

SECOND QUARTER REPORT

September 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:

During the second quarter of 2007 Canadian Gold Hunter Corp. ("the Company") commenced field work on the Caballo Blanco gold property in Veracruz State, Mexico. Plans are to commence drilling at Caballo Blanco in mid November. In addition, the Company completed a 15,834 meter drill program on the GJ gold-rich copper porphyry deposit in northern British Columbia.

CABALLO BLANCO PROJECT

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 Caballo Blanco property is highly prospective for two deposit types – high-sulphidation epithermal gold and porphyry copper-gold. Exploration work over the spring and summer months has consisted of geological mapping, I.P. and geochemistry, with a primary purpose of fine tuning drill targets. An aerial photo survey has been carried out and will provide excellent ground control for on-going surface programs. Road construction for drill access has begun and core drilling of a minimum 5,000 meters is planned to commence in mid-November 2007.

Three principal targets occur on the property – the high-sulphidation Northern and Highway gold zones and the Central Grid Zone, a copper-gold porphyry system.

The Northern Zone is defined by extensive vuggy silica/alunite/clay alteration and siliceous hydrothermal breccias carrying variable amounts of gold within an area of 20 sq. km. The key target within the zone is well defined by an N-S elongated, gold-soil geochemical anomaly (up to 1,580 ppb Au) 1,100 meters in length and coincident with a very strong resistivity high. In the central part of these coincident anomalies, core drilling from one collar site by a previous operator returned gold grades up to 1.14 grams/tonne (g/t) gold over 108 meters. The Northern Zone is the primary target for this fall's drilling program.

The Highway Zone, four km. south of the Northern Zone, is also defined by extensive vuggy silica/alunite/clay alteration. A recently completed geochemical survey outlined strong gold soil anomalies (up to 350 ppb Au) over an N-S distance of three km. Some of these anomalies remain open and require additional sampling, which will be carried out over the winter months.

The Central Grid Zone is a Cu-Au porphyry target with past drill intercepts of up to 0.34% Cu and 0.84 g/t Au over 56 meters. Geological mapping in the spring of 2007 identified an entirely new copper-bearing, altered and stockwork zone two km northwest of any previous drilling. The alteration/stockwork zone is marked by a distinct Cu-Au-Mo soil anomaly and lies within a circular I.P. anomaly two km in diameter. This new porphyry target will be drilled once road access is gained to the area in the spring of 2008. In the meantime an extensive surface program consisting of soil sampling and geophysical surveys will be carried out.

The Company has an option to acquire a 70% interest in the Caballo Blanco Property by 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.

GJ/KINASKAN PROJECT

The Company completed an 80-hole, 15,834-metre diamond drill program on the GJ/Kinaskan Project, located in northwestern BC, on September 23rd 2007. The Company has received assay results for the first 28 holes and further assay results will be released as they become available. 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.

On the Donnelly Zone, highlights include drill hole 07-148, which intersected 101.0 metres grading 0.77% copper and 0.76 g/t gold and drill hole 07-152, which intersected 109.7 metres grading 0.57% copper and 0.55 g/t gold. The North Donnelly zone results are generally low grade, in the range of 0.15% copper and 0.25 g/t gold.

Approximately half of the drilling was focused 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.

The remaining holes tested 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 focus of the 2007 drilling was porphyry-style, copper-gold mineralization associated with the Groat stock, a poorly exposed elongated stock of monzodiorite, which intrudes basalt and volcanoclastic sediments. Four mineralized zones have been discovered associated with the Groat stock: the Donnelly Zone, the North Donnelly Zone, the GJ Zone and the North Zone.

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 2007 drill program and sampling were supervised by qualified person David Mehner, P.Geo. Project Manager 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 commenced drilling the Manson Creek gold property on October 20th. A modest program consisting of 1,400 metres in six drill holes is planned. 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. Encouraging broad intervals such as 141 metres grading 0.78 g/t gold in hole 04-003 have been intersected in previous drilling by the Company.

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

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTHS ENDED SEPTEMBER 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 six months ended September 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 and for the six months ended September 30, 2007. These accounting policies have been applied consistently for the six months ended September 30, 2007.

The effective date of this MD&A is November 13, 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 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 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.

The Caballo Blanco Property 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.

The Caballo Blanco property is highly prospective for two deposit types – high-sulphidation epithermal gold and porphyry copper-gold. Exploration work over the spring and summer months has consisted of geological mapping, I.P. and geochemistry, with a primary purpose of fine tuning drill targets. An aerial photo survey has been carried out and will provide excellent ground control for on-going surface programs. Road construction for drill access has begun and core drilling of a minimum 5,000 meters is planned to commence in mid November 2007.

The three principal targets are the high-sulphidation Northern and Highway zones and the Central Grid Zone, a copper-gold porphyry system.

The Northern Zone is defined by extensive vuggy silica/alunite/clay alteration and siliceous hydrothermal breccias carrying variable amounts of gold within an area of 20 sq. km. The key target within the zone is well defined by an N-S elongated, gold-soil geochemical anomaly (up to 1,580 ppb Au) 1,100 meters in length and coincident with a very strong resistivity high. In the central part of these coincident anomalies, core drilling from one collar site by a previous operator returned gold grades up to 1.14 grams/tonne (g/t) gold over 108 meters. The Northern Zone is the primary target for this fall's drilling program.

The Highway Zone, four km. south of the Northern Zone, is also defined by extensive vuggy silica/alunite/clay alteration. A recently completed geochemical survey outlined strong gold soil anomalies (up to 350 ppb Au) over an N-S distance of three km. Some of these anomalies remain open and require additional sampling prior to drilling. It is proposed to conduct the sampling over the winter.

The Central Grid Zone is a Cu-Au porphyry target with past drill intercepts of up to 0.34% Cu and 0.84 g/t Au over 56 meters. Geological mapping in the spring of 2007 identified an entirely new copper-bearing, altered and stockwork zone two km northwest of any previous drilling. The alteration/stockwork zone is marked by a distinct Cu-Au-Mo soil anomaly and lies within a circular I.P. anomaly two km in diameter. This new porphyry target will be drilled once road access is gained to the area, which is not expected until spring. In the meantime, an extensive surface program consisting of soil sampling and geophysical surveys will be carried out.

GJ/KINASKAN PROJECT

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Approximately half of the drilling was focused 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 was designed to attempt to better define and increase this higher-grade tonnage.

The remaining holes tested 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 focus of the 2007 drilling was porphyry-style, copper-gold mineralization associated with the Groat stock, a poorly exposed elongated stock of monzodiorite, which intrudes andesite and volcanoclastic sediments. Four mineralized zones have been discovered associated with the Groat stock: the Donnelly Zone, the North Donnelly Zone, the GJ Zone and the North Zone. Significant gold-rich porphyry deposits that occur in the region are Red Chris (as reported by Imperial Metals): 446.1 million tonnes grading 0.36% copper and 0.29 g/t gold, and Galore Creek (as reported by Nova Gold): 516.7 million tonnes grading 0.60% copper and 0.36g/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.

OTHER PROJECTS

The Company commenced drilling the Manson Creek gold property consisting of 1,400 meters in six holes in late October and results are expected in the new year. 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.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Sep-07	Jun-07	Mar-07	Dec-06	Sep-06	Jun-06	Mar-06	Dec-05
A. Total revenues (\$000's)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Earnings (loss) before extraordinary items (\$000's)	(229)	(818)	(503)	(150)	(348)	(145)	708	(146)
C. Net earning (loss) (\$000's)	(229)	(818)	(503)	(150)	(348)	(145)	708	(146)
D. Basis and diluted earnings (loss) per share (\$)	(0.00)	(0.02)	(0.01)	0.00	(0.01)	(0.00)	0.01	(0.00)

The increase in the Company's loss for the first quarter ending June 30, 2007 is primarily due to increased stock based compensation expenses.

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 net loss for the three months ended September 30, 2007 was \$229,000 compared with a net loss of \$348,000 for the same period in 2006. This decrease in net loss was primarily due to the Company having no general exploration and property investigation costs and a gain on sale of investment in 2007 compared with 2006. During 2006, the Company incurred project investigation costs in respect of two resource properties located in Southeast Asia.

For the six months ended September 30, 2007, the Company's net loss was \$1,048,000 compared with a net loss of \$493,000 for the same period in 2006. The increase in net loss of \$556,000 was primarily due to increased stock based compensation of \$784,000 in respect of stock options granted, offset by lower general exploration and 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 September 30, 2007, the Company had cash of \$6.7 million and working capital of \$6.6 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 used in operating activities was \$166,000 for the six months ended September 30, 2007 and consisted primarily of the loss from operations of \$1,048,000 adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash provided by financing activities in the six months ended September 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 \$431,000.

Net cash used in investing activities was \$4.3 million and consisted mainly of capitalized exploration expenditures of \$4.1 million on the Company's projects and equipment purchase of \$132,000.

Based on the Company's financial position at September 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 six months ended September 30, 2007, the Company:

- (a) incurred management fees in respect of office facilities and administrative services of \$138,000 to a company owned by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2008. At September 30, 2007, \$14,000 was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$29,000 to a law firm of which a partner is a director of the Company. At September 30, 2007, \$3,000 was due to this law firm and included in amounts due to related parties.

OUTSTANDING SHARE DATA

As at November 13, 2007, the Company had 53,493,766 common shares outstanding and 1,660,000 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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

For the nine months ended September 30, 2007, no changes were made in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 surveying, geological mapping and soil sampling are planned for the early fall to further refine drill targets. A 5,000-metre diamond drill program will commence in mid November on the Northern Zone.

At GJ/ Kinaskan, the 2007 drilling program was completed in late September, 2007. The results of the first 28 holes have been released. The Company is awaiting results from an additional 52 holes and these results will be released as they become available. An updated resource estimate will be completed following the 2007 program.

At Manson Creek, the Company commenced a modest drill program in late October consisting of about 1,400 meters in six holes to follow up on encouraging results from the last two programs.

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
(UNAUDITED)**

	<u>September 30, 2007</u>	<u>March 31, 2007</u>
ASSETS		
Current assets		
Cash (Note 3)	\$ 6,723,374	\$ 4,275,238
Accounts receivable	211,886	19,793
Prepaid expenses	20,101	15,655
	<u>6,955,361</u>	<u>4,310,686</u>
Equipment, net	132,161	670
Mineral properties and related expenditures (Note 4)	16,164,006	9,501,827
Other assets	43,500	41,258
	<u>\$ 23,295,028</u>	<u>\$ 13,854,441</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 354,097	\$ 52,013
Due to related parties	16,580	21,881
	<u>370,677</u>	<u>73,894</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 5)		
53,083,766 shares (March 31, 2007 - 48,683,766 shares)	104,729,385	95,315,501
Reserved for issuance 20,368 shares (March 31, 2007 - 20,368 shares)	1,291	1,291
Contributed surplus - stock options	2,217,600	1,439,887
Deficit	<u>(84,023,925)</u>	<u>(82,976,132)</u>
	<u>22,924,351</u>	<u>13,780,547</u>
	<u>\$ 23,295,028</u>	<u>\$ 13,854,441</u>

Subsequent event (Note 5 (c))

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 September 30,		Six months ended September 30,	
	2007	2006	2007	2006
Expenses				
Amortization	\$ 220	\$ 415	\$ 440	\$ 830
General exploration and project investigation	-	530,827	7,583	574,726
Management fees	69,000	57,000	138,000	111,000
Office and general	6,203	5,802	17,419	12,129
Professional fees	16,083	(2,951)	62,743	(2,746)
Promotion and public relations	7,005	5,440	47,288	19,180
Stock based compensation	149,958	-	783,791	-
Stock exchange and filing fees	8,432	1,612	13,266	6,363
Transfer agent and shareholder information	14,411	6,451	18,634	20,781
Travel	450	-	450	-
Wages and benefits	40,164	15,532	88,122	57,311
Loss before the undernoted items	311,925	620,128	1,177,735	799,574
Other (income) expenses				
Interest income	(58,028)	(14,693)	(106,946)	(37,677)
Other income	-	20,026	-	31
Interest and financing expenses	-	8,649	-	16,979
Foreign exchange loss	(24,522)	(115)	(22,996)	1,086
Project overhead fees	-	(112)	-	(978)
Gain on sale of investment	-	(286,198)	-	(286,198)
Loss and comprehensive loss for the period	(229,375)	(347,685)	(1,047,793)	(492,817)
Deficit, beginning of the period	83,794,550	81,952,087	82,976,132	81,806,955
Deficit, end of the period	<u>\$ 84,023,925</u>	<u>\$ 82,299,772</u>	<u>\$ 84,023,925</u>	<u>\$ 82,299,772</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>51,921,009</u>	<u>45,625,766</u>	<u>55,164,503</u>	<u>45,604,766</u>

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

	Three months ended September 30,		Six months ended September 30,	
	2007	2006	2007	2006
Cash flows from (used in) operating activities				
Loss for the period	\$ (229,375)	\$ (347,685)	\$ (1,047,793)	\$ (492,817)
Items not affecting cash				
Amortization	220	415	440	830
Project overhead fees	-	(112)	-	(978)
Stock based compensation	149,958	-	783,791	-
Gain on sale of investment	-	(286,198)	-	(286,198)
	<u>(79,197)</u>	<u>(633,580)</u>	<u>(263,562)</u>	<u>(779,163)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	(144,397)	299,919	(198,782)	(196,696)
Accounts payable and accrued liabilities	(36,545)	230,817	302,084	389,530
Due to related parties	7,395	14,026	(5,301)	20,063
	<u>(252,743)</u>	<u>(88,818)</u>	<u>(165,560)</u>	<u>(566,266)</u>
Cash flows from (used in) financing activities				
Common shares issued, net	28,649	110,000	6,895,887	110,000
Note payable to related party	-	8,649	-	16,979
	<u>28,649</u>	<u>118,649</u>	<u>6,895,887</u>	<u>126,979</u>
Cash flows (used in) investing activities				
Mineral properties and related expenditures	(3,086,886)	(2,426,290)	(4,150,260)	(2,754,008)
Purchase of equipment	(74,532)	884,198	(131,932)	-
Proceeds from sale of investments	-	(861)	-	884,198
Due to/from joint venturer	-	-	-	(7,500)
	<u>(3,161,418)</u>	<u>(1,542,953)</u>	<u>(4,282,192)</u>	<u>(1,877,310)</u>
Increase (decrease) in cash	(3,385,512)	(1,513,122)	2,448,135	(2,316,597)
Cash, beginning of the period	10,108,885	3,423,644	4,275,238	4,227,119
Cash, end of the period	<u>\$ 6,723,373</u>	<u>\$ 1,910,522</u>	<u>\$ 6,723,373</u>	<u>\$ 1,910,522</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Project overhead fees included in mineral properties	\$ -	\$ 112	\$ -	\$ 978
Stock based compensation capitalized in mineral property and related expenditures	<u>\$ 261,919</u>	<u>\$ -</u>	<u>\$ 261,919</u>	<u>\$ -</u>
Financing activities				
Shares issued on acquisition of mineral properties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250,000</u>	<u>\$ -</u>

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
AND RELATED EXPENDITURES
SEPTEMBER 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	1,659	100,374	19,413	-	121,446
Camp costs	-	120,152	50,733	-	170,885
Drilling	-	1,313,772	181,002	-	1,494,774
Environmental & community relation	-	90,726	-	-	90,726
Expediting and project supervision	-	121,596	43,808	-	165,404
Field supplies and equipment	-	44,151	10,520	-	54,671
Field salaries and contract labour	-	153,310	8,436	-	161,746
Fuel	-	77,770	-	-	77,770
Consulting	-	42,907	530	-	43,437
Geological, geophysical & geochemical	3,295	528,240	79,624	-	611,159
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
Incurring 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	-	66,987	930	104,619	172,536
Camp costs	-	55,039	-	85,101	140,140
Drilling	-	1,195,725	-	-	1,195,725
Environmental & community relation	-	34,064	-	29,413	63,477
Expediting and project supervision	-	2,029	713	26,143	28,885
Field supplies and equipment	-	76,586	-	1,772	78,358
Field salaries and contract labour	-	176,824	-	70,029	246,853
Fuel	-	60,848	-	5,984	66,832
Consulting	-	110,035	-	14,480	124,515
Geological, geophysical & geochemical	-	241,782	7,093	381,664	630,539
Roadwork	-	-	-	18,353	18,353
Helicopter	-	494,571	-	57,915	552,486
Maps and reports	-	2,266	35	3,268	5,569
Office miscellaneous	-	1,765	-	41,776	43,541
Option payment, Licenses, Fees	-	-	-	2,821,571	2,821,571
Staking	-	-	-	7,747	7,747
Stock based compensation	-	44,169	-	217,750	261,919
Survey	-	-	-	14,232	14,232
Transport and travel	-	60,348	-	90,614	150,962
Incurring during the period	-	2,623,039	8,771	4,030,370	6,662,179
Write-off of mineral property interests	-	-	-	-	-
Balance, September 30, 2007	\$ -	\$ 10,880,309	\$ 1,253,327	\$ 4,030,370	\$ 16,164,006

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 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 September 30, 2007, the Company is committed to spend \$1,006,823 (June 30, 2007 - \$3,190,995) 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 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	400,000	431,250
Mineral property (Note 4)	1,000,000	2,250,000
Transfer of contributed surplus on exercise of stock options	-	267,996
Balance, September 30, 2007	<u>53,083,766</u>	<u>\$104,729,385</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.

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

	September 30, 2007		September 30, 2006	
	Number of <u>Shares</u>	Weighted-average <u>exercise price</u>	Number of <u>shares</u>	Weighted-average <u>exercise price</u>
Outstanding at beginning of year	2,400,000	\$0.97	2,330,000	\$0.95
Granted	1,154,000	\$2.12	-	-
Exercised	(400,000)	\$1.03	(100,000)	\$1.10
Expired	(1,084,000)	\$1.10	-	-
Outstanding at end of period	<u>2,070,000</u>	\$1.53	<u>2,230,000</u>	\$0.94
Exercisable at end of period	<u>1,882,500</u>	\$1.48	<u>2,230,000</u>	\$0.94

During the six months ended September 30, 2007, the Company granted 1,154,000 stock options at \$1.70 and \$2.25 per share, expiring between May 1, 2010 and August 16, 2010. Accordingly, stock based compensation expenses of \$783,791 have been recorded in operations in respect of the stock options granted to employees, officers and directors and \$261,919 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 September 30, 2007, the Company had an additional \$137,153 in stock-based compensation expense to be recognized in mineral properties periodically to July 31, 2009.

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 at September 30, 2007 have exercise prices between \$0.66 and \$2.25 and expire between November 15, 2007 and August 16, 2010 and have a weighted-average remaining contractual life of approximately 3 years. Subsequent to September 30, 2007, 410,000 stock options were exercised an exercise price of \$0.66 per share for proceeds of \$270,600.

(d) As at September 30, 2007, there were no share purchase warrants outstanding.

6. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2007, the Company:

- (a) incurred management fees of \$138,000 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 September 30, 2007, \$13,870 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$28,638 to a law firm of which a partner is a director of the Company. At September 30, 2007, \$2,711 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.

Details of mineral properties and related expenditures in each geographic segment are presented in the consolidated Statements of Mineral Properties and Related Expenditures.