

SECOND QUARTER REPORT

September 30, 2005



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.
MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTHS ENDED SEPTEMBER 30, 2005**

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Canadian Gold Hunter Corp. (the "Company") should be read in conjunction with the unaudited interim consolidated financial statements for the six months ended September 30, 2005 and related notes therein. The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles. The effective date of this MD&A is November 1, 2005.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com.

GENERAL

The Company is principally engaged in the acquisition, exploration and development of precious and base metal properties located in Canada.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Sep-05	Jun-05	Mar-05	Dec-04	Sep-04	Jun-04	Mar-04	Dec-03
A. Total revenues (\$000's) *	7	4	15	4	17	3	16	4
B. Earnings (loss) before extraordinary items (\$000's)	(137)	(192)	70	(1,540)	(83)	(179)	(111)	(347)
C. Net earnings (loss) (\$000's)	(137)	(192)	70	(1,540)	(83)	(179)	(111)	(347)
D. Basic and diluted earnings (loss) per share (\$)	(0.00)	(0.01)	(0.00)	(0.04)	(0.00)	(0.01)	(0.01)	(0.01)

* Consists of interest income and project overhead fees.

The income for the fourth quarter of fiscal 2005 ending March 31st, is primarily attributed to the recovery of \$1,309,035 of future income taxes related to renounced mineral property expenditures on flow-through share agreements exceeding the \$1,247,879 of stock-based compensation expenses recorded in the fourth quarter of 2005, representing the estimated fair value of stock options granted. Other than these two amounts the losses for the fourth quarter of 2005 and 2004 were consistent. The increase in loss for the third quarter of fiscal 2005 as compared to the third quarter of fiscal 2004 is mainly due to the write-off of expenditures on the Nunavut properties and stock based compensation expenses.

RESULTS OF OPERATIONS

The Company's losses for the second quarter and six months ended September 30, 2005 were \$137,000 and \$329,000, respectively, as compared to losses of \$83,000 and \$262,000 for the second quarter and six months of fiscal year 2005. This increase in loss of \$54,000 and \$67,000 is primarily due to increased general and administrative expenses.

General and administrative expenses for the second quarter and six months of fiscal year 2006 were 142,000 and \$339,000, respectively, an increase of \$43,000 and \$58,000 compared to fiscal 2005. Consulting and wages increased by \$18,000 and \$41,000, respectively, for the second quarter and six months of fiscal year 2006 reflecting increased amounts paid to senior management of the Company. There were no stock-based compensation expenses for the six months ended September 30, 2005 as compared to \$51,000 in the same period of 2004. Promotion and public relations expenses also increased by \$17,000 for the six months ended September 30, 2005. The increase is primarily due to increased participation at conferences by staff and a corporate profile written by a newsletter writer.

The operating losses are a reflection of the Company's status as non-revenue producing mineral company. As the Company has no main source of income, losses are expected to continue.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2005, the Company had cash of \$2 million and working capital of \$1.7 million as compared to cash of \$768,000 and working capital of \$1.1 million at March 31, 2005. The increase of \$0.6 million in working capital is primarily due to receipt of proceeds totaling \$354,000 from the exercise of 885,000 share purchase warrants, at an exercise price of \$0.40 per share, during the second quarter of fiscal year 2006 and unexpended funds from net proceeds totaling \$4.2 million from a non-brokered private placement of 4,970,000 flow-through common shares at a price of \$0.80 per share and 407,001 common shares (non flow-through) at a price of \$0.75 per share during the first quarter.

Net cash used for operating activities was \$168,000 for the six months ended September 30, 2005 and consisted mainly of the net loss from operations of \$329,000 offset by an increase in accounts payable and a decrease in amounts due from a joint venturer. Net cash used in investing activities was \$3.5 million and consisted mainly of capitalized exploration expenditures of \$2.9 million on the Company's projects and \$598,000 on purchase of shares of bcMetals Corporation, a publicly traded company.

Net cash provided by financing activities for the six months ended September 30, 2005 totaled \$4.5 million and consisted primarily of the \$4.1 million proceeds from issuance of 5,377,001 common shares of the Corporation pursuant to private placements, \$354,000 from the exercise of 885,000 share purchase warrants and a \$0.4 million proceeds from a note payable to a related party.

Based on the Company's financial position at September 30, 2005, the Company believes that existing funds should be sufficient to perform planned exploration and general corporate activities for the next 6 months. Additional funding from issuance of common shares may be required to fund further exploration and corporate expenses.

RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2005, the Company:

- (a) incurred management fees of \$108,000 to a company controlled by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2006. At September 30, 2005, approximately \$8,000 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of approximately \$43,000 to a law firm of which a partner is a director of the Company. At September 30, 2005, approximately \$4,000 was due to this law firm and included in amounts due to related parties.

OUTSTANDING SHARE DATA

As at November 1, 2005, the Company had 42,647,266 common shares outstanding and 2,330,000 share options outstanding under its stock-based incentive plans. As at the same date, the Company had 140,500 share purchase warrants outstanding.

RISKS

The discovery, development and acquisition of mineral properties are in many instances unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements.

In addition, risk factors that could affect the Company's future results, include, but are not limited to, competition, risk inherent in mineral exploration and development and policies including trade laws and policies, receipt of permits and approvals from government authorities and other operating and development risks.

OUTLOOK

Since the Company does not expect to generate any revenue in the near future, funding requirements are expected to be satisfied through the sale of equity, debt securities or investment to meet on-going needs.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth above.

Canadian Gold Hunter Corp.

Second Quarter Report September 30, 2005

To our shareholders:

The drill program at the GJ/Kinaskan copper/gold project in northern B.C. was completed during the second quarter and results received to date show significant expansion of the key Donnelly Zone target. Drilling also commenced on the Company's Manson Creek gold project in B.C.

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

The Company completed the 2005 drill program in late September. The program consisted of 56 holes totaling 16,394 metres of diamond drilling focused primarily on the Groat porphyry where three gold-rich copper porphyry zones have been discovered – the Donnelly Zone, GJ Zone and the North Zone.

The Donnelly Zone was the main focus of the 2005 drill program. This program resulted in further definition and significant expansion of the zone, including further delineation of high-grade copper/gold mineralization at the western end of the zone. The highlight of the program was the last hole drilled, hole 05-076, which intersected the highest grade interval of the program, 46.95 metres grading 0.832% copper and 1.317 g/t gold within a thicker interval that graded 0.440% copper and 0.647 g/t gold over 130.95 metres. Hole 05-076 is on the most westerly fence of holes drilled on the Donnelly Zone. Other high grade holes at the west end of the zone include hole 05-042, which intersected 51.82 metres grading 0.846% copper and 0.733 g/t gold and hole 04-015, which intersected 48.00 metres of 0.763% copper and 0.626 g/t gold.

The high grade western portion of the Donnelly Zone is hosted by an intense quartz stockwork that is heavily carbonate altered and mineralized with pyrite and chalcopyrite. This high grade mineralization is continuous from hole to hole in the western portion of the Donnelly Zone and is near surface above hole 05-042. The Donnelly Zone is open to the west and east on strike, as well as at depth.

Copper-gold mineralization has now been traced over a 1500-metre strike length on the Donnelly Zone from hole 05-076 in the west to hole 05-030 in the east. The zone dips steeply to the south, strikes east-west and is up to 300 metres thick in the central area between Sections 9400E and 9850 E. The holes are generally drilled at minus 45 degrees to the north in order to cut across the zone. The widths reported are drilled widths, about 80-85% of true widths.

Highlights of the Donnelly Zone drilling are in the following table.

GJ PROJECT										
Highlights of the 2005 Donnelly Zone Results										
Drill Hole	Section	Northing	Azimuth/Dip	Hole Depth	From	To	Interval	Cu	Au	Ag
				(metres)	(metres)	(metres)	(metres)	%	g/t	g/t
CGH-05-021*	9800E	1119N	000 ⁰ / -45 ⁰	203.61	15.2	126.9	111.7	0.405	0.406	2.0
incl.					54.0	108.8	54.8	0.535	0.495	2.2
CGH-05-022*	9425E	1209N	000 ⁰ / -45 ⁰	187.80	35.4	81.1	45.7	0.594	0.507	2.0
CGH-05-023	9900E	1004N	000 ⁰ / -45 ⁰	247.80	72.3	175.9	103.6	0.440	0.333	2.1
CGH-05-026	10000E	1003N	000 ⁰ / -45 ⁰	201.77	8.2	182.0	173.8	0.366	0.496	4.3
incl.					17.4	99.7	82.3	0.515	0.551	4.6

GJ PROJECT

Highlights of the 2005 Donnelly Zone Results

Drill Hole	Section	Northing	Azimuth/Dip	Hole Depth	From	To	Interval	Cu	Au	Ag
CGH-05-033	9700E	991N	000° / -45°	326.44	4.8	316.1	311.3	0.326	0.299	2.4
incl.					50.9	99.7	48.8	0.471	0.437	3.6

CGH-05-037*	9350E	1126N	000° / -45°	194.16	7.00	81.38	74.38	0.470	0.405	1.5
incl.					7.00	60.04	53.04	0.560	0.518	1.7
CGH-05-39*	9270E	1122N	000° / -45°	224.63	44.80	154.53	109.73	0.357	0.330	1.8
incl.					44.80	93.30	48.50	0.612	0.539	3.0
CGH-05-042	8740E	1168N	000° / -45°	358.44	84.12	178.61	94.49	0.554	0.480	2.2
incl.					84.12	135.94	51.82	0.846	0.733	2.0
CGH-05-043	9060E	961N	000° / -45°	422.75	249.02	316.08	67.06	0.322	0.371	1.4
and					346.46	367.89	21.33	0.555	0.740	0.9
CGH-05-045	8830E	1016N	000° / -55°	390.75	319.27	352.65	33.38	0.426	0.607	3.1
CGH-05-067	9704E	911N	000° / -55°	392.27	130.14	379.85	249.71	0.304	0.500	2.2
Incl.					148.43	230.73	82.30	0.403	0.926	2.7
CGH-05-068*	9527E	1126N	000° / -45°	145.38	41.76	139.29	97.53	0.407	0.484	1.9
incl.					41.76	102.71	60.95	0.598	0.723	2.7
CGH-05-070*	9428E	1140N	000° / -45°	244.45	9.14	197.20	188.06	0.327	0.308	1.5
incl.					75.28	117.95	42.67	0.540	0.513	1.6
CGH-05-072	9060E	1076N	002° / -45°	278.89	14.32	249.02	234.70	0.320	0.323	1.2
incl.					200.25	249.02	48.77	0.664	0.711	1.4
CGH-05-076	8641E	1033N	000° / -44°	391.97	246.08	377.03	130.95	0.440	0.642	2.1
Incl.					246.08	316.07	69.99	0.698	1.040	3.1
Incl.					269.12	316.07	46.95	0.832	1.304	3.7
* Partial intercept										

In addition to the work on the Donnelly Zone, a number of holes were drilled to test the GJ Zone, the North Zone and some reconnaissance targets. The Company also sampled drill core from selected portions of historic holes drilled by Texasgulf on the Donnelly Zone, and Amoco and Canorex on the GJ Zone. These results are currently being compiled.

A key objective of the program has been to expand the known inferred resource at the Donnelly Zone and bring much of it into the indicated category. An updated independent resource estimate on the Donnelly Zone is now underway.

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

Manson Creek Gold Project, B.C.

A fall drilling program has commenced on the Manson Creek gold project in central British Columbia. A total of 1,600 metres of drilling is planned in eight holes.

The holes are designed to follow up very encouraging results from the Company's 2004 program that included a bonanza grade intercept in drill hole 04-002, which intersected 1.5 metres grading 173 g/t gold. Additional encouraging results include 141 metres grading 0.78 g/t gold in hole 04-003 and 70 metres grading 0.69 g/t gold in hole 04-005.

The Manson Creek property is underlain by a broad soil and rock gold geochemical anomaly and partly coincident IP chargeability anomaly. These anomalies occur within strongly pyritic, carbonate-altered and quartz-veined greywackes, which crop out over a large area.

The Manson Creek Property is located in one of British Columbia's oldest placer gold camps, the source of which could be the Company's Property.

The Company has a 100% working interest in the Property.

MacVicar Lake Gold Project, Manitoba

A detailed sampling and mapping program was carried out at the MacVicar project during the summer to follow up on a reconnaissance prospecting program the previous year. The project area shows evidence of shear-hosted gold mineralization and further follow up work is under review.

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

Assean Lake and Bob Creek

No further work will be carried out in 2005 on the Assean Lake and Bob Creek projects. Further work is contemplated for both projects in 2006.

Qualified Persons

The Company's qualified persons for the Manson Creek and MacVicar Lake projects are Jan Christoffersen, P. Eng. (Vice President of the Company) and Richard Bailes, P.Geo. (President of the Company). The qualified person for the GJ/Kinaskan project is Dr. Giles Peatfield, Ph.D., P.Eng. Dr. Peatfield is independent of the Company.

On Behalf of the Board,

Richard J. Bailes
President

November 4, 2005

**CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED BALANCE SHEETS**

	<u>September 30, 2005 (Unaudited)</u>	<u>March 31, 2005</u>
ASSETS		
Current assets		
Cash (Note 4 (b)(i))	\$ 2,018,229	\$ 767,894
Accounts receivable	169,418	268,859
Due from joint venturer	-	80,306
Prepaid expenses	111,647	9,923
	<u>2,299,294</u>	<u>1,126,982</u>
Investments (Note 2)	633,899	35,899
Equipment, net	2,636	3,466
Mineral properties and related expenditures	7,952,832	5,053,981
Other assets	50,858	60,717
	<u>\$ 10,939,519</u>	<u>\$ 6,281,045</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 131,580	\$ 53,746
Due to related parties	11,710	9,248
Advances from joint venturer	2,730	-
Note payable (Note 3)	407,000	-
	<u>553,020</u>	<u>62,994</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 4)		
42,647,266 shares (March 31, 2005 - 36,385,253 shares)	91,332,952	86,835,709
Reserved for issuance 20,368 shares (2005 - 20,380 shares)	1,291	1,292
Contributed surplus - stock options	1,421,372	1,421,372
Deficit	<u>(82,369,116)</u>	<u>(82,040,322)</u>
	<u>10,386,499</u>	<u>6,218,051</u>
	<u>\$ 10,939,519</u>	<u>\$ 6,281,045</u>

ON BEHALF OF THE BOARD:

Director

Director

See notes to interim consolidated financial statements

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

	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
Expenses				
Amortization	\$ 415	\$ 269	\$ 830	\$ 464
Consulting and wages	36,671	18,703	82,590	42,080
General exploration and project investigation	741	-	2,446	-
Interest and financing expenses	6,384	-	7,000	-
Management fees	54,000	48,000	108,000	96,000
Office and general	2,416	5,812	10,815	7,895
Professional fees	10,848	7,150	32,672	13,749
Promotion and public relations	5,109	5,674	37,175	20,113
Stock based compensation expense	-	-	-	50,609
Stock exchange and filing fees	2,200	1,434	13,715	13,837
Telephone and facsimile	342	1,674	907	2,618
Transfer agent and shareholder information	13,249	10,425	32,752	34,007
Travel	9,543	-	10,072	-
	<u>141,918</u>	<u>99,141</u>	<u>338,974</u>	<u>281,372</u>
Loss before the undernoted items				
Other (income) expenses				
Interest income	(6,587)	(2,501)	(10,093)	(4,040)
Foreign exchange loss	1,867	364	734	570
Project overhead fees	(106)	(14,202)	(821)	(15,762)
	<u>137,092</u>	<u>82,802</u>	<u>328,794</u>	<u>262,140</u>
Loss for the period				
Deficit, beginning of the period	<u>82,232,024</u>	<u>80,487,793</u>	<u>82,040,322</u>	<u>80,308,455</u>
Deficit, end of the period	<u>\$ 82,369,116</u>	<u>\$ 80,570,595</u>	<u>\$ 82,369,116</u>	<u>\$ 80,570,595</u>
Basic and diluted loss per common share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of shares outstanding	<u>39,412,705</u>	<u>33,448,320</u>	<u>39,346,289</u>	<u>33,277,470</u>

See notes to interim consolidated financial statements

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

	Three months ended September 30,		Six months ended September 30,	
	2005	2004	2005	2004
Cash flows (for) operating activities				
Loss for the period	\$ (137,092)	\$ (82,802)	\$ (328,794)	\$ (262,140)
Items not affecting cash				
Amortization	415	269	830	464
Project overhead fees	(106)	(14,202)	(821)	(15,762)
Stock based compensation expense	-	-	-	50,609
	<u>(136,783)</u>	<u>(96,735)</u>	<u>(328,785)</u>	<u>(226,829)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	(70,269)	(69,784)	(2,283)	(63,764)
Accounts payable and accrued liabilities	(63,671)	685,826	77,834	696,663
Due to/from joint venturer	(812)	(52,836)	83,036	(64,795)
Due to/from related parties	(24,090)	(10,540)	2,462	(2,885)
	<u>(295,625)</u>	<u>455,931</u>	<u>(167,736)</u>	<u>338,390</u>
Cash flows from financing activity				
Common shares issued, net	354,000	262,500	4,497,242	4,049,013
Note payable to related party	6,384	-	407,000	-
	<u>360,384</u>	<u>262,500</u>	<u>4,904,242</u>	<u>4,049,013</u>
Cash flows (for) investing activities				
Mineral properties and related expenditures	(2,379,526)	(2,105,610)	(2,898,030)	(2,653,613)
Investments	-	-	(598,000)	-
Other assets	-	(3,500)	9,859	(3,500)
Purchase of equipment	-	(2,945)	-	(2,945)
	<u>(2,379,526)</u>	<u>(2,112,055)</u>	<u>(3,486,171)</u>	<u>(2,660,058)</u>
(Decrease) increase in cash	(2,314,767)	(1,393,624)	1,250,335	1,727,345
Cash, beginning of the period	4,332,996	3,842,919	767,894	721,950
Cash, end of the period	<u>\$ 2,018,229</u>	<u>\$ 2,449,295</u>	<u>\$ 2,018,229</u>	<u>\$ 2,449,295</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Project overhead fees included in mineral properties	<u>\$ 106</u>	<u>\$ 14,202</u>	<u>\$ 821</u>	<u>\$ 15,762</u>
Financing activities				
Shares reserved for issuance on acquisition of subsidiary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,419</u>

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES TO
SEPTEMBER 30, 2005

	Assean Lake	GJ and Kinaskan	Bob Creek	Manson Creek	MacVicar	Total
Balance, March 31, 2005	\$ 2,164,029	\$ 1,906,336	\$ 501,516	\$ 409,681	\$ 72,419	\$ 5,053,981
Assaying and sampling	3,199	100,254	-	1,667	-	105,120
Camp costs	-	234,379	-	624	-	235,003
Drilling	-	1,031,814	890	-	-	1,032,704
Environmental	-	73,841	-	-	-	73,841
Expediting and project supervision	-	125,922	-	909	-	126,831
Field supplies	-	41,476	-	145	-	41,621
Field wages	-	204,673	-	3,158	-	207,831
Fuel	-	73,588	-	-	-	73,588
Geological, geophysical & geochemical	779	361,808	550	55,536	52,305	470,978
Maps and reports	3,891	10,901	2,002	10,124	-	26,918
Survey	-	46,464	-	-	-	46,464
Office miscellaneous	341	340	-	4,118	6	4,805
Option payment	-	-	-	-	7,500	7,500
Helicopter	-	375,966	-	-	-	375,966
Transport and travel	-	69,025	-	656	-	69,681
Incurred during the period	8,210	2,750,451	3,442	76,937	59,811	2,898,851
Balance, September 30, 2005	\$ 2,172,239	\$ 4,656,787	\$ 504,958	\$ 486,618	\$ 132,230	\$ 7,952,832

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2005
(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, 2005.

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 2005 Annual Report.

2. INVESTMENTS

	September 30, <u>2005</u>	March 31, <u>2005</u>
Redback Mining Inc. , a company with directors in common, 7,580 common shares with a market value at September 30, 2005 of approximately \$11,235 (March 31, 2005 – \$13,643)	\$ 10,461	\$ 10,461
Valkyries Petroleum Corp. , a company with directors in common, 33,917 common shares with a market value at September 30, 2005 of approximately \$241,150 (March 31, 2005 – \$103,447)	25,438	25,438
bcMetals Corporation , 1.3 million common shares with a market value at September 30, 2005 of approximately \$572,000 (March 31, 2005 – Nil)	<u>598,000</u>	<u>-</u>
	<u>\$ 633,899</u>	<u>\$ 35,899</u>

3. NOTE PAYABLE

As at September 30, 2005, the Company has a promissory note of \$400,000, which is due on demand on or before December 22, 2005. The promissory note bears interest at Canadian Prime Interest Rate plus 2% per annum. The accrued interest of the promissory note to September 30, 2005 was \$7,000.

4. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

Common shares	<u>Number of Shares</u>	<u>Amount</u>
Balance, March 31, 2004	30,504,553	\$ 83,278,696
Private placements, net (i)	3,140,000	3,651,763
Tax cost recognized on issuance of flow-through shares on private placements	-	(1,309,035)
Financing expense	81,000	101,250
Stock options exercised	494,000	171,400
Warrants exercised	1,923,700	784,850
Mineral properties	220,000	142,000
Takeover of Royal County	22,000	1,396
Transfer of contributed surplus on exercise of stock options	-	<u>13,389</u>
Balance, March 31, 2005	36,385,253	86,835,709
Private placements, net (i)	5,377,001	4,143,242
Warrants exercised	885,000	354,000
Takeover of Royal County	<u>12</u>	<u>1</u>
Balance, September 30, 2005	<u>42,647,266</u>	<u>\$ 91,332,952</u>

- (i) During the six months ended September 30, 2005, the Company completed on a non-brokered private placement basis, the issuance of 4,970,000 flow-through common shares at a price of \$0.80 per share for gross proceeds of \$3,976,000 and 407,001 common shares (non flow-through) at a price of \$0.75 per share for total gross proceeds of \$305,251.

As at September 30, 2005, the Company is committed to spend \$1,643,169 (March 31, 2005 - \$296,964) to complete flow through agreements. This balance is included in cash but is reserved to complete the qualified expenditures.

The tax cost related to the issuance of the flow-through shares on the private placement will be recognized in the period in which the Company files the related renunciation with the taxation authorities.

(c) As at September 30, 2005, the following stock options were outstanding:

	<u>Number of Shares</u>	<u>Weighted-Average Exercise Price</u>
Outstanding at March 31, 2005	2,335,000	\$0.95
Cancelled	<u>(5,000)</u>	<u>\$0.68</u>
Outstanding at September 30, 2005	<u>2,330,000</u>	<u>\$0.95</u>

As at September 30, 2005, the Company has 2,330,000 stock options outstanding, at a price of \$1.10, \$0.68 and \$0.66 per share, to officers, employees and consultants.

(d) As at September 30, 2005, the following share purchase warrants were outstanding:

<u>Number of Warrants</u>	<u>Common Share Entitlement</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u>140,500</u>	<u>140,500</u>	\$1.50	November 12, 2005

(e) As at September 30, 2005, there are no shares held in escrow.

5. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2005, the Company:

- (a) incurred management fees of \$108,000 to a company controlled by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2006. At September 30, 2005, \$7,694 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$42,797 to a law firm of which a partner is a director of the Company. At September 30, 2005, \$4,016 was due to this law firm and included in amounts due to related parties.

6. 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
SEPTEMBER 30, 2005**

OFFICERS

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

DIRECTORS

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

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: Unlimited number of common shares
Issued and Outstanding: 42,647,266 shares

REGISTRAR AND TRANSFER AGENT

CIBC Mellon Trust Company
Vancouver, British Columbia
Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange
Canadian Gold Hunter Corp. (CGH)