

FIRST QUARTER REPORT

June 30, 2007



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 first quarter of 2007 was highlighted by the signing of a joint venture agreement with Almaden minerals Ltd., which gave Canadian Gold Hunter Corp. ("the Company") the right to earn a seventy percent interest in the Caballo Blanco gold property in Veracruz State, Mexico. In addition, the Company prepared to start a 15,000 meter drill program on the GJ gold-rich copper porphyry deposit in northern British Columbia.

CABALLO BLANCO PROJECT

On May 31, 2007 the Company entered into an option agreement to acquire a 70% interest in the Caballo Blanco Property in exchange for issuing 1.0 million common shares to Almaden, making a cash payment of US\$500,000 to a subsidiary of Almaden and expending a total of US\$12 million in minimum annual tranches through May, 2013, of which US\$1.5 million is a firm commitment in the first year. The Company has agreed to fund all costs required for the completion of a Bankable Feasibility Study in connection with the Property, and is entitled to receive on a preferential basis, out of the proceeds of production, all the expenditures it has incurred to exercise the option and to complete the feasibility study. Upon completion of the minimum expenditures, the two parties will enter into a joint venture agreement which will result in the company holding an initial 70% participating interest in the joint venture.

Caballo Blanco is a large, high-sulphidation epithermal gold system that has seen limited work to date. The property is located on the Gulf of Mexico roughly 60 kilometres north of the port city of Veracruz. Infrastructure is excellent as the prospective areas are all located within 10 kilometres of the Panamerican highway and a power plant.

The property covers three large areas of mineralization known as the Northern Zone, the Highway Zone and the Central Grid Zone. Extensive alteration typical of high sulphidation gold systems is associated with the Northern and Highway Zones. Limited drilling (from one drill site) in the Northern Zone has intersected 108 metres grading 1.14 g/t gold in drill hole CB-05-03, 92.7 metres grading 1.0 g/t gold in CB-06-01 and 76 metres grading 1.70 g/t gold in CB-06-03 (Almaden news releases dated August 8, 2005 and August 10, 2006). This mineralization is hosted in explosive breccias with several events of superimposed silicification and alteration.

The Central Grid Zone is a gold-rich porphyry target, in which drill hole CB-04-01 intersected 56 metres grading 0.84 g/t gold and 0.34% copper (Almaden press release dated June 1, 2005).

During the first quarter, the Company and Almaden completed a property wide exploration program on the Caballo Blanco project. This program was managed by Almaden and commenced prior to the formation of the option agreement. Future work on the Caballo Blanco project will be managed by the Company.

The work program consisted of detailed geologic and alteration mapping, rock chip sampling, grid soil and geophysical surveys and stream sediment sampling. In total 60.5 kilometers of Induced Polarization ("IP") and ground magnetic geophysics was completed and roughly 2,650 soil samples were taken.

This program was successful in delineating a new area of copper-gold mineralization associated with quartz stockwork and alteration. The new area is located two and one-half kilometres north of the Central Grid Zone, where porphyry copper-gold mineralization is known to occur.

Twenty three rock samples (outcrop and float) were taken within an 800 by 400 metre area underlain by quartz stockwork and alteration. These samples returned up to 1.5 g/t gold and 0.15% copper and averaged 0.18 g/t gold and 213 ppm copper. Five four-kilometer lines, spaced 400 meters apart, were surveyed with induced polarization ("IP") and ground magnetics. Results

from the IP geophysical survey show that the surface mineralization is associated with a large chargeability anomaly interpreted to represent significant disseminated sulphides. This chargeability anomaly, which appears to be largely buried, is two kilometres east-west by at least 1.5 kilometres north-south.

Soil samples were collected on 50-meter spacing along each line. Sixteen consecutive soil samples over the surface showing returned an average of 128 ppb gold (ranging from 41 to 400 ppb), 342 ppm copper (ranging from 57 to 1435 ppm) and 15 ppm molybdenum (ranging from 7 to 35 ppm). The alteration and mineralization are interpreted to be representative of a high level of exposure in a porphyry copper-gold system. The Central Grid Zone, where past drilling identified copper-gold porphyry mineralization, occurs about 2.5 kilometres south of the new discovery. The Company and Almaden are jointly reviewing these new results and look forward to planning a follow-up program to advance this promising new mineralized area.

High-sulphidation epithermal gold mineralization, such as that identified in the Northern and Highway Zones, has been shown elsewhere to be genetically related to copper-gold porphyry mineralization. Both styles of mineralization occur in volcanic environments with high-sulphidation gold mineralization commonly grading into porphyry mineralization at depth. At Caballo Blanco, porphyry mineralization is thought to be exposed in the Central Grid Area due to deeper erosion compared to that in the Northern and Highway Zones.

Samples were prepared and analyzed by ALS Chemex laboratories of North Vancouver using industry standard fire assay, ICP and wet geochemical techniques. Standards and blanks were included in the sample shipments as part of an ongoing quality control program. Morgan Poliquin, M.Sc., P. Eng., a director of Almaden, is the qualified person reviewing the technical information in this news release under the meaning of National Instrument 43-101.

GJ/KINASKAN PROJECT

Field crews and two diamond drill rigs were mobilized to the GJ/Kinaskan project base camp in northwestern B.C. in early July commencing the summer 2007 drill program. A total of 15,000 meters of core drilling in approximately 75 holes is planned for the program.

Approximately half of the drilling will focus on outlining higher-grade mineralization within the Donnelly Zone. The overall Donnelly resource (based on results from 78 diamond drill holes, at a cut-off of 0.15% copper) is 172.15 million tonnes grading 0.274% copper and 0.312 g/t gold in the indicated category (see CGH news release dated March 26, 2007). A higher-grade, near-surface core to the Donnelly zone grades about 0.5 % copper and 0.5 g/t gold. This part of the program will attempt to better define and increase this higher-grade tonnage.

The remaining holes will focus on the North Donnelly Zone and reconnaissance targets. The North Donnelly Zone was discovered last year and has only been tested by 25 drill holes. It underlies an area about 1,000 metres by 500 metres. An inferred resource for the North Donnelly Zone, at the same cutoff, consists of 22.67 million tonnes grading 0.254% copper and 0.362 g/t gold.

The GJ/Kinaskan property is located in northern British Columbia, 10 kilometres west of the Stewart Cassiar Highway. The Company has a 100% interest in the property.

The Donnelly Zone resource estimate was prepared by qualified person Mr. Gary Giroux, P.Eng. using a computer-generated block model based on approximately 24,300 metres of diamond drilling in 78 drill holes. A total of 5,002 assayed samples were used to define the Zone. The North Donnelly Zone resource estimate was prepared by qualified person Dr. Giles Peatfield, P.Eng. using a manual sectional method, based on approximately 5,770 metres of diamond drilling in 25 holes with 1,468 sample assays used in the estimate.

The 2006 drill program and sampling were supervised by qualified person David Mehner, P.Geol. 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. All assay results were examined by independent engineer Dr. Peatfield prior to release, in order to verify that QC protocols were honoured.

OTHER PROJECTS

The Company is considering carrying out additional drilling on the Manson Creek gold property in the fall. The target at Manson Creek is a large, low-grade gold system associated with strongly pyritic, carbonate-altered and quartz-veined rocks, which are exposed over an area of at least 600 x 200 meters. These rocks could be the source of placer gold, which has been mined historically in the area.

The Company continued to look for joint venture partners for both the Assean Lake and Bob Creek projects in the first quarter.

On behalf of the Board,

(signed) Richard J. Bailes
President
August 10, 2007

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED JUNE 30, 2007**

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 three months ended June 30, 2007 and the March 31, 2007 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, 2007. These accounting policies have been applied consistently for the three months ended June 30, 2007.

The effective date of this MD&A is August 10, 2007.

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 and Mexico.

QUARTERLY HIGHLIGHTS

CABALLO BLANCO PROJECT

On April 16, 2007, the Company signed a letter of intent with Almaden Minerals Ltd. ("Almaden") to acquire a 70% interest in the Caballo Blanco gold property in Veracruz State, Mexico.

Caballo Blanco is a large, high-sulphidation epithermal gold system that has seen limited work. The property is located on the Gulf of Mexico roughly 60 kilometres north of the port city of Veracruz. Infrastructure is excellent as the prospective areas are all located within 10 kilometres of the Panamerican highway and a power plant.

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Approximately half of the drilling will focus on outlining higher-grade mineralization within the Donnelly Zone. The overall Donnelly resource (based on results from 78 diamond drill holes, at a cut-off of 0.15% copper) is 172.15 million tonnes grading 0.274% copper and 0.312 g/t gold in the indicated category (see CGH news release dated March 26, 2007). A higher-grade, near-surface core to the Donnelly zone grades about 0.5 % copper and 0.5 g/t gold. This part of the program will attempt to better define and increase this higher-grade tonnage.

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The Company continued to look for joint venture partners for both the Assean Lake and Bob Creek projects in the first quarter.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Jun-07	Mar-07	Dec-06	Sep-06	Jun-06	Mar-06	Dec-05	Sep-05
A. Total revenues (\$000's) *	49	28	17	15	24	11	6	7
B. Earnings (loss) before extraordinary items (\$000's)	(818)	(503)	(150)	(348)	(145)	708	(146)	(137)
C. Net earning (loss) (\$000's)	(818)	(503)	(150)	(348)	(145)	708	(146)	(137)
D. Basis and diluted earnings (loss) per share (\$)	(0.02)	(0.01)	0.00	(0.01)	(0.00)	0.01	(0.00)	(0.00)

* Consists of interest income and joint venture project overhead fees.

The increase in the Company's loss for the fourth quarter ending March 31, 2007 is primarily due to the write off of mineral property expenditures of \$2.2 million on the Assean Lake, which was offset by a recovery of \$1.9 million of future income taxes related to renounced mineral property expenditures on flow-through share agreements.

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 considered, located in Southeast Asia.

The income for the fourth quarter ending March 31, 2006 is primarily attributed to the recovery of \$1.36 million of future income taxes related to renounced mineral property expenditures on flow-through share agreements.

RESULTS OF OPERATIONS

The Company's loss for the first quarter ended June 30, 2007 was \$818,000 as compared to \$145,000 for the same period ended June 30, 2006. The increase in loss of \$673,000 was primarily due to increased general and administrative expenses, which includes stock based compensation expenses of \$634,000.

General and administrative expenses for the first quarter of 2007 increased to \$866,000 as compared to \$179,000 for same period of 2006. As noted above, the increase is due primarily to increased stock based compensation expenses of \$634,000 in respective of stock options granted during the period. In addition, management and professional fees were higher at \$69,000 and \$47,000 as compared to \$54,000 and \$200, respectively, for the three months ended June 30, 2006 as a result of an increased level of activities related to the acquisition of the option on the Caballo Blanco property in Mexico.

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 June 30, 2007, the Company had cash of \$10.1 million and working capital of \$9.3 million as compared to cash of \$4.3 million and working capital of \$4.2 million at March 31, 2007. During the first quarter ended June 30, 2007, the Company completed a non-brokered private placement of 3.0 million common shares of the Company at a price of \$2.25 per share for gross proceeds of \$6.75 million. A 4% finder's fee totalling \$270,000 was paid on the private placement.

Net cash from operating activities was \$87,000 for the three months ended June 30, 2007 and is primarily related to increased accounts payable.

Net cash provided by financing activities in the three months ended June 30, 2007 was \$6.9 million, which consists primarily of net proceeds of \$6.5 million from the issuance of 3 million common shares pursuant to the private placement mentioned above and the exercise of stock options of \$403,000.

Net cash used in investing activities was \$1.0 million and consisted mainly of capitalized exploration expenditures of \$1.1 million on the Company's projects and equipment purchase of \$57,000.

Based on the Company's financial position at June 30, 2007, 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 three months ended June 30, 2007, the Company:

- (a) incurred management fees in respect of office facilities and administrative services of \$69,000 to a company owned by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2008. At June 30, 2007, \$5,000 was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$23,000 to a law firm of which a partner is a director of the Company. At June 30, 2007, \$4,000 was due to this law firm and included in amounts due to related parties.

OUTSTANDING SHARE DATA

As at August 9, 2007, the Company had 53,068,766 common shares outstanding and 1,695,000 share options outstanding under its stock-based incentive plans. As at the same date, the Company had no share purchase warrants outstanding.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, other assets, accounts payable and accrued liabilities and due to related parties. The carrying value of cash, accounts receivable and accounts payable approximates fair value.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgements about matters that are inherently uncertain.

Note 2 to the consolidated financial statements for the years ended March 31, 2007 and 2006 include a summary of the significant accounting policies adopted by the Company. The following policies are considered to be the critical accounting policies since they involve the use of significant estimates.

Mining Properties and Related Expenditures

The Company carries its mining properties at cost less a provision for impairment. The Company defers exploration and development costs, which are related to specific projects until the commercial feasibility of the project is determinable. The costs of each property and related expenditures will be amortised over the economic life of the property on a units-of-production basis. Costs are charged to operations when a property is abandoned or when impairment in value that is other than temporary has been determined. Exploration costs, not related to a property in which the Company has an interest, are charged to operations as incurred.

The Company undertakes a periodic review of the carrying values of mining properties and related expenditures and whenever events or changes in circumstances indicate that their carrying values may exceed their fair value. In undertaking this review, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties and related expenditures.

Income Taxes

Future income tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. Future income tax assets and liabilities are measured using tax rates that are expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantively enacted. The amount of future income tax assets recognised is limited to the amount of the benefit that is more likely than not to be realised.

Management of the Company is required to exercise judgements and make assumptions about the future performance of the Company in determining its ability to utilise loss carry-forwards and thereby realise the benefits of future income tax assets.

Stock Based Compensation

In calculating the fair value of stock options granted, management is required to make significant estimates in relation to the future volatility of the Company's share price and the period in which stock options will be exercised. The selection of the volatility factor and the estimate of the expected option life will have a significant impact on costs recognized for stock based compensation. The estimates concerning volatility are made with reference to historical volatility, which is not necessarily an accurate indicator of volatility that will be experienced in the future. Management assumes that stock options will be exercised prior to their expiry date.

CHANGES IN ACCOUNTING POLICY

Effective April 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

- a) Section 3855 – Financial Instruments – Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value.

- b) Section 1530 – Comprehensive Income. Comprehensive Income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

The adoption of Sections 1530 and 3855 had no impact on the opening equity and the current period losses or comprehensive losses of the Company.

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

At Caballo Blanco, ongoing work includes soil sampling, road construction and permitting. Additional IP and a CSAMT survey are planned for the early fall to further refine drill targets. Depending on drill availability, a 5,000-metre diamond drill program will commence in October of 2007.

At GJ/ Kinaskan, the 2007 drilling program commenced in late June, 2007 and approximately half is completed. The program will consist of 15,000 metres of diamond drilling, some of which will be used to infill and upgrade the higher-grade portions of the Donnelly Zone. Additional drilling will be undertaken to expand and better define the newly discovered North Donnelly Zone. An updated resource estimate will be completed following the 2007 program.

At Manson Creek, the Company plans a modest drill program consisting of about 2,000 metres for the fall of 2007.

The Company is continuing to investigate additional resource properties for possible acquisition.

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**

	June 30, 2007 (Unaudited)	March 31, 2007
ASSETS		
Current assets		
Cash (Note 3)	\$ 10,108,885	\$ 4,275,238
Accounts receivable	129,640	19,793
Prepaid expenses	40,206	15,655
	<u>10,278,731</u>	<u>4,310,686</u>
Equipment, net	57,850	670
Mineral properties and related expenditures (Note 4)	13,516,948	9,501,827
Other assets	41,000	41,258
	<u>\$ 23,894,529</u>	<u>\$ 13,854,441</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,002,097	\$ 52,013
Due to related parties	9,185	21,881
	<u>1,011,282</u>	<u>73,894</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 5)		
53,053,766 shares (March 31, 2007 - 48,683,766 shares)	104,686,733	95,315,501
Reserved for issuance 20,368 shares (March 31, 2007 - 20,368 shares)	1,291	1,291
Contributed surplus - stock options	1,989,773	1,439,887
Deficit	(83,794,550)	(82,976,132)
	<u>22,883,247</u>	<u>13,780,547</u>
	<u>\$ 23,894,529</u>	<u>\$ 13,854,441</u>

ON BEHALF OF THE BOARD:

/s/ Lukas H. Lundin
Director

/s/ Richard J. Bailes
Director

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

	Three months ended June 30, 2007	Three months ended June 30, 2006
	<u> </u>	<u> </u>
Expenses		
Amortization	\$ 220	\$ 415
General exploration and project investigation	7,583	43,899
Management fees	69,000	54,000
Office and general	11,216	6,327
Professional fees	46,660	205
Promotion and public relations	40,283	13,740
Stock based compensation	633,833	-
Stock exchange and filing fees	4,834	4,751
Transfer agent and shareholder information	4,223	14,330
Wages and benefits	47,958	41,779
	<u> </u>	<u> </u>
Loss before the undernoted items	865,810	179,446
Other (income) expenses		
Interest income	(48,918)	(22,984)
Other income	-	(19,995)
Interest and financing expenses	-	8,330
Foreign exchange loss	1,526	1,201
Project overhead fees	-	(866)
	<u> </u>	<u> </u>
Loss and comprehensive loss for the period	(818,418)	(145,132)
Deficit, beginning of the period	<u>82,976,132</u>	<u>81,806,955</u>
Deficit, end of the period	<u>\$ 83,794,550</u>	<u>\$ 81,952,087</u>
Basic and diluted loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding	<u>50,785,753</u>	<u>45,583,766</u>

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

	Three months ended June 30, 2007	Three months ended June 30, 2006
Cash flows from (used in) operating activities		
Loss for the period	\$ (818,418)	\$ (145,132)
Items not affecting cash		
Amortization	220	415
Project overhead fees	-	(866)
Stock based compensation	633,833	-
	<u>(184,365)</u>	<u>(145,583)</u>
Changes in non-cash working capital items		
Accounts receivable and other current assets	(54,385)	(496,615)
Accounts payable and accrued liabilities	338,629	158,713
Due to related parties	(12,696)	6,037
	<u>87,183</u>	<u>(477,448)</u>
Cash flows from (used in) financing activities		
Common shares issued, net	6,867,238	-
Note payable to related party	-	8,330
	<u>6,867,238</u>	<u>8,330</u>
Cash flows (used in) investing activities		
Mineral properties and related expenditures	(1,063,374)	(327,718)
Purchase of equipment	(57,400)	-
Due to/from joint venturer	-	(6,639)
	<u>(1,120,774)</u>	<u>(334,357)</u>
Increase (decrease) in cash	5,833,647	(803,475)
Cash, beginning of the period	<u>4,275,238</u>	<u>4,427,119</u>
Cash, end of the period	<u>\$ 10,108,885</u>	<u>\$ 3,623,644</u>
Supplementary information regarding non-cash transactions		
Investing activities		
Project overhead fees included in mineral properties	<u>\$ -</u>	<u>\$ 866</u>
Stock based compensation capitalized in mineral property and related expenditures	<u>\$ 170,047</u>	<u>\$ -</u>
Financing activities		
Shares issued on acquisition of mineral properties	<u>\$ 2,250,000</u>	<u>\$ -</u>

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES
JUNE 30, 2007

	Assean Lake Canada	GJ and Kinaskan Canada	Manson Creek Canada	Caballo Blanco Mexico	Total
Balance, March 31, 2006	\$ 2,174,281	\$ 5,113,786	\$ 786,427	\$ -	\$ 8,074,494
Assaying and sampling	1,659	100,374	19,413	-	121,446
Camp costs	-	140,420	50,733	-	191,153
Drilling	-	1,313,772	181,002	-	1,494,774
Environmental	-	90,726	-	-	90,726
Expediting and project supervision	-	121,596	43,808	-	165,404
Field supplies, fuel and contract labour	-	254,963	18,956	-	273,919
Geological, geophysical & geochemical	3,295	571,147	80,154	-	654,596
Helicopter	-	370,804	-	-	370,804
Line cutting	-	-	34,025	-	34,025
Maps and reports	-	19,403	8,887	-	28,290
Office miscellaneous	6,373	12,898	175	-	19,446
Stock based compensation	-	64,641	-	-	64,641
Survey	-	10,355	-	-	10,355
Transport and travel	-	72,386	20,976	-	93,362
Incurred during the period	11,327	3,143,485	458,129	-	3,612,941
Write-off of mineral property interests	(2,185,608)	-	-	-	(2,185,608)
Balance, March 31, 2007	\$ -	\$ 8,257,271	\$ 1,244,556	\$ -	\$ 9,501,827
Assaying and sampling	-	1,484	930	78,013	80,427
Camp costs	-	29,907	-	-	29,907
Drilling	-	58,570	-	-	58,570
Environmental	-	20,509	-	3,669	24,178
Expediting and project supervision	-	249	388	-	637
Field supplies, fuel and contract labour	-	68,000	-	-	68,000
Geological, geophysical & geochemical	-	77,916	3,842	311,129	392,887
Helicopter	-	79,584	-	57,915	137,499
Maps and reports	-	2,266	35	-	2,301
Office miscellaneous	-	1,618	-	-	1,618
Option payment	-	-	-	2,781,700	2,781,700
Professional	-	-	-	10,735	10,735
Staking	-	-	-	7,747	7,747
Stock based compensation	-	44,169	-	125,878	170,047
Survey	-	-	-	12,782	12,782
Transport and travel	-	14,585	-	221,501	236,086
Incurred during the period	-	398,857	5,195	3,611,069	4,015,121
Balance, June 30, 2007	\$ -	\$ 8,656,128	\$ 1,249,751	\$ 3,611,069	\$ 13,516,948

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2007
(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, 2007.

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 2007 Annual Report.

2. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

- a) Section 3855 – Financial Instruments – Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value.
- b) Section 1530 – Comprehensive Income. Comprehensive Income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

The adoption of Sections 1530 and 3855 had no impact on the opening equity and current period losses or comprehensive losses of the Company.

3. CASH

As at June 30, 2007, the Company is committed to spend \$3,190,995 (March 31, 2007 - \$3,274,846) in accordance with flow-through share agreements entered through private placements. This balance is included in cash but is reserved to complete the qualified expenditures on Canadian mineral property exploration

4. MINERAL PROPERTIES AND RELATED EXPENDITURES

Caballo Blanco Property, Mexico

In May, 2007, the Company entered into an option agreement to acquire a 70% interest in the Caballo Blanco Property in exchange for issuing 1.0 million common shares to Almaden, making a cash payment of US\$500,000 to a subsidiary of Almaden, which was paid subsequent to June 30, 2007, and expending a total of US\$12 million in minimum annual tranches through May, 2013, of which US\$1.5 million is a firm commitment in the first year. The Company has agreed to fund all costs required for the completion of a Bankable Feasibility Study in connection with the Property, and is entitled to receive on a preferential basis, out of the proceeds of production, all the expenditures it has incurred to exercise the option and to complete the feasibility study. Upon completion of the minimum expenditures, the two parties will enter into a joint venture agreement which will result in the company holding an initial 70% participating interest in the joint venture.

5. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

Common shares	Number of Shares	Amount
Balance, March 31, 2006	45,583,766	\$ 92,851,342
Private placements, net	3,000,000	4,161,379
Stock options exercised	100,000	110,000
Transfer of contributed surplus on exercise of stock options	-	69,397
Tax cost recognized on issuance of flow-through shares on private placements	-	(1,876,617)
Balance, March 31, 2007	48,683,766	95,315,501
Private placements, net (i)	3,000,000	6,464,638
Stock options exercised	370,000	402,600
Mineral property (Note 4)	1,000,000	2,250,000
Transfer of contributed surplus on exercise of stock options	-	253,994
Balance, June 30, 2007	<u>53,053,766</u>	<u>\$104,686,733</u>

(i) During the quarter ended June 30, 2007, the Company completed a non-brokered private placement of 3.0 million common shares of the Company at a price of \$2.25 per share for gross proceeds of \$6.75 million. A 4% finder's fee totalling \$270,000 was paid on the private placement.

(b) Incentive stock options issued and outstanding are as follows:

	<u>June 30, 2007</u>	
	<u>Number of Shares</u>	<u>Weighted-average exercise price</u>
Outstanding at beginning of period	2,400,000	\$0.97
Granted	764,000	\$2.25
Exercised	(370,000)	\$1.09
Cancelled	<u>(1,084,000)</u>	\$1.10
Outstanding at end of period	<u>1,710,000</u>	\$1.43
Exercisable, June 30, 2007	<u>1,672,500</u>	\$1.43

During the first quarter ended June 30, 2007, the Company granted 764,000 stock options at \$2.25 per share, expiring May 1, 2010 and June 17, 2010. Accordingly, stock based compensation expenses of \$633,833 have been recorded in operations in respect of the stock options granted to employees and \$170,047 have been recorded in mineral properties in respect of the stock options granted to project related consultants.

The fair values of stock options with vesting provisions are amortized on a straight-line basis as stock-based compensation expenses over the applicable period. At June 30, 2007, the Company had an additional \$39,255 in stock-based compensation expense to be recognized in mineral properties periodically to December 31, 2008.

The stock based compensation expenses were estimated using the Black-Scholes option-pricing model. Assumptions used in the pricing model are as follows:

	<u>2007</u>
Dividend Yield	0%
Average risk free interest rate	4.71%
Expected volatility	69%
Expected life of option	3 years

The options outstanding have exercise prices between \$0.66 and \$2.25 and expire between November 15, 2007 and June 17, 2010 and have a weighted-average remaining contractual life of approximately 3 years. Subsequent to June 30, 2007, the Company granted 125,000 stock options at a price of \$2.25 per share, subject to vesting provisions, expiring July 15, 2010.

(c) As at June 30, 2007, there were no share purchase warrants outstanding.

6. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2007, the Company:

- (a) incurred management fees of \$69,000 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 June 30, 2007, \$4,808 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$22,909 to a law firm of which a partner is a director of the Company. At June 30, 2007, \$4,377 was due to this law firm and included in amounts due to related parties.

7. SEGMENTED INFORMATION

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