

FIRST QUARTER REPORT

June 30, 2004



CANADIAN GOLD HUNTER CORP.

Notice: The accompanying unaudited interim financial statements of Canadian Gold Hunter Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CANADIAN GOLD HUNTER CORP.
FIRST QUARTER REPORT
June 30, 2004

To our shareholders:

The Board of Directors is pleased to present this report to shareholders on the activities of the Company during the fiscal first quarter period. The 2004 field season promises to be an exciting one with five diamond drill programs planned over the summer and fall of 2004.

Assean Lake Gold Project, Manitoba

A 4,000-metre summer drilling program is currently underway at the Assean Lake gold project in northern Manitoba to follow up on the success of the 2004 winter program.

A total of 4,237 metres were drilled in the 25-hole winter program and resulted in the significant expansion of the high-grade Hunt Zone to the west and at depth. Mineralization at the Hunt Zone remains open in both directions and the plunge of the high-grade core is flattening to the west, which means that future drilling should intersect the zone at shallower depths than originally anticipated. In addition, the winter drill program resolved the geometry of a deep fault structure allowing for a greater understanding of the deposit.

As a group and individually, the gold intercepts from the winter program were the best ever encountered on the Hunt Zone, including a 2.94 metre interval at 38.6 g/t gold. Significant visible gold was noted in all of the intercepts. In addition, a second high-grade zone (Hunt B) was intersected some 40-45 meters below (to the north of) the Hunt Zone.

The Hunt Zone is a shear-hosted deposit which has been traced by drilling for 600 metres along strike and to a depth of over 300 metres. The Hunt Zone is exhibiting excellent continuity and will be further tested in the current program both on strike and at depth.

The project is a joint venture between Canadian Gold Hunter (60%) and Rare Earth Metals Corp. (40%).

GJ/Kinaskan Copper/Gold Project, B.C.

A 5,000-metre diamond drill program on the GJ/Kinaskan gold-rich copper porphyry deposit in northern B.C. is currently underway. The project consists of a large claim group covering several significant porphyry copper-gold systems as well as a number of high-grade gold vein systems.

The focus of the summer drilling will be the Groat porphyry where copper-gold mineralization is associated with a poorly exposed elongated stock of monzodiorite, which intrudes andesite and volcanoclastic sediments. The mineralized zones are 250 to 750 metres in length and 50 to 100 metres in width. Some of the better drill intercepts from previous drill programs are 68.0 metres grading 1.9 g/t gold and 0.70% copper in the Donnelly Zone and 76.2 metres grading 1.37% g/t gold and 0.36% copper in the GJ Zone.

The Company carried out ground geophysical surveys (IP and magnetics) and geochemical sampling in the summer of 2003. The geophysics, in combination with geochemical data, outlined several attractive drill targets. The drilling will be targeted on a new discovery on the northern boundary of the Groat Stock and on the eastern extension of the Donnelly Zone. These new targets are very strong IP and copper-geochemical anomalies.

The Company holds a 100% working interest in the project.

Manson Creek and Bob Creek, B.C.

Compilation work is currently being carried out on the Manson Creek and Bob Creek projects. Drilling is anticipated in the late summer and fall of 2004. The Company has a 100% working interest in these projects.

Nunavut Gold Projects

The Company has signed a letter of intent with Strongbow Exploration Inc. by which the Company can earn a 70% interest in the Nowyak gold property located in Nunavut. In addition, the Company has signed a formal option agreement with Comaplex Minerals Corp. to earn a 70% in the Noomut gold project, also located in Nunavut.

The Noomut gold property is located in the Kaminak greenstone belt and contains a wide variety of high-grade gold occurrences in a large land package comprising 35 federal claims underlying 29,670 hectares (73,300 acres). There are four main gold zones, Esker, Napartok, Ironside and Yandle, as well as numerous gold showings, that occur over a strike length of about 40 kilometres. A total of 7,789 meters of diamond drilling had been carried out previously in 51 drill holes with most of the drilling concentrated on the Esker (15 holes) and Yandle (21 holes) prospects. The Company is planning a 1,000-metre drill program for the late summer.

The Nowyak gold property is located in the Yathkyed greenstone belt about 225 kilometres west of Arviat in the Kivalliq region of Nunavut. The property consists of six mineral claims underlying an area of 5,520 hectares (13,636 acres) and contains significant shear-hosted gold and silver-bearing quartz-carbonate veins in surface showings and float boulders associated with the Komatik Shear Zone. The gold-silver showings and mineralized float occur over a strike length of 4 kilometres. Exposure is poor and the mineralized shear has only been tested by 12 shallow holes totaling 800 metres. The Company is planning a mapping and prospecting program for the late summer.

Corporate

During the quarter under review, the Company raised \$3,925,000 by way of private placement. The Company issued 2,352,000 shares on a flow through basis at a price of \$1.25 per share, in addition the company sold 200,000 units at a price of \$1.25 per unit, each unit consists of one share and one-half share purchase warrant, one whole warrant is exercisable into one common share over a period of 18 months at a price of \$1.50 per share.

On behalf of the Board,

(signed) Richard J. Bailes
President

August 10, 2004

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
(in Canadian Dollars)

	June 30, 2004 (Unaudited)	March 31, 2004
ASSETS		
Current assets		
Cash	\$ 3,842,919	\$ 721,950
Accounts receivable	96,035	116,055
Due from joint venturer	51,898	39,939
Prepaid expenses	14,000	-
	4,004,852	877,944
Investments	35,899	35,899
Fixed assets, net	1,619	1,814
Mineral properties and related expenditures	3,026,091	2,425,427
Other assets	52,217	52,217
	\$ 7,120,678	\$ 3,393,301
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 411,594	\$ 400,757
Due to related parties	13,881	6,226
	425,475	406,983
SHAREHOLDERS' EQUITY		
Share capital (Note 2)		
Authorized -		
100,000,000 common shares without par value		
Issued and outstanding -		
33,865,553 shares (March 31, 2004 - 30,504,553 shares)	87,109,906	83,278,696
Reserved for issuance 42,380 shares	2,688	2,688
Contributed surplus - stock options	70,402	13,389
Deficit	(80,487,793)	(80,308,455)
	6,695,203	2,986,318
	\$ 7,120,678	\$ 3,393,301

ON BEHALF OF THE BOARD:

“Richard J. Bailes”

Director

“William A. Rand”

Director

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(Unaudited)

	Three months ended June 30, 2004	Three months ended June 30, 2003
Expenses		
Amortization	\$ 195	\$ 778
Consulting	23,377	23,685
Foreign exchange loss (gain)	206	(54)
Interest and financing expenses	-	1,112
Management fees	48,000	45,000
Office and general	2,083	865
Professional fees	6,599	145
Promotion and public relations	14,439	9,100
Stock based compensation expense	50,609	-
Stock exchange and filing fees	12,403	12,450
Telephone and facsimile	944	1,183
Transfer agent and shareholder information	23,582	19,266
Travel	-	3,740
Loss before the undernoted items	182,437	117,270
Other (income) expenses		
Interest income	(1,539)	(633)
Project overhead fees	(1,560)	(937)
Acquisition costs of subsidiary	-	117,851
Loss for the period	179,338	233,551
Deficit, beginning of the period	80,308,455	79,328,281
Deficit, end of the period	\$ 80,487,793	\$ 79,561,832
Basic and diluted loss per common share	\$ 0.01	\$ 0.01
Weighted average number of shares outstanding	32,347,686	19,656,745

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended June 30, 2004	Three months ended June 30, 2003
Cash flows (for) operating activities		
Loss for the period	\$ (179,338)	\$ (233,551)
Items not affecting cash		
Amortization	195	778
Project overhead fees	(1,560)	(937)
Stock based compensation expense	50,609	-
	(130,094)	(233,710)
Changes in non-cash working capital items		
Accounts receivable and other current assets	6,020	112,069
Accounts payable and accrued liabilities	10,837	(222,182)
Due to/from joint venturer	(11,959)	67,814
Due to related parties	7,655	36,831
	(117,541)	(239,178)
Cash flows from financing activity		
Common shares issued, net	3,786,513	-
Note payable to related party	-	101,112
	3,786,513	101,112
Cash flows (for) investing activities		
Mineral properties and related expenditures	(548,003)	(8,436)
Increase (decrease) in cash	3,120,969	(146,502)
Cash, beginning of the period	721,950	263,695
Cash, end of the period	\$ 3,842,919	\$ 117,193
Supplementary information regarding non-cash transactions		
Investing activities		
Project overhead fees included in mineral properties	\$ 1,560	\$ 937
Financing activities		
Shares reserved for issuance on acquisition of subsidiary	\$ 2,688	\$ -

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES
TO JUNE 30, 2004
(Unaudited)

	Tex and Hunt	GJ and Kinaskan	Bob Creek	Manson Creek	Nunavut	Total
Balance, March 31, 2004	\$ 1,618,081	\$ 637,096	\$ 89,460	\$ 71,478	\$ 9,312	\$ 2,425,427
Assaying and sampling	2,003	371	-	-	-	2,374
Camp costs	181	13,933	-	-	-	14,114
Drilling	-	118,157	-	-	-	118,157
Field supplies	-	17,176	-	-	-	17,176
Geological and geophysical	-	39,814	44,738	-	9,900	94,452
Line cutting	1,800	-	39,785	-	-	41,585
Maps and reports	8,003	1,158	4,816	232	-	14,209
Mobilization	-	55,226	-	-	131,516	186,742
Office miscellaneous	777	345	-	-	325	1,447
Option payment	-	-	44,000	-	-	44,000
Professional fees	2,835	2,975	350	3,850	5,682	15,692
Stock based compensation	-	2,803	1,495	-	2,803	7,101
Transport and travel	-	39,248	-	-	4,367	43,615
Incurred during the period	15,599	291,206	135,184	4,082	154,593	600,664
Balance, June 30, 2004	\$ 1,633,680	\$ 928,302	\$ 224,644	\$ 75,560	\$ 163,905	\$ 3,026,091

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2004
(Unaudited)

1. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of Canadian Gold Hunter Corp. (the "Company") are prepared in accordance with accounting principles generally accepted in Canada using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's consolidated financial statements for the year ended March 31, 2004.

These interim consolidated financial statements do not contain all of the information required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the consolidated financial statements included in the Company's 2004 Annual Report.

2. SHARE CAPITAL

(a) Authorized:

- ? 100,000,000 Class A preference shares, issuable in series with a par value of \$10 each (none issued)
- ? 100,000,000 Class B preference shares, issuable in series with a par value of \$50 each (none issued)
- ? 100,000,000 common shares without par value

(b) Issued and outstanding:

	Number of Shares	Amount
Common shares		
Balance, March 31, 2004	30,504,553	\$ 83,278,696
Private placements, net (i)	3,140,000	3,651,763
Financing expense (i)	81,000	101,250
Stock options exercised	60,000	19,500
Warrants exercised	40,000	14,000
Mineral properties	40,000	44,000
Transfer of contributed surplus on exercise of stock options	-	697
Balance, June 30, 2004	<u>33,865,553</u>	<u>\$ 87,109,906</u>

(c) During the three months ended June 30, 2004, the Company granted 1,544,000 stock options, at a price of \$1.10 per share, to directors, officers, employees and consultants. Accordingly, stock based compensation expenses of \$50,609 have been recorded in operations in respect of the stock option granted to directors, officers and employees and \$7,101 have been recorded in mineral properties in respect of the stock options granted to project related consultants.

- (i) During the quarter ended June 30, 2004, the Company completed private placements of 2.5 million flow-through common shares at a price of \$1.25 per share for gross proceeds of \$3.125 million and 200,000 units (non flow-through) at a price of \$1.25 per Unit for gross proceeds of \$250,000. Each unit is comprised of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable into one common share over a period of 18 months at a price of \$1.50 per share. In the event that the common shares trade at an average price above \$1.75 for a period of 10 consecutive trading days at any time after the Closing Date, then the warrants shall expire 30 days from the date the Company gives notice of such event to the warrant holders. A commission of 6% (\$202,500) comprising one-half in cash and 81,000 units was paid to the agents in connection with the private placement. The units paid to the agent have the same terms as the private placement units. In addition, the Company completed a further private placement of 440,000 flow-through common shares at a price of \$1.25 per share for gross proceeds of \$550,000. A finder's fee of \$25,500 was paid in connection with this private placement.

3. MINERAL PROPERTIES AND RELATED EXPENDITURES

(a) Noomut Property

In April 23, 2004, the Company signed a letter of intent with Comaplex Minerals Corp. ("Comaplex") whereby the Company can earn a 70% interest in the Noomut Gold Property located in Nunavut. The Company can earn a 70% interest in the Noomut Gold Property by spending a total of \$5.0 million over 5 years and issuing 100,000 common shares to Comaplex on the signing of a formal agreement. Comaplex will retain a 30% contributing interest following the earn-in by the Company. The first year expenditure commitment is \$350,000. Subsequent to June 30, 2004, a formal agreement was signed. This transaction is subject to regulatory approval.

(b) Nowyak Property

In April 22, 2004, the Company signed a letter of intent with Strongbow Exploration Inc. ("Strongbow"), whereby the Company can earn a 70% interest in the Nowyak Gold Property located in Nunavut. The Company can earn a 70% interest in the Nowyak Gold Property by spending a total of \$2.0 million over 5 years. Strongbow will retain a 30% contributing interest following the earn-in by the Company. The first year expenditure required to maintain the option is \$100,000. This transaction is subject to regulatory approval.

(c) MacVicar Property

In May 14, 2004, the Company signed a letter of intent with 4270828 Manitoba Ltd. ("4270828"), whereby the Company can earn a 100% interest in the MacVicar Property located in Manitoba. The Company can earn a 100% interest in the MacVicar Property by spending a total of \$1,000,000 and making cash payments to 4270828 totalling \$60,000 over 5 years. 4270828 will retain a 2% NSR which the Company will have a one time option to purchase for \$1.0 million. The first year expenditure and cash required to maintain the option are \$30,000 and \$5,000 respectively. This transaction is subject to regulatory approval.

4. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2004, the Company:

- (a) incurred management fees of \$48,000 to a company controlled by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2006. At June 30, 2004, \$6,720 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$7,283 to a law firm of which a partner is a director of the Company. At June 30, 2004, \$7,161 was due to this law firm and included in amounts due to related parties.

5. SEGMENTED INFORMATION

The Company's only business activity is the exploration for and development of mineral reserves in Canada.

**CANADIAN GOLD HUNTER CORP.
CORPORATE DIRECTORY
JUNE 30, 2004**

OFFICERS

Lukas H. Lundin,
Chairman
Richard J. Bailes,
President and Chief Executive Officer
Jan Christoffersen,
Vice President
Wanda Lee,
Controller/Treasurer
Kathy Love,
Corporate Secretary

DIRECTORS

Ronald Netolitzky
Michael Halvorson
Michael McInnis *
Lukas H. Lundin
William A. Rand *
John H. Craig *
Richard Bailes

* Audit Committee

AUDITORS

Staley Okada and Partners
Vancouver, British Columbia, Canada

BANKERS

Bank of Montreal
Vancouver, British Columbia, Canada

SUBSIDIARIES

Royal County Minerals Corp
Vancouver, British Columbia, Canada

Curator Resources (Barbados) Ltd.
Whitehouse, Barbados

COMPANY HEAD OFFICE

Suite 2101 - 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E8
Telephone: (604) 689-7842
Fax: (604) 689-4250

REGISTERED AND RECORDS OFFICE

Suite 1100 - 888 Dunsmuir Street
Vancouver, British Columbia
Canada V6C 3K4

SOLICITOR

McCullough O'Connor Irwin
Vancouver, British Columbia
Canada

SHARE CAPITAL

Authorized: 100,000,000 common shares
Issued and Outstanding: 33,865,553 shares

REGISTRAR AND TRANSFER AGENT

CIBC Mellon Trust Company
Vancouver, British Columbia
Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange
Canadian Gold Hunter Corp. (CGH)