

**GOLD WHEATON GOLD CORP.
(FORMERLY KADYWOOD CAPITAL CORP.)**

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED JUNE 30, 2008

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Interim Statements of Net Loss and Comprehensive Loss and Deficit
For the Three and Nine Month Periods Ended June 30
(Unaudited)

	Three Month Period Ended June 30, 2008	Three Month Period Ended June 30, 2007	Nine Month Period Ended June 30, 2008	Nine Month Period Ended June 30, 2007
Expenses				
Interest and bank charges	1,698	45	27,172	136
Lease costs	-	2,400	4,800	7,200
Management fees (Note 4)	-	9,000	18,000	27,000
Office and miscellaneous	23,490	300	23,490	4,034
Professional and consulting fees (Note 4)	38,768	1,050	124,228	1,050
Rent, secretarial services and utilities	-	1,350	2,700	4,050
Stock-based compensation	234,000	-	234,000	-
Telephone	3,519	1,326	3,656	2,156
Transfer agent and filing fees	15,942	2,699	17,569	7,627
Travel and promotion	14,305	1,000	16,705	2,200
Loss before other items	(331,722)	(19,170)	(472,320)	(55,453)
Other items				
Interest income	5,549	-	5,549	-
Loss on Amended Creditors' Proposal (Note 1)	-	-	(600,000)	-
Write-off of assets	(4,550)	-	(4,550)	-
Net loss and comprehensive loss for the period	(330,723)	(19,170)	(1,071,321)	(55,453)
Deficit, beginning of period	(3,186,685)	(2,370,149)	(2,446,087)	(2,333,866)
Deficit, end of period	\$ (3,517,408)	\$ (2,389,319)	\$ (3,517,408)	\$ (2,389,319)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.00)
Weighted average number of common shares outstanding	49,187,987	16,806,668	27,561,048	16,806,668

The accompanying notes are an integral part of these financial statements.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Interim Statements of Cash Flows
For the Three and Nine Month Periods Ended June 30
(Unaudited)

	Three Month Period Ended June 30, 2008	Three Month Period Ended June 30, 2007	Nine Month Period Ended June 30, 2008	Nine Month Period Ended June 30, 2007
Cash Flows From (used in):				
Operating Activities				
Net loss	\$ (330,723)	\$ (19,170)	\$ (1,071,321)	\$ (55,453)
Adjustments for:				
Stock-based compensation	234,000	-	234,000	-
Write-off of assets	4,550	-	4,550	-
	<u>(92,173)</u>	(19,170)	<u>(832,771)</u>	(55,453)
Changes in non-cash working capital (Note 7)	<u>(939,665)</u>	13,050	<u>(199,157)</u>	40,560
	<u>(1,031,838)</u>	(6,120)	<u>(1,031,928)</u>	(14,893)
Financing Activities				
Proceeds from issuance of units	<u>1,505,000</u>	-	<u>1,505,000</u>	-
Increase (Decrease) in cash during the period	473,162	(45)	473,072	364
Cash, beginning of period	<u>332</u>	512	<u>422</u>	103
Cash, end of period	<u>\$ 473,494</u>	\$ 467	<u>\$ 473,494</u>	\$ 467

The accompanying notes are an integral part of these financial statements.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

1) NATURE AND CONTINUANCE OF OPERATIONS AND CONTINGENCY

The Company was incorporated on October 20, 1999, under the Company Act of the Province of British Columbia. During fiscal 2002, the Company acquired all the assets, undertakings, goodwill and intellectual property related to the 222 Pizza system franchise and trademark and changed its name from YES Capital Corp. to 222 Pizza Express Corp. On May 1, 2008 the Company changed its name to Kadywood Capital Corp. On July 15, 2008, the Company changed its name to Gold Wheaton Gold Corp.

On August 5, 2003, after experiencing serious financial difficulties, the Company applied for creditor protection by filing a Notice of Intention to Make a Proposal pursuant to Part III of the *Bankruptcy and Insolvency Act* (the "Act"). On September 3, 2003, a proposal to settle outstanding debts was made to the Company's creditors. The proposal was voted on and accepted by creditors on September 24, 2003, and was approved by the British Columbia Supreme Court during the year-ended September 30, 2004.

Under the proposal, all liabilities of the Company to its secured, preferred unsecured and non-preferred unsecured creditors were to be paid through a settled maximum amount of \$300,000.

The Company was to have made four equal payments of \$75,000 as follows:

- a) 1st payment of \$75,000 is due on acceptance of the proposal by the courts (November 29, 2003) (Paid);
- b) 2nd payment of \$75,000 is due six months after approval;
- c) 3rd payment of \$75,000 is due twelve months after approval; and
- d) 4th payment of \$75,000 is due twenty four months after approval.

The Company recorded a gain on settlement of debt with creditors of \$545,591 in 2003. In prior periods, the Company has included the creditor settlement amount of \$225,000 in accounts payable and accrued liabilities.

These payments were extended to February 9, 2006, when the Company was required to pay the balance, or submit a satisfactory amended proposal. These payments were subsequently extended to June 30, 2006 and then December 31, 2006. The Company defaulted in the payments due under this proposal during the year-ended September 30, 2007.

On May 13, 2008, the Company submitted, and on May 16, 2008, received Court approval of an Amended Proposal that directed payment of an aggregate of \$825,000 cash in the following priorities:

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

1) NATURE AND CONTINUANCE OF OPERATIONS AND CONTINGENCY (continued)

- i) In payment of the proper fees and expenses of the Trustee;
- ii) In payment of those amounts that employees or former employees of the Company would be qualified to receive under paragraph 136(1)(d) of the Act had the Company become bankrupt on the date of Court approval of the Proposal;
- iii) Within six months after Court approval of the Amended Proposal, Her Majesty the Queen in Right of Canada or in Right of any Province shall be paid any and all amounts outstanding at the time of the initial filing in this proceeding that are of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* of Canada or under any substantially similar provision of provincial legislation;
- iv) Preferred claims not previously referred to, to be paid without interest, in priority to all claims of unsecured creditors;
- v) Unsecured creditors shall be paid ratably from the proceeds that remain after making the above payments.

During the quarter ended June 30, 2008, the Company fully performed the terms of the Amended Proposal and a Certificate of Full Performance was issued effective June 30, 2008. As a result, in the current period, the Company has recorded a loss on settlement of debt with creditors in the amount of \$600,000, offsetting the gain of \$545,591 previously recognized in 2003.

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. These unaudited interim financial statements follow the same accounting policies and methods of their application as the Company's audited September 30, 2007 annual financial statements ("2007 Annual Financial Statements") except for pronouncements made by the Canadian Institute of Chartered Accountants which come into effect in the current fiscal year and are further described in Note 2. It is recommended that these unaudited interim financial statements be read in conjunction with the Company's September 30, 2007 audited annual financial statements.

These financial statements have been prepared in accordance with Canadian accounting principles that apply to a going concern. These principles assume that the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. During the year, management has raised additional capital through a private placement and will need to continue to do so through future private placements and public offerings. These financial statements do not contain any adjustments to the amounts and classifications of assets and liabilities, which might be necessary should the Company be unable to continue in business.

	June 30, 2008	September 30, 2007
Working capital (deficiency)	154,949	\$ (733,994)
Deficit	(3,517,408)	(2,446,087)

2) SIGNIFICANT ACCOUNTING POLICIES

Effective October 1, 2007, the Company has adopted the three new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2007. These accounting standards are adopted on a prospective basis with no restatement of prior period financial statements. There was no impact on opening retained earnings. The new standards are as follows:

a) Financial instruments

Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loan and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading, financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income. Loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost.

Since October 1, 2007, the Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Amounts receivable are classified as loans and receivable, which are measured at amortized cost. Accounts payable and accrued liabilities, loan payable and due to/from related parties are classified as other financial liabilities. The Company does not have either available-for-sale or held-to-maturity instruments during the period ended June 30, 2008.

In March 2007, the CICA issued Section 3862, “Financial Instruments – Disclosures”, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial instrument and liability categories. This standard harmonizes disclosures with International Financial Reporting Standards (“IFRS”). This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and all disclosures required are reflected in these financial statements.

In March 2007, the CICA issued Section 3863, “Financial Instruments – Presentation” to enhance financial statement readers’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows. This Section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, interest, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This standard harmonizes disclosures with IFRS. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007 and all disclosures required are reflected in Note 8 of these financial statements.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Capital disclosures

In December 2006, the CICA issued Section 1535, "Capital Disclosures". This Section establishes standards for disclosing information about an entity's capital and how it is managed. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007 and all disclosures required are reflected in Note 10 these financial statements.

3) LOAN PAYABLE

	<u>June 30, 2008</u>	<u>September 30, 2007</u>
Loan payable of \$45,000, interest accrued of \$18,556, bearing at an annualized rate of 10%	\$ -	\$ 63,556
Loan payable of \$22,638, interest accrued of \$2,263, bearing at an annualized rate of 10%	-	24,901
	<u>\$ -</u>	<u>\$ 88,457</u>

On April 21, 2008, the Company settled the loans through the issuance of common shares at a price of \$0.05 per share.

4) RELATED PARTY TRANSACTIONS

During the nine month period ended June 30, 2008, the Company recorded \$18,000 (2007: \$27,000) for management fees to a company related by a common former director.

During the nine months period ended June 30, 2008, the Company had the following transactions with companies related by a common former director or officer:

- Paid \$67,112 (2007: Nil) for legal and consulting fees;
- Paid \$674,828 as part of the debt settlement described in Note 1;
- Paid \$106,739 of the due to related parties balance at September 30, 2007; and
- Settled \$250,000 in debt through the issuance of 5 million common shares at a price of \$0.05 per share.

These transactions were in the normal course of operations and were measured at the exchange amount which was the amount established and agreed to by the related parties.

As at June 30, 2008, amounts due to related parties of \$nil (September 30, 2007: \$399,775) were due to a former director and a company with a common former director, with interest accruing at an annualized rate of 10%.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

5) SHARE CAPITAL

a) Share capital

Authorized:

- Unlimited common shares without par value.
- Unlimited preferred shares without par value.

b) Issued

Common shares:

	Number of Common Shares	Amount
Balance, September 30, 2006 and 2007	16,806,668	\$ 1,681,348
Issued pursuant to a private placement	30,000,000	1,354,158
Issued shares as a finder's fee	1,500,000	67,708
Issued pursuant to settlement of outstanding debt	10,000,000	500,000
Share issuance costs	-	(67,708)
Issued on exercise of warrants	50,000	5,000
Transferred from share purchase warrants on exercise of warrants	-	230
Balance, June 30, 2008	58,356,668	\$ 3,540,736

On April 21, 2008, the Company completed a private placement (the "Private Placement"). The Private Placement consisted of 30,000,000 units with each unit comprised of one common share of the Company and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable to acquire an additional common share of the Company at a price of \$0.10 per share and will expire on April 21, 2009.

The Company also issued 1,500,000 units as a finders fee (the "Finders Fee units") related to the Private Placement. Each Finders Fee unit comprised of one common share of the Company and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable to acquire an additional common share of the Company at a price of \$0.10 per share and will expire on April 21, 2009.

On April 21, 2008, the Company settled \$500,000 in outstanding debt (\$250,000 due to a related parties – see Note 4) through the issuance of 10 million common shares at a price of \$0.05 per share.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

5) SHARE CAPITAL (continued)

The Company applied the relative fair value approach which allocates the gross proceeds based on the relative fair value of the common shares and warrants. The estimated fair value of warrants granted was determined using the Black-Scholes Model. The weighted average assumptions used in estimating the fair value are summarized as follows:

	Three and nine months ended June 30, 2008
Risk free interest rate	2.79%
Dividend yield	Nil
Expected volatility	35.01%
Expected warrant life	1 year

c) Share Purchase Warrants

As at June 30, 2008, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, September 30, 2007 and 2006	-	-	\$ -
Private placement	30,000,000	0.10	145,842
Issued warrants as a finder's fee	1,500,000	0.10	7,292
Warrants issuance cost	-	-	(7,292)
Exercised	(50,000)	-	(230)
Balance, June 30, 2008	31,450,000	0.10	\$ 145,612

The 31,450,000 share purchase warrants expires on April 21, 2009

d) Stock Options

The Company follows the policies of the TSX-V, under which it is authorized to grant options to acquire up to 10% of the issued and outstanding common stock of the Company (the "Plan"). Under the Plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years.

A summary of the changes in stock options is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2007 and 2006		
Granted	18,000,000	0.57
Cancelled	-	-
Balance, June 30, 2008	18,000,000	0.57

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

5) SHARE CAPITAL (continued)

At June 30, 2008, stock options to purchase common shares were exercisable as follows:

Exercise Price	Number of Options		Contractual Life (Years)
	Outstanding	Exercisable	
\$0.35	50,000	50,000	0.31
\$0.37	1,825,000	1,825,000	4.83
\$0.59	16,125,000	-	4.95
	18,000,000	1,875,000	4.93

In April 2008, the Company granted 50,000 and 1,825,000 options at an exercise price of \$0.35 and \$0.37 respectively. These options vested immediately. On June 12, 2008, the Company granted 16,125,000 options (the "Options") at an exercise price of \$0.59. The Options vest upon the completion of the transaction with FNX Mining Company Inc., which was completed on July 15, 2008. The fair value of the options will be expensed on July 15, 2008.

6) CONTRIBUTED SURPLUS

A summary of the changes in contributed surplus is presented below:

	2008		2007	
Balance, beginning of year	\$	30,745	\$	30,745
Stock-based compensation		234,000		-
Balance, June 30, 2008	\$	264,745	\$	30,745

During the three and nine months ended June 30, 2008, the Company recorded stock based compensation expense of \$234,000 (Three and nine months ended June 30, 2007 - Nil) for stock-based compensation. The weighted average fair value of the stock options granted was \$0.13 (Three and nine months ended June 30, 2007 - Nil) per stock option. No stock options were granted during the three and nine months ended June 30, 2007. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options, using the following weighted average assumptions:

	Three and nine months ended June 30, 2008	Three and nine months ended June 30, 2007
Weighted average risk free interest rate	3.03%	N/A
Dividend yield	Nil	N/A
Expected volatility	33.26%	N/A
Weighted average expected option life	4.88 years	N/A

GOLD WHEATON GOLD CORP.
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Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

7) SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2008	2007	2008	2007
Amounts receivable	\$ 8,468	\$ -	\$ 4,505	\$ 4,859
Accounts payable and accrued liabilities	(563,528)	13,050	131,568	35,701
Loan payable	-	-	4,421	-
Due to related party	(105,869)	-	(60,915)	-
Change in non-cash working capital	\$ (660,929)	\$ 13,050	\$ 79,579	\$ 40,560
Relating to:				
Investing activities	(70,000)	-	(70,000)	-
Financing activities	(208,736)	-	(208,736)	-
Change in non-cash working capital – operating activities	\$ (939,665)	\$ 13,050	\$ (191,157)	\$ 40,560

b) The Company made the following cash outlays in respect of interest and taxes:

	Three months ended June 30,		Nine months ended June 30,	
	2008	2007	2008	2007
Interest	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Taxes	\$ Nil	\$ Nil	\$ Nil	\$ Nil

8) FINANCIAL INSTRUMENTS

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, loan payable and amounts due to related parties.

Cash is designated as held-for-trading and therefore carried at fair value, with the unrealized gain or loss recorded in interest income.

The fair values of cash, amounts receivable, accounts payable and accrued liabilities, loan payable and amounts due to related parties approximate their book values because of the short-term nature of these instruments.

GOLD WHEATON GOLD CORP.
(formerly Kadywood Capital Corp.)
Notes to the Interim Financial Statements
June 30, 2008
(Unaudited)

8) FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. The Company does not invest in asset backed securities. All financial liabilities are due to be settled within 90 days of the balance sheet date.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

9) FUTURE ACCOUNTING PRONOUNCEMENTS

Inventories

In June 2007, the CICA issued Section 3031, "Inventories", which replaces Section 3030 and harmonizes the Canadian standard related to inventories with IFRS. This Section provides more extensive guidance in these areas: the determination of cost, including allocation of overhead; narrowing of permitted cost formulas; requirements for impairment testing; and expansion of disclosure requirements to increase transparency. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, and is not expected to have a material impact on the Company's financial statements.

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies are convert to with IFRS effective for fiscal periods beginning on or after January 1, 2011. The Company continues to monitor, and assess, the impact of the conversion of Canadian GAAP to IFRS.

10) CAPITAL DISCLOSURE

The Company's primary source of capital is from the issuance of equity securities. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its stakeholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case by case basis. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, share purchase warrants, contributed surplus, and deficit.

11) SUBSEQUENT EVENTS

Private Placement

On July 8, 2008, the Company completed a \$260 million private placement. Under the terms of the financing, the Company issued an aggregate of 520 million units, at a price of \$0.50 per unit. Each unit consists of one common share and one-half warrant exercisable for one additional common share at a price of \$1.00 per share, for a period of five years.

Share Purchase Warrants Exercised

Subsequent to June 30, 2008, 3,050,000 share purchase warrants were exercised at a price of \$0.10 for proceeds of \$305,000.

Mineral Interest Acquisition

On July 15, 2008, the Company entered into an agreement with FNX Mining Company Inc. ("FNX") to purchase 50% of the contained gold equivalent ounces in ore mined and shipped from the FNX Operations, being: (i) PM and 700 Deposits at the McCreedy West Mine; (ii) the Levack Footwall Deposit, Rob's Zone and 1900 Zone at the Levack Mine; and (iii) the 2000 and North Deposits at the Podolsky Mine (collectively, the "FNX Operations"). Total upfront consideration paid was \$400 million. In addition the Company will pay for each gold equivalent ounce delivered, a cash payment of the lesser of US\$400 (subject to an inflationary adjustment three years after the anniversary date) or the then prevailing market price per ounce of gold. The \$400 million was satisfied by the payment of \$175 million in cash, the issue of 350 million common shares valued at \$175 million and \$50 million which will be paid six months following the closing of the FNX Gold Purchase Transaction by the issuance of warrants on the same terms and conditions as the warrants to be issued pursuant to the equity financing referred to above. As a result of the transaction, the Company and FNX have a common director.