

THIRD QUARTER REPORT

December 31, 2006



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.

To our shareholders:

The third quarter of 2006 saw the completion of the Manson Creek drill program in central B.C. In addition, full assay results were received from the GJ/Kinaskan project, located in northern B. C., where a number of high-grade, near-surface intervals were intersected in the Donnelly Zone.

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

During the 2006 summer program, the Company drilled a total of 18,133 meters of core in 62 holes. Final assay results were received in November. Highlights include a number of near-surface, high-grade intervals from the Donnelly Zone: hole CGH-06-125, which grades 0.50% copper and 0.61g/t gold over 82.3 metres; hole 06-127, which grades 0.79% copper and 0.97g/t gold over 30.6 metres and hole 06-128, which grades 1.49% copper and 1.80g/t gold over 39.3 metres.

The high-grade, near-surface portion of the Donnelly Zone is 30 to 100 metres wide and extends for the entire 1500-metre strike length of the Donnelly Zone. This high-grade material grades in excess of 0.5% copper and 0.5 g/t gold and would be easily accessible in the early days of an open-pit mining operation. It is generally part of a thicker, lower-grade zone that is up to 300 metres wide and averages about 0.3% copper and 0.3 g/t gold.

Upcoming plans include a new resource calculation on the Donnelly and North Donnelly Zones. The last resource estimate, carried out in March 2006, outlined an indicated resource, at a cut off of 0.20% copper, of 91.73 million tonnes grading 0.373% copper and 0.381 g/t gold and an additional inferred resource, at the same cut off, of 28.04 million tonnes grading 0.354% copper and 0.369 g/t gold. The newly discovered North Donnelly Zone and deep drilling on the Donnelly Zone itself should add significantly to the resource base.

The 0.20% copper cut-off grade has been chosen as the “base case” scenario based on the feasibility study for the Red Chris deposit (bcMetals Corporation), the nearest analogy to the Donnelly Zone deposit. Material below this cut-off has questionable economic expectation at this point, but at least some of it, if mined as a consequence of gaining access to the higher grade material, might well be segregated in a low-grade stockpile in case of exceptional metal prices. A 43-101 technical report by David T. Mehner, M.Sc., P.Geo. and Giles Peatfield, Ph.D., P.Eng, dated April 11, 2006 is available on Sedar (www.sedar.com) as well as the Company's website (www.canadiangoldhunter.com).

The Donnelly Zone resource estimate was prepared by qualified person, Dr. Giles Peatfield, P.Eng. using a manual sectional method, based on approximately 15,600 metres of diamond drilling in 56 holes with more than 5,000 samples assayed. Eleven of the core holes were drilled by Texasgulf Canada Ltd. (“Tg”) in 1977 and 1980; this drilling was supervised by Dr. Peatfield. Eleven holes were drilled by the Company in 2004 and a further thirty-four in 2005. The assay results from the recent diamond drill programs were consistent with, and corroborated, the earlier work by Tg.

The 2006 drill program and sampling protocol were supervised by qualified person David Mehner, P.Geo. Project Geologist for Canadian Gold Hunter. Appropriate quality control and quality assurance protocols were utilized on the program. Standard reference samples, blanks and duplicates were inserted in each batch of samples for assay. The Canadian Gold Hunter drill samples were analyzed for gold by fire assay and for copper by atomic absorption, by ALS Chemex in North Vancouver, B. C., Canada.

Additional work over the winter months will include a Preliminary Assessment of the project by Giroux Consultants Ltd. and Nilsson Mining Services and continuing environmental baseline studies by Rescan Tahltan Environmental Consultants.

The GJ/Kinaskan Property is located in northern British Columbia about 10 kilometres west of the Stewart Cassiar highway. The claims underlie an area of about 150 square kilometres, which contains 21 significant mineral showings, including the Donnelly, GJ and North zones.

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

Manson Creek, BC

The Company's fall drill program amounted to 1,529 meters in eight NQ holes (QCM-06-015 to 022) drilled on the main QCM gold zone and on several reconnaissance targets defined by geophysics.

Three holes (674 m) were drilled to intercept the south-west extension of the QCM Zone, a strongly pyritic, carbonate-altered and quartz-veined body exposed over an area of at least 600 x 200 meters. The zone is interpreted to be slab-like in shape with a gentle (30°) SW dip and thickness of about 40 meters or so. The mineralized zone coincides broadly with a well developed gold soil anomaly, strong resistivity anomaly and weak-to-moderate chargeability anomaly. The best assays were in hole 06-022, which intersected 1.53 metres grading 84.60 g/t gold at 101.2 metres depth and 76.20 metres grading 0.39 g/t gold at 185.0 metres depth. All gold assays were carried out by Atomic Absorption Spectrography (AAS) at ALS Chemex, North Vancouver.

As in previous QCM drill programs, significant "nugget" effects were experienced by the assay lab with high AAS assays of 84.60 g/t Au over 1.53 meters and 5.39 g/t Au over 1.53 meters in QCM-022. The Company plans to carry out metallic-screen assays on any 2006 sample strings containing high and/or erratic AAS gold assays.

In addition to the holes drilled on the QCM gold zone, drill holes QCM-06-017 to 021 were targeted principally on resistivity anomalies 1,000-2,500 meters north and east of the main QCM zone. Significant carbonate-altered rocks were encountered locally commonly associated with pyrite but gold assays were not encouraging.

The primary target at Manson creek is a large, low-grade gold system. Drill programs carried out in the fall of 2004 and 2005 produced encouraging results over an area about 600 by 200 metres. Fourteen drill holes intersected wide intervals with grades approaching one gram per tonne gold (110.95 metres grading 0.658 g/t gold, 141.0 metres grading 0.783 g/t gold and 187.5 metres grading 0.447 g/t gold).

The Company's qualified persons for the Manson Creek project are Jan Christoffersen P.Eng. (Vice President of the Company) and Richard Bailes P.Geol. (President of the Company). Historic drill results were reported by previous owners on the Manson Creek project prior to implementation of NI 43-101. The historic assay results are believed to be accurate but have not been verified by the Company's Qualified Persons and therefore should not be regarded with undue reliance until further corroborative work has been performed by the Company on the properties.

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.

Assean Lake

The Company continues to look for a partner to take on further exploration at the Assean Lake Project located in northern Manitoba.

Other Events

During the quarter ended December 31, 2006, the Company completed a private placement of 2 million flow-through common shares at a price of \$1.50 per flow-through share and 1 million common shares (non flow-through) at a price of \$1.30 per common share for total gross proceeds of \$4.3 million. A 4% finders' fee was payable on a portion of the private placement.

On behalf of the Board,
(signed) Richard J. Bailes
President
February 2, 2007

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2006**

Management's discussion and analysis ("MD&A") focuses on significant factors that have affected Canadian Gold Hunter Corp. ("the Company") and its subsidiaries and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended December 31, 2006 and the March 31, 2006 year end audited consolidated financial statements and related notes thereto.

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 significant accounting policies are outlined within Note 2 to the consolidated financial statements of the Company's for the year ended March 31, 2006. These accounting policies have been applied consistently for the nine months ended December 31, 2006.

The effective date of this MD&A is February 9, 2007.

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

The Company's auditors for the year ended March 31, 2006, Staley, Okada & Partners, have entered into a transaction with PricewaterhouseCoopers LLP under which certain assets of Staley, Okada & Partners were sold to PricewaterhouseCoopers LLP. A number of the professional staff and partners of Staley, Okada & Partners joined PricewaterhouseCoopers LLP either as employees or partners of PricewaterhouseCoopers LLP and will carry on practicing as members of PricewaterhouseCoopers LLP. The directors of the Company subsequently appointed PricewaterhouseCoopers LLP as the Company's auditors for the year ending March 31, 2007.

GENERAL

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

QUARTERLY HIGHLIGHTS

During the quarter ended December 31, 2006, the Company received the results of its fall drilling program at the Manson Creek project in central British Columbia. The program amounted to 1,529 meters in eight NQ holes (QCM-06-015 to 022) drilled on the main QCM gold zone and on several reconnaissance targets defined by geophysics.

Three holes (674 m) were drilled to intercept the south-west extension of the QCM Zone, a strongly pyritic, carbonate-altered and quartz-veined body exposed over an area of at least 600 x 200 meters. The zone is interpreted to be slab-like in shape with a gentle (30°) SW dip and thickness of about 40 meters or so. The best hole intercepted a broad interval of 76.20 metres grading 0.39 g/t gold and a separate high grade interval of 1.53 metres grading 84.6 g/t gold. The reconnaissance holes intersected pyritic carbonate-altered rocks locally but gold assays were uniformly very low.

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

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Dec-06	Sep-06	Jun-06	Mar-06	Dec-05	Sep-05	Jun-05	Mar-05
A. Total revenues (\$000's) *	17	15	24	11	6	7	4	15
B. Earnings (loss) before extraordinary items (\$000's)	(150)	(348)	(145)	708	(146)	(137)	(192)	70
C. Net earning (loss) (\$000's)	(150)	(348)	(145)	708	(146)	(137)	(192)	70
D. Basis and diluted earnings (loss) per share (\$)	0.00	(0.01)	(0.00)	0.01	(0.00)	(0.00)	(0.01)	(0.00)

* Consists of interest income and project overhead fee.

The increase in the Company's loss for the second quarter ending September 30, 2006 as compared to 2005 is mainly due to increased general administrative expenses, which includes increased project investigation costs with respect to two resource projects that were being considered, located in Southeast Asia.

The income for the fourth quarter ending March 31, 2006 and 2005 is primarily attributed to the recovery of \$1.36 million and \$1.31 million, respectively, of future income taxes related to renounced mineral property expenditures on flow-through share agreements. The income for the fourth quarter ending March 31, 2005 was offset by stock-based compensation expenses, representing the estimated fair value of stock options granted.

Other than for the above mentioned, the losses were comparable for the other quarters.

RESULTS OF OPERATIONS

The Company's losses for the third quarter ended December 31, 2006 and 2005 were comparable at \$150,000. The increase in loss of \$168,000 for the nine months ended December 31, 2006, as compared to 2005 was primarily due to increased general and administrative expenses, offset by a gain on sale of investment of \$286,000. In particular, project investigation expenses increased by \$613,000, mainly due to two resource projects that were being considered, located in Southeast Asia. These costs included consultant's services on technical due diligence studies, travel and legal costs.

General and administrative expenses for the third quarters of 2006 and 2005 were comparable at \$167,000 and \$145,000, respectively. General and administrative expenses for the nine months ending December 31, 2006 were higher at \$966,000 as compared to \$477,000 for the nine months ended December 31, 2005. As mentioned above, the increase was primarily due to increased project investigation costs.

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

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2006, the Company had cash of \$4.5 million and working capital of \$4.5 million as compared to cash of \$4.2 million and working capital of \$4.3 million at March 31, 2006. During the quarter ended December 31, 2006, the Company completed a private placement of 2 million flow-through common shares at a price of \$1.50 per flow-through share and 1 million common shares (non flow-through) at a price of \$1.30 per common share for total gross proceeds of \$4.3 million. A 4% finders' fee totalling \$130,100 was payable on a portion of the private placement.

Net cash used for operating activities was \$980,000 for the nine months ended December 31, 2006 and consisted mainly of the net loss from operation of \$643,000.

Net cash used in investing activities was \$2.6 million and consisted mainly of capitalized exploration expenditures of \$3.4 million on the Company's projects and net of proceeds of \$884,000 from the sale of its investment in bcMetals Corporation.

Net cash provided by financing activities in the nine months ended December 31, 2006 was \$3.9 million, which consists primarily of net proceeds of \$4.2 million from the issuance of 3 million common shares pursuant to the private placement mentioned above and the exercise of stock options of \$110,000. During the quarter ended December 31, 2006, the Company repaid a note payable of \$438,000.

Based on the Company's financial position at December 31, 2006, the Company believes that existing funds should be sufficient to perform planned exploration and general corporate activities for the next 12 months. Additional funding from issuance of common shares may be required in the future to fund further exploration and corporate expenses.

There can be no assurance that equity financing will be available to the Company in the amount required at a particular time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2006, the Company:

- (a) incurred management fees in respect of office facilities and administrative services of \$168,000 to a company owned by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2008. At December 31, 2006, \$900 was due to this company and included in amounts due to related parties.

- (b) incurred legal fees of \$8,521 to a law firm of which a partner is a director of the Company. At December 31, 2006, \$4,680 was due to this law firm and included in amounts due to related parties.

OUTSTANDING SHARE DATA

As at February 9, 2007, the Company had 48,683,766 common shares outstanding and 2,400,000 share options outstanding under its stock-based incentive plans. As at the same date, the Company had no share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio. Beyond exploration risk, management is faced with a number of other risk factors. The more significant ones include:

Metal Price Risk: The Company's portfolios of properties and investments have exposure to predominantly copper and gold. The price of these metals greatly affects the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metal prices.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in Canada. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Title Risk: The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. However, the results of the Company's investigations should not be construed as a guarantee of title. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties.

OUTLOOK

The Company is in the process of completing a new mineral resource estimate on the Donnelly Zone at the GJ/Kinaskan property. This estimate should be completed by the end of March, 2007. In addition the Company is actively seeking new projects to add to its project portfolio.

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.
INTERIM CONSOLIDATED BALANCE SHEETS**

	December 31, 2006 (Unaudited)	March 31, 2006
ASSETS		
Current assets		
Cash (Note 2)	\$ 4,542,828	\$ 4,227,119
Accounts receivable	45,578	14,589
Due from related parties	7,870	3,700
Due from joint venturer	7,363	-
Prepaid expenses	5,274	4,848
Investments (Note 3)	-	598,000
	4,608,913	4,848,256
Equipment, net	561	1,806
Mineral properties and related expenditures	11,515,487	8,074,494
Other assets	41,258	50,858
	\$ 16,166,219	\$ 12,975,414
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 65,240	\$ 69,973
Due to related parties	5,580	15,901
Advances from joint venturer	-	1,164
Note payable	-	421,326
	70,820	508,364
SHAREHOLDERS' EQUITY		
Share capital (Note 4)		
48,683,766 shares (March 31, 2006 - 45,583,766 shares)	97,192,118	92,851,342
Reserved for issuance 20,368 shares (March 31, 2006 - 20,368 shares)	1,291	1,291
Contributed surplus - stock options	1,351,975	1,421,372
Deficit	(82,449,985)	(81,806,955)
	16,095,399	12,467,050
	\$ 16,166,219	\$ 12,975,414

ON BEHALF OF THE BOARD:

/s/ Lukas H. Lundin

Director

/s/ Richard J. Bailes

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,	
	2006	2005	2006	2005
Expenses				
Amortization	\$ 415	\$ 415	\$ 1,245	\$ 1,245
Consulting and wages	42,001	45,180	99,312	127,770
General exploration and project investigation	40,289	-	615,015	2,446
Management fees	57,000	54,000	168,000	162,000
Office and general	5,943	2,699	16,879	13,514
Professional fees	-	7,905	(2,746)	40,577
Promotion and public relations	6,408	28,772	25,588	65,947
Stock exchange and filing fees	8,231	1,275	14,594	14,990
Telephone and facsimile	222	284	1,415	1,191
Transfer agent and shareholder information	6,151	4,471	26,932	37,223
Travel	-	179	-	10,251
Loss before the undernoted items	166,660	145,180	966,234	477,154
Other (income) expenses				
Interest income	(17,295)	(5,847)	(54,972)	(15,940)
Other (income) expenses	-	-	31	-
Interest and financing expenses	1,128	6,853	18,107	13,853
Foreign exchange (gain) loss	(146)	(185)	940	549
Project overhead fees	(134)	(50)	(1,112)	(871)
Gain on sale of investment (Note 3)	-	-	(286,198)	-
Loss for the period	(150,213)	(145,951)	(643,030)	(474,745)
Deficit, beginning of the period	82,299,772	82,369,116	81,806,955	82,040,322
Deficit, end of the period	\$ 82,449,985	\$ 82,515,067	\$ 82,449,985	\$ 82,515,067
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	46,834,766	40,566,250	46,007,766	40,413,277

See notes to interim consolidated financial statements

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

	Three months ended December 31,		Nine months ended December 31,	
	2006	2005	2006	2005
Cash flows (for) operating activities				
Loss for the period	\$ (150,213)	\$ (145,951)	\$ (643,030)	\$ (474,745)
Items not affecting cash				
Amortization	415	415	1,245	1,245
Project overhead fees	(134)	(50)	(1,112)	(871)
Gain on sale of investment	-	-	(286,198)	-
	<u>(149,932)</u>	<u>(145,586)</u>	<u>(929,095)</u>	<u>(474,371)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	161,111	222,969	(35,585)	220,685
Accounts payable and accrued liabilities	(394,263)	213,578	(4,733)	291,412
Due to related parties	(30,384)	(6,141)	(10,321)	(3,679)
	<u>(413,468)</u>	<u>284,820</u>	<u>(979,734)</u>	<u>34,047</u>
Cash flows from financing activities				
Common shares issued, net	4,161,379	-	4,271,379	4,497,243
Note payable to related party	(438,305)	6,853	(421,326)	413,853
	<u>3,723,074</u>	<u>6,853</u>	<u>3,850,053</u>	<u>4,911,096</u>
Cash flows (for) investing activities				
Mineral properties and related expenditures	(685,873)	(696,350)	(3,439,881)	(3,594,380)
Proceeds from sale of investment	-	-	884,198	-
Investments	-	-	-	(598,000)
Due to/from joint venturer	(1,027)	(383)	(8,527)	82,653
Other assets	9,600	-	9,600	9,859
	<u>(677,300)</u>	<u>(696,733)</u>	<u>(2,554,610)</u>	<u>(4,099,868)</u>
Increase (decrease) in cash	2,632,306	(405,060)	315,709	845,275
Cash, beginning of the period	<u>1,910,522</u>	<u>2,018,229</u>	<u>4,227,119</u>	<u>767,894</u>
Cash, end of the period	<u>\$ 4,542,828</u>	<u>\$ 1,613,169</u>	<u>\$ 4,542,828</u>	<u>\$ 1,613,169</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Project overhead fees included in mineral properties	<u>\$ 134</u>	<u>\$ 50</u>	<u>\$ 1,112</u>	<u>\$ 871</u>
Financing activities				
Shares reserved for issuance on acquisition of subsidiary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

See notes to interim consolidated financial statements

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES
DECEMBER 31, 2006
(Unaudited)

	Assean Lake	GJ and Kinaskan	Manson Creek	Bob Creek and MacVicar	Total
Balance, March 31, 2005	\$ 2,164,029	\$ 1,906,336	\$ 409,681	\$ 573,935	\$ 5,053,981
Assaying and sampling	4,102	137,207	44,268	7,035	192,612
Camp costs	-	237,448	7,565	6,719	251,732
Drilling	-	1,199,020	162,436	21,382	1,382,838
Environmental	-	122,132	-	-	122,132
Expediting and project supervision	-	129,838	28,482	-	158,320
Field supplies	-	43,396	7,542	-	50,938
Field wages	-	205,922	11,908	-	217,830
Fuel	-	71,338	-	-	71,338
Geological, geophysical & geochemical	1,919	496,734	84,616	75,077	658,346
Helicopter	-	384,200	-	-	384,200
Maps and reports	3,890	37,993	12,159	2,433	56,475
Office miscellaneous	341	16,458	4,118	-	20,917
Option payment	-	-	-	7,500	7,500
Survey	-	49,332	-	-	49,332
Transport and travel	-	76,432	13,652	-	90,084
Incurred during the period	10,252	3,207,450	376,746	120,146	3,714,594
Mineral exploration grants	-	-	-	(11,704)	(26,058)
Write-off of mineral property interests	-	-	-	(682,377)	(1,188,056)
Balance, March 31, 2006	\$ 2,174,281	\$ 5,113,786	\$ 786,427	\$ -	\$ 8,074,494
Assaying and sampling	1,456	98,284	5,944	-	105,684
Camp costs	-	141,587	50,733	-	192,320
Drilling	-	1,313,772	170,551	-	1,484,323
Environmental	-	81,343	-	-	81,343
Expediting and project supervision	-	121,611	40,410	-	162,021
Field supplies, fuel and contract labour	-	254,743	18,956	-	273,699
Geological, geophysical & geochemical	3,295	526,278	73,307	-	602,880
Helicopter	-	370,017	-	-	370,017
Line cutting	-	-	34,025	-	34,025
Maps and reports	-	19,403	3,732	-	23,135
Office miscellaneous	6,373	1,648	175	-	8,196
Survey	-	10,355	-	-	10,355
Transport and travel	-	72,085	20,910	-	92,995
Incurred during the period	11,124	3,011,126	418,743	-	3,440,993
Balance, December 31, 2006	\$ 2,185,405	\$ 8,124,912	\$ 1,205,170	\$ -	\$ 11,515,487

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, 2006
(Unaudited)

1. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of Canadian Gold Hunter Corp. (the "Company") are prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended March 31, 2006.

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 2006 Annual Report.

2. RESTRICTED CASH

As at December 31, 2006, the Company is committed to spend \$3,282,062 (2005 - \$296,964) in accordance with flow-through share agreements entered through private placements (Note 4). This balance is included in cash but is reserved to complete the qualified expenditures on Canadian mineral property exploration

3. INVESTMENTS

	December 31, <u>2006</u>	March 31, <u>2006</u>
bcMetals Corporation	\$ <u> </u> -	\$ <u> 598,000</u>

During the quarter ending September 30, 2006, the Company disposed of its investment in bcMetals Corporation for proceeds of \$884,198, resulting in a gain of \$286,198.

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, 2005	36,385,253	\$ 86,835,709
Private placements, net (i)	8,313,501	7,018,243
Warrants exercised	885,000	354,000
Takeover of Royal County	12	1
Tax cost recognized on issuance of flow-through shares on private placements	<u>-</u>	<u>(1,356,611)</u>
Balance, March 31, 2006	45,583,766	92,851,342
Private placements, net (ii)	3,000,000	4,161,379
Stock options exercised	100,000	110,000
Transfer of contributed surplus on exercise of stock Options	<u>-</u>	<u>69,397</u>
Balance, December 31, 2006	<u><u>48,683,766</u></u>	<u><u>\$ 97,192,118</u></u>

(i) During the year ended March 31, 2006 the Company completed two private placements:

- a) 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 for net proceeds totaling \$4.1 million. A finder's fee totalling \$149,878 was paid on a portion of the private placement.
- b) 2,381,000 flow-through common shares at a price of \$1.05 per flow-through share and 555,500 common shares (non flow-through) at a price of \$0.90 per common share for total net proceeds totaling \$2.9 million. A finder's fee totalling \$125,000 was paid on a portion of the private placement.

(ii) During the quarter ended December 31, 2006 the Company completed a private placement of 2 million flow-through common shares at a price of \$1.50 per share and 1 million common shares (non flow-through) at a price of \$1.30 per share for total net proceeds of \$4.2 million. A 4% finder's fee totalling \$130,100 was paid on a portion of the private placement.

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

(c) As at December 31, 2006, the following stock options were outstanding:

	Number of Shares	Weighted-Average Exercise Price
Outstanding at March 31, 2006	2,330,000	\$0.95
Exercised	(100,000)	\$1.10
Outstanding at December 31, 2006	2,230,000	\$0.94

(d) As at December 31, 2006, there were no share purchase warrants outstanding.

5. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2006, the Company:

- (a) incurred management fees of \$168,000 in respect of office facilities and administrative services to a company owned by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2008. At December 31, 2006, \$900 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$8,521 to a law firm of which a partner is a director of the Company. At December 31, 2006, \$4,680 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
December 31, 2006

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 K. Netolitzky
Compensation Committee
Corporate Governance and
Nominating Committee
Audit Committee
Michael D. McInnis
Audit Committee
Lukas H. Lundin
Compensation Committee
William A. Rand
Compensation Committee
Corporate Governance and
Nominating Committee
Audit Committee
John H. Craig
Corporate Governance and
Nominating Committee
Richard J. Bailes

AUDITORS

PricewaterhouseCoopers, LLP
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: 48,683,766 shares

REGISTRAR AND TRANSFER AGENT

CIBC Mellon Trust Company
Vancouver, British Columbia
Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange
Canadian Gold Hunter Corp. (CGH)