over financial reporting was effective.

### **Approval**

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

## **Additional Information**

Additional information can be obtained by contacting:

Kaminak Gold Corporation  
Attention: Robert Carpenter, President and CEO  
Suite 1440 - 625 Howe Street  
Vancouver, BC CANADA V6C 2T6  
Tel: (604) 644-4527 Fax: (604) 646-4526  
Website: [www.kaminak.com](http://www.kaminak.com) Email: [info@kaminak.com](mailto:info@kaminak.com)

### **KAMINAK GOLD CORPORATION**

/s/ "Robert Carpenter"  
Robert Carpenter, PhD, P. Geo.  
President and Chief Executive Officer

### **KAMINAK GOLD CORPORATION**

/s/ "Charles Chebry"  
Charles Chebry, CMA  
Chief Financial Officer

**NOTES:**

**NOTES:**

