



Canadian Gold Hunter Corp.

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To our shareholders:

The Board of Directors is pleased to present this report to shareholders on the activities of the Company during the third quarter period ending December 31, 2004.

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

The Company is in the process of compiling and evaluating the results from a very successful diamond drill program carried out in the summer of 2004. The program consisted of 4,267 metres of diamond drilling on the Donnelly and North Zones, two of three gold-rich copper porphyry zones (the other being the GJ Zone) associated with a large, poorly exposed sulphide system on the west end of the Groat Stock.

The results of the drilling on the Donnelly Zone were particularly encouraging. Copper-gold mineralization was traced for an 1100-metre strike length. The mineralization is open along strike, at depth and to the north. On the central and easternmost sections, the Donnelly Zone is at least 300 metres wide whereas, on the westernmost sections, the Donnelly Zone splits into two separate zones, both about 50 to 100 metres wide. The Donnelly Zone has only been intersected by 19 drill holes over its entire strike length. More detailed drilling is required to establish a drill-indicated resource. Average grades are about 0.30% copper and 0.33 g/t gold. A higher grade core averages about 0.47% copper and 0.52 g/t gold.

The North Zone has been traced for a strike length of 500 metres and has been tested by only 4 drill holes so far. The GJ Zone has been traced for about 800 metres and again only sparsely drilled so far, being intersected by a total of 12 drill holes. These two zones are open on strike and at depth as well.

A 15,000-metre diamond drill program is planned for the summer of 2005. The majority of the drilling will test the Donnelly Zone in order to establish a drill-indicated resource to a depth of about 400 metres. Additional drilling will test the other two zones as well as new targets. Preliminary environmental baseline studies and metallurgical test work are also planned.

The project is located in northern B.C. near the Stewart-Cassiar Highway and consists of a large claim group covering several significant porphyry copper-gold systems as well as a number of high-grade gold vein systems. Significant gold-rich porphyry deposits that occur in the same general area are Red Chris: 236 million tonnes grading 0.46% copper and 0.37g/t gold, and Galore Creek: 284 million tonnes grading 0.67% copper and 0.35g/t gold.

The GJ/Kinaskan project was advanced considerably this past summer and the Company looks forward to continued success when it resumes exploration in the spring/summer of 2005. The Company has commissioned a third party resource estimate on the Donnelly Zone.

The Company has a 100% working interest in the GJ/Kinaskan project.

Assean Lake Gold Project, Manitoba

During the summer of 2004, the Company drilled 15 holes totaling 4,496 meters on the Assean Lake gold project in Manitoba. This drilling was targeted on the Hunt Zone, which is a shear-hosted deposit that has been traced by drilling for 600 metres on strike and to a depth of over 300 metres with gold grades up to 27.2 g/t over 4.27 metres. The Hunt Zone is displaced by a steep fault that cuts the zone at an acute angle and produces a fault window between 250 and 350 m depth.

A 2600-metre diamond drill program recently commenced. Three holes will be drilled below the fault at a depth of 350 to 400 metres to test for the offset continuation of the Hunt Zone. In addition, several shallower holes are planned to test the westerly strike extent of the Hunt Zone.

The Assean Lake project is an advanced exploration project with over \$2.5 million dollars in drilling and surveying activity to date. The prime exploration target at Assean Lake is shear-hosted gold associated with gold-enriched sulphide iron formation, typical mineralization styles for gold deposits on the Canadian Shield.

Six gold zones have been identified to date (both from historic and current exploration programs) on the Company's property over a 12-kilometre strike length. The gold zones occur along the Assean Lake Shear Zone, a 200-kilometre long deformation zone similar to major shear zones associated with important gold mining camps elsewhere on the Canadian Shield.

The Assean Lake project is a 60-40 joint venture between Canadian Gold Hunter Corp. and Rare Earth Metals Corp. Canadian Gold Hunter is the operator.

Manson Creek, BC

Drilling on the Manson Creek property was completed in early October. Five NQ holes totaling 1,190 meters were drilled to test a broad soil and rock gold geochemical anomaly and partly coincident IPchargeability anomaly. These anomalies occur within strongly pyritic, carbonate-altered and quartz-veined greywackes, which crop out over a large area. The results are shown in the accompanying table.

Drill hole	Azimuth/Incl	depth	interval	width	g/t gold
04-001	240 ⁰ /-45 ⁰	203.3	6.40-203.3	196.9	0.2
04-002	230 ⁰ /-45 ⁰	203.3	3.0-63.0	60.0	0.5
		and	63.0-64.5	1.50	173.0
		and	64.5-114.00	49.5	0.6
04-003	243 ⁰ /-45 ⁰	200.3	27.0 to 168.0	141.0	0.8
		including	45.0-93.0	48.0	1.1
04-004	248 ⁰ /-45 ⁰	294.7	12.2-294.7	282.5	0.2
04-005	247 ⁰ /-45 ⁰	294.7	75.0-291.0	216.0	0.4
		including	195.0-265.0	70.0	0.7

The primary target at Manson creek is a large, low-grade gold system. In this regard, holes 04-002, 003 and 005, which were drilled about 100 metres apart, are very encouraging in that they intersected wide intervals with grades approaching one gram per tonne gold.

An unexpected bonanza grade intercept occurs in drill hole 04-002, which intersected 1.5 metres grading 173 g/t gold at a down-hole depth of 63.00 metres. The economic significance of this interval must be downplayed until further drilling is completed in the area. Hole 04-002 is the most north westerly hole drilled on the property. The mineralization is open to the northwest and southeast. A 2500-metre diamond drill program is planned for the fall of 2005.

The Manson Creek Property is located in one of British Columbia's oldest placer gold camps, the source of which could be the large low grade lode gold system on the Property. The Company has a 100% working interest in the Property.

Bob Creek, B.C.

Drilling at Bob Creek commenced in mid October. Five NQ holes totaling 1434 meters were drilled in the program. Hole 04-001 was drilled in the Canyon Zone as a follow up to historic* hole 89-2, which is reported to have intersected 156.1 metres grading 0.79 g/t gold, 5.4 g/t silver and 0.54% zinc. Drill hole 04-001 intersected 228.6 metres grading 0.55 g/t gold, 2.6 g/t silver and 0.28% zinc at a down-hole depth of 75.28 metres. Holes 04-002 to 005 were drilled in the South Zone to follow up on historic^(*) hole 89-8, which intersected 3.0 metres grading 23.7 g/t gold. These last four holes did not intersect any significant mineralized intervals.

^(*)Historic drill results were reported by previous owners in 1989 prior to implementation of NI 43-101. The historic assay results reported are believed to be accurate but have not been verified by the Company's Qualified Person and therefore should not be regarded with undue reliance until further work has been performed by the Company on the property.

The primary target in the Canyon Zone at Bob Creek is a large, low-grade gold-silver-zinc system. Hole 04-001 corroborated the results from historic hole 89-2 which was drilled 25 metres to the northwest of hole 04-001 at azimuth 090⁰ and inclination -55⁰.

The four holes drilled into the South Zone bracketed the encouraging intercept in historic hole 89-8. The four holes did not extend the high-grade gold intercept down dip or along strike and limit the extent of this mineralization. However, these four holes did intersect broad zones of weakly mineralized rock that are anomalous in copper, gold, silver, zinc and lead.

The mineralization at Bob Creek is associated with a strong 3000 by 500 metre IP chargeability anomaly caused by a large sulphide system. The rocks in the area are poorly exposed and the mineral distribution is not well understood. Further compilation work will be undertaken over the winter before additional field work is contemplated.

The Company has a 100% working interest in Bob Creek.

Nunavut Gold Projects

The Company has elected to drop its options on the Noomut and Nowyak properties in Nunavut in order to better concentrate efforts on its key active projects: the GJ/Kinaskan copper/gold porphyry project, the Manson Creek gold project and the Assean Lake gold project.

No further reconnaissance work is planned for the belt.

MacVicar Lake Gold Project, Manitoba

The Company carried out a two-week prospecting program on the MacVicar gold project in the Superior Geological Province of Manitoba to follow up on anomalous gold samples and altered shear zones that were outlined by the Manitoba Geological Survey. Additional encouraging samples were collected and a four week program consisting of more detailed follow up work is planned for the summer of 2005.

The Company can earn a 100% working interest in the MacVicar Project subject to a 2% NSR.

The Company is encouraged by the 2004 drill results, particularly on the GJ/Kinaskan Property. Management is looking forward to another successful year of drilling in 2005.

On behalf of the Board,
(signed) Richard J. Bailes, President

February 10, 2005

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

	<u>December 31, 2004 (Unaudited)</u>	<u>March 31, 2004</u>
ASSETS		
Current assets		
Cash (Note 2(b)(i))	\$ 1,342,179	\$ 721,950
Accounts receivable	245,309	116,055
Due from joint venturer	-	39,939
Prepaid expenses	<u>33,898</u>	<u>-</u>
	1,621,386	877,944
Investments	35,899	35,899
Fixed assets, net	3,879	1,814
Mineral properties and related expenditures	4,590,280	2,425,427
Other assets	<u>60,717</u>	<u>52,217</u>
	<u>\$ 6,312,161</u>	<u>\$ 3,393,301</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 97,041	\$ 400,757
Due to joint venturer	12,959	-
Due to related parties	<u>2,200</u>	<u>6,226</u>
	<u>112,200</u>	<u>406,983</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 2)		
Authorized -		
Unlimited common shares without par value		
Issued and outstanding -		
36,007,253 shares (March 31, 2004 - 30,504,553 shares)	88,008,117	83,278,696
Reserved for issuance 22,380 shares	1,419	2,688
Contributed surplus - stock options	301,293	13,389
Deficit	<u>(82,110,868)</u>	<u>(80,308,455)</u>
	<u>6,199,961</u>	<u>2,986,318</u>
	<u>\$ 6,312,161</u>	<u>\$ 3,393,301</u>

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 December 31,		Nine months ended December 31,	
	2004	2003	2004	2003
Expenses				
Amortization	\$ 416	\$ 10,020	\$ 880	\$ 11,768
Consulting and wages	45,424	22,682	87,504	70,550
Foreign exchange loss (gain)	338	(3,131)	908	(185)
General exploration and project investigation	-	325	-	325
Interest and financing expenses	-	2,522	-	7,336
Management fees	48,000	45,000	144,000	135,000
Office and general	1,578	5,216	9,473	29,175
Professional fees	1,211	22,261	14,960	37,089
Promotion and public relations	19,435	30,948	39,548	59,957
Stock based compensation expense	201,945	-	252,554	-
Stock exchange and filing fees	750	37,746	14,587	57,923
Telephone and facsimile	283	472	2,901	2,004
Transfer agent and shareholder information	3,232	17,639	37,239	47,504
Travel	1,135	-	1,135	3,740
	<u>323,747</u>	<u>191,700</u>	<u>605,689</u>	<u>462,186</u>
Loss before the undernoted items				
Other (income) expenses				
Interest income	(2,823)	(2,469)	(6,863)	(4,763)
Project overhead fees	(796)	(1,573)	(16,558)	(3,475)
BC capital tax	102,309	-	102,309	-
Write-off of mineral property interests	1,117,836	157,717	1,117,836	157,717
Acquisition costs of subsidiary	-	1,215	-	256,205
	<u>1,540,273</u>	<u>346,590</u>	<u>1,802,413</u>	<u>867,870</u>
Loss for the period				
Deficit, beginning of the period	<u>80,570,595</u>	<u>79,849,561</u>	<u>80,308,455</u>	<u>79,328,281</u>
Deficit, end of the period	<u>\$ 82,110,868</u>	<u>\$ 80,196,151</u>	<u>\$ 82,110,868</u>	<u>\$ 80,196,151</u>
Basic and diluted loss per common share	<u>\$ 0.04</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.04</u>
Weighted average number of shares outstanding	<u>34,544,522</u>	<u>28,600,283</u>	<u>33,956,523</u>	<u>24,336,971</u>

See notes to interim consolidated financial statements

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

	Three months ended		Nine months ended	
	2004	December 31, 2003	2004	December 31, 2003
Cash flows (for) operating activities				
Loss for the period	\$ (1,540,273)	\$ (346,590)	\$ (1,802,413)	\$ (867,870)
Items not affecting cash				
Amortization	416	10,020	880	11,768
Project overhead fees	(796)	(1,573)	(16,558)	(3,475)
Stock based compensation expense	201,945	-	252,554	-
Write-off of mineral property interests	1,117,836	157,717	1,117,836	157,717
	<u>(220,872)</u>	<u>(180,426)</u>	<u>(447,701)</u>	<u>(701,860)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	(99,388)	(165,870)	(163,152)	23,214
Accounts payable and accrued liabilities	(1,000,379)	(107,617)	(303,716)	(461,259)
Due to/from joint venturer	117,693	15,879	52,898	76,297
Due to related parties	(1,141)	(44,897)	(4,026)	(161,359)
	<u>(1,204,087)</u>	<u>(482,931)</u>	<u>(865,697)</u>	<u>(1,224,967)</u>
Cash flows from financing activity				
Common shares issued, net	567,750	295,600	4,616,763	2,058,090
Note payable to related party	-	(265,001)	-	(60,187)
	<u>567,750</u>	<u>30,599</u>	<u>4,616,763</u>	<u>1,997,903</u>
Cash flows (for) investing activities				
Mineral properties and related expenditures	(465,779)	(87,030)	(3,119,392)	(469,772)
Cash received on acquisition of subsidiary	-	-	-	50,200
Other assets	(5,000)	-	(8,500)	-
Purchase of fixed assets	-	-	(2,945)	-
	<u>(470,779)</u>	<u>(87,030)</u>	<u>(3,130,837)</u>	<u>(419,572)</u>
(Decrease) increase in cash	(1,107,116)	(539,362)	620,229	353,364
Cash, beginning of the period	2,449,295	1,156,421	721,950	263,695
Cash, end of the period	<u>\$ 1,342,179</u>	<u>\$ 617,059</u>	<u>\$ 1,342,179</u>	<u>\$ 617,059</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Project overhead fees included in mineral properties	\$ 796	\$ 1,573	\$ 16,558	\$ 3,475
Common shares issued for mineral property acquisition	\$ -	\$ 19,495	\$ 98,000	\$ 289,511
Financing activities				
Shares reserved for issuance on acquisition of subsidiary	\$ -	\$ (19,495)	\$ 1,419	\$ 7,210

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES TO
DECEMBER 31, 2004
(Unaudited)

	Tex and Hunt	GJ and Kinaskan	Bob Creek	Manson Creek	Nunavut	MacVicar	Total
Balance, March 31, 2004	\$ 1,618,081	\$ 637,096	\$ 89,460	\$ 71,478	\$ 9,312	\$ -	\$ 2,425,427
Assaying and sampling	7,501	42,613	12,108	24,690	26,114	-	113,026
Camp costs	4,064	119,487	430	12,672	111,630	50,091	298,374
Drilling	260,674	378,265	115,756	106,539	112,602	-	973,836
Field supplies	1,250	24,688	-	1,183	12,910	-	40,031
Geological and geophysical	42,484	342,431	133,309	131,272	268,741	9,553	927,790
Line cutting	1,800	-	39,785	47,741	-	-	89,326
Maps and reports	13,403	4,717	5,136	2,900	29,614	-	55,770
Mobilization	-	-	-	-	21,837	-	21,837
Office miscellaneous	1,869	345	-	142	1,238	-	3,594
Option payment	-	-	44,000	-	54,000	5,000	103,000
Stock based compensation	-	44,441	1,495	-	2,803	-	48,739
Transport and travel	6,317	146,243	2,754	3,729	467,035	4,881	630,959
Incurred during the period	339,362	1,103,230	354,773	330,868	1,108,524	69,525	3,306,282
Mineral exploration grants	(23,593)						(23,593)
Write-off of mineral property interests	-	-	-	-	(1,117,836)		(1,117,836)
Balance, December 31, 2004	\$ 1,933,850	\$ 1,740,326	\$ 444,233	\$ 402,346	\$ -	\$ 69,525	\$ 4,590,280

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 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:

Unlimited number of common shares with no 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	494,000	171,400
Warrants exercised	1,627,700	692,350
Mineral properties (Note 3(a)(d))	140,000	98,000
Takeover of Royal County	20,000	1,269
Transfer of contributed surplus on exercise of stock options	-	13,389
Balance, December 31, 2004	36,007,253	\$ 88,008,117

- (i) During the nine months ended December 31, 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.

As at December 31, 2004, the Company is committed to spend \$775,479 to complete the flow through agreements. This balance is included in cash but is reserved to complete the qualified expenditures.

- (c) During the nine months ended December 31, 2004, the Company granted 2,129,000 stock options, at prices of \$1.10 and \$0.66 per share, to directors, officers, employees and consultants. Accordingly, stock based compensation expenses of \$252,554 have been recorded in operations in respect of the stock option granted to directors, officers and employees and \$48,739 have been recorded in mineral properties in respect of the stock options granted to project related consultants.

3. MINERAL PROPERTIES AND RELATED EXPENDITURES

(a) Noomut Property

On July 29, 2004, the Company entered into an agreement with Comaplex Minerals Corp. ("Comaplex") whereby the Company can earn a 70% interest in the Noomut gold property located in Nunavut. Pursuant to its agreement with Comaplex, the Company issued 100,000 common shares, valued at \$54,000, to Comaplex. The Company has relinquished its option on the Noomut property and accordingly \$703,387 of expenditures has been written off to operations.

(b) Nowyak Property

On April 22, 2004, the Company signed a letter of intent with Strongbow Exploration Inc. whereby the Company can earn a 70% interest in the Nowyak gold property located in Nunavut. The Company has relinquished its option on the Nowyak property and accordingly \$71,907 of expenditures has been written off to operations.

(c) MacVicar Property

On July 12, 2004, the Company entered into an agreement 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. As at December 31, 2004, the Company has incurred \$69,525 of expenditures, including the cash option payment of \$5,000, on the MacVicar Property.

(d) Bob Creek Property

During the nine months ended December 31, 2004, the Company issued 40,000 shares, valued at \$44,000, under its agreement, in respect of the Bob Creek Property.

4. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2004, the Company:

- (a) incurred management fees of \$144,000 with a company controlled by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2006. At December 31, 2004, \$904 was due to this company and this amount is included in amounts due to related parties;
- (b) incurred legal fees of \$11,356 to a law firm of which a partner is a director of the Company. At December 31, 2004, \$1,296 was due to this law firm and this amount is 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
DECEMBER 31, 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
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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: Unlimited number of common shares
Issued and Outstanding: 36,007,253 shares

REGISTRAR AND TRANSFER AGENT

CIBC Mellon Trust Company
Vancouver, British Columbia
Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange
Canadian Gold Hunter Corp. (CGH)