

THIRD QUARTER REPORT

December 31, 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 third quarter of 2007 Canadian Gold Hunter Corp. ("the Company") commenced drilling the Caballo Blanco gold property in Veracruz State, Mexico. An aggressive exploration program is planned for 2008. In addition, we plan to complete a new resource estimate on the Donnelly Zone at the GJ property.

CABALLO BLANCO PROJECT

Diamond drilling commenced on the Northern Zone at Caballo Blanco on December 1st, 2007. Prior to Christmas, 267 meters of HQ and NQ core were drilled in two holes (07CBN-001 and 002), the second of which remains to be completed in January. Both holes were drilled in the Northern Zone. Assay results are awaited.

Drill-hole 07CBN-001 was collared on a strong, positive resistivity anomaly in the SW part of the Northern Zone and about three kilometers SSW of the Cerro la Cruz gold target. The hole was drilled vertically to 109 meters, where it was lost in a fault zone below 12 meters of breccia composed of weakly vuggy silica fragments in a matrix of various iron oxides.

Drill-hole 07CBN-002 was drilled at -50°E from a collar in the Cerro la Cruz gold zone about 200 meters SW of the collars of drill holes 05CB-03, 06CB-01 and 06CB-03. Significant gold intercepts in vuggy silica-iron-oxide breccia in these holes include 1.14 g/t Au (grams per metric ton gold) over 108 meters in DDH-05CB-03, 1.0 g/t Au over 92.7 meters in DDH-06CB-01 and 1.70 g/t Au over 76.0 meters in DDH-06CB-03 (see Almaden Minerals news releases dated August 8, 2005 and August 10, 2006).

Drill-hole 07CBN-002 encountered vuggy silica-iron-oxide breccia from 31 meters to 96 meters followed by brecciated and crackled massive silica with variable amounts of iron-oxide matrix to 158 meters, the current depth of the hole. The hole was extended to a depth of 293.5 meters in January, 2008.

In addition to diamond drilling, the Company is carrying out detailed ground geophysical surveys, airborne magnetic and radiometric surveys, geological mapping, soil geochemistry and aerial photogrammetry. One drill is currently operating on the property and a second drill is expected to arrive in mid-February.

Caballo Blanco is a large, high-sulphidation epithermal gold system 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. 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. The Northern Zone is the primary target for the initial drill 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 earn-in 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 52 holes; however, results for the last 28 holes have been held up in the lab and 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 from this years program include drill hole 07-148, which intersected 101.0 metres grading 0.77% copper and 0.76 g/t gold, drill hole 07-167, which intersected 96.53 metres grading 0.50% copper and 1.81 g/t gold, drill hole 07-171, which intersected 103.6 metres grading 0.58% copper and 0.79 g/t gold, drill hole 07-185, which intersected 94.5 metres grading 0.57% copper and 0.74 g/t gold and drill hole 07-192, which intersected 106.7 metres grading 0.61% copper and 0.57 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 was only 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, amounts to 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 has intruded 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. The property is easily accessed, lying about 10 kilometres from the Stewart Cassiar highway.

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. A new resource estimate will be completed in 2008.

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 completed drilling the Manson Creek gold property in late November, 2007. The program amounted to 2,011 meters in nine NQ holes (QCM-07-023 to 031) drilled on the main QCM gold zone (1,378 m) and on two reconnaissance targets (633 m) defined by soil geochemistry and ground geophysics.

Five holes (QCM-07-023 to 025 & 027 to 028) were drilled to test the south-west and south-east extensions of the QCM Zone, a strongly pyritic, carbonate-altered and quartz-veined body extending over an area of some 750 x 400 meters. The zone is interpreted to be slab-like in shape with a gentle (30°) SW dip and thickness of 40 meters or more. The mineralized zone coincides broadly with a well developed gold soil anomaly, strong resistivity anomaly and weak-to-moderate chargeability anomaly. 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 best intercept encountered in the 2007 program was 96.0 metres grading 0.51 g/t gold in hole 07-028.

The reconnaissance holes did not intersect any significant gold-bearing intervals.

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

On behalf of the Board,

(signed) Richard J. Bailes
President

February 13, 2008

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 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 nine months ended December 31, 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 nine months ended December 31, 2007. These accounting policies have been applied consistently for the nine months ended December 31, 2007.

The effective date of this MD&A is February 12, 2008.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

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

The Company commenced diamond drilling the Northern Zone at Caballo Blanco in late November, 2007. A total of 267 metres of drilling were completed in two holes when drilling was suspended for the Christmas break. Drilling started again in mid January and a contract has been signed to bring in a second drill rig in early February.

Drill-hole 07CBN-001 was collared on a strong, positive resistivity anomaly in the SW part of the Northern Zone, about three kilometers SSW of the Cerro la Cruz gold target. The hole was drilled vertically to 109 meters, where it was lost in a fault zone below 12 meters of breccia composed of weakly vuggy silica fragments in a matrix of various iron oxides.

Drill-hole 07CBN-002 was drilled at -50°E from a collar in the Cerro la Cruz gold zone about 200 meters SW of the collars of drill holes 05CB-03, 06CB-01 and 06CB-03. Significant gold intercepts in vuggy silica-iron-oxide breccia in these holes include 1.14 g/t Au (grams per metric ton gold) over 108 meters in DDH-05CB-03, 1.0 g/t Au over 92.7 meters in DDH-06CB-01 and 1.70 g/t Au over 76.0 meters in DDH-06CB-03 (see Almaden Minerals news releases dated August 8, 2005 and August 10, 2006).

Drill-hole 07CBN-002 encountered vuggy silica-iron-oxide breccia from 31 meters to 96 meters followed by brecciated and crackled massive silica with variable amounts of iron-oxide matrix to 158 meters, the current depth of the hole. The hole will be extended to a depth of at least 250 meters.

The Caballo Blanco 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 primary target at Caballo Blanco is the Northern Zone, a high-sulphidation gold deposit identified and only partly explored by a previous operator. The Northern Zone alteration system comprises strong vuggy silica, quartz-alunite and various clay minerals extending over 20 square kilometers. Road access to key areas within the Northern Zone has been completed.

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.

Concurrently, road access is being extended into the Central Grid Zone, a porphyry copper-gold target some 10 kilometers SW of the Northern Zone. The Central Grid Zone encompasses a broad area of 16 square kilometers exhibiting extensive strong Cu-Au-Mo soil, magnetic and IP anomalies. One core hole, DDH-04CB01 drilled by a previous operator intersected 0.34% Cu and 0.84 g/t Au over 56 meters in altered monzodiorite (see Almaden Minerals news release dated June 01, 2005). The hole was drilled within the limits of a magnetic anomaly that reflects hydrothermal magnetite associated with copper sulphides, mainly chalcopyrite. Five other significant magnetic anomalies in the Central Grid Zone have not been explored.

The Company has an option 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, both of which have been completed, 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.

Geological data are verified by qualified person Jan Christoffersen, P. Eng., Vice President of Canadian Gold Hunter Corp.

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. Assay results have been received for the first 52 holes and further assay results will be released as they become available.

In the most recent results on the Donnelly Zone, highlights include drill hole 07-167, which intersected 96.53 metres grading 0.50% copper and 1.81 g/t gold, drill hole 07-171, which intersected 103.6 metres grading 0.58% copper and 0.79 g/t gold, drill hole 07-185, which intersected 94.5 metres grading 0.57% copper and 0.74 g/t gold and drill hole 07-192, which intersected 106.7 metres grading 0.61% copper and 0.57 g/t gold. This higher grade material is near surface and is easily accessible.

The focus of the 2007 drilling program was porphyry-style, copper-gold mineralization associated with the Groat stock, a poorly exposed elongated stock of monzodiorite, which intruded 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. The property is easily accessed, lying about 10 kilometres from the Stewart Cassiar highway.

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 completed drilling the Manson Creek gold property in the fall. Five holes (QCM-07-023 to 025 & 027 to 028) were drilled to test the south-west and south-east extensions of the QCM Zone, a strongly pyritic, carbonate-altered and quartz-veined body extending over an area of some 750 x 400 meters. The best hole from the fall program was hole 07-028, which intersected 96.0 metres grading 0.53 g/t gold. The zone is interpreted to be slab-like in shape with a gentle (30°) SW dip and thickness of 40 meters or more. The mineralized zone coincides broadly with a well developed gold soil anomaly, strong resistivity anomaly and weak-to-moderate chargeability anomaly.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Dec-07	Sep-07	Jun-07	Mar-07	Dec-06	Sep-06	Jun-06	Mar-06
A. Total revenues (\$000's)	-	-	-	-	-	-	-	-
B. Earnings (loss) before extraordinary items (\$000's)	(16)	(229)	(818)	(503)	(150)	(348)	(145)	708
C. Net earning (loss) (\$000's)	(16)	(229)	(818)	(503)	(150)	(348)	(145)	708
D. Basis and diluted earnings (loss) per share (\$)	(0.00)	(0.00)	(0.02)	(0.01)	0.00	(0.01)	(0.00)	0.01

The decrease in the Company's loss for the third quarter ending December 31, 2007 is primarily due to foreign exchange gains of \$228,000.

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 December 31, 2007 was \$16,000 compared with a net loss of \$150,000 for the same period in 2006. This decrease in net loss was primarily due to foreign exchange gains recognized during the current quarter.

For the nine months ended December 31, 2007, the Company's net loss was \$1.1 million compared with a net loss of \$643,000 for the same period in 2006. The increase in net loss of \$420,000 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 and foreign exchange gain realized.

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, 2007, the Company had cash of \$5.8 million and working capital of \$5.6 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 \$173,000 for the nine months ended December 31, 2007 and consisted primarily of the loss from operations of \$0.3 million adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash provided by financing activities in the nine months ended December 31, 2007 was \$7.3 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 \$801,000.

Net cash used in investing activities was \$5.6 million and consisted mainly of capitalized exploration expenditures of \$5.4 million on the Company's projects and equipment purchase of \$188,000.

Based on the Company's financial position at December 31, 2007, the Company believes that existing funds should be sufficient to perform planned exploration and general corporate activities for the next 12 months. The Company may expand its 2008 exploration program in which case further funding would be required. 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, 2007, the Company:

- (a) incurred management fees in respect of office facilities and administrative services of \$223,000 to a company owned by the Chairman of the Company pursuant to an agreement which is renewable on July 1, 2008. At December 31, 2007, \$42,000 was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$31,000 to a law firm of which a partner is a director of the Company. At December 31, 2007, \$987 was due to this law firm and included in amounts due to related parties.

OUTSTANDING SHARE DATA

As at February 12, 2008, the Company had 53,948,786 common shares outstanding and 1,338,000 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 ("CICA"):

- 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.

Future accounting changes

The CICA published the following new sections that will apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007:

- Section 3862, "Financial Instruments – Disclosures". This section describes the required disclosure to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.
- Section 3863, "Financial Instruments – Presentation". This section establishes standards for presentation of financial instruments and non-financial derivatives. It details the presentation of standards described in Section 3861, "Financial Instruments – Disclosure and Presentation".
- Section 1535, "Capital Disclosures". This section establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance.

The Company will adopt these rules effective April 1, 2008 and is currently assessing the impact on its consolidated financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

For the nine months ended December 31, 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, drilling recommenced in mid January 2008. A second rig will be added to the project in early February. In addition to the drilling, ongoing work will include soil sampling, geological mapping, geophysical surveying, road construction and permitting. The initial drill program will consist of 5,000 metres and will be focused on Cerro la Cruz in the Northern Zone where encouraging drill intercepts have been intersected in the past.

At GJ/ Kinaskan, the 2007 drilling program was completed in late September, 2007. The results of the first 52 holes have been released. The Company is awaiting results from an additional 28 holes and these results will be released as they become available. An updated resource estimate will be completed in 2008.

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 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)

	December 31, 2007	March 31, 2007
ASSETS		
Current assets		
Cash (Note 3)	\$ 5,793,582	\$ 4,275,238
Accounts receivable	216,583	19,793
Prepaid expenses	15,357	15,655
	<u>6,025,522</u>	<u>4,310,686</u>
Equipment, net	187,544	670
Mineral properties and related expenditures (Note 4)	17,456,081	9,501,827
Other assets	43,500	41,258
	<u>\$ 23,712,646</u>	<u>\$ 13,854,441</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 335,954	\$ 52,013
Due to related parties	43,028	21,881
	<u>378,982</u>	<u>73,894</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 5)		
53,643,786 shares (March 31, 2007 - 48,683,766 shares)	105,332,159	95,315,501
Reserved for issuance 20,348 shares (March 31, 2007 - 20,368 shares)	1,290	1,291
Contributed surplus - stock options	2,039,729	1,439,887
Deficit	(84,039,513)	(82,976,132)
	<u>23,333,664</u>	<u>13,780,547</u>
	<u>\$ 23,712,646</u>	<u>\$ 13,854,441</u>

Subsequent event (Note 5 (c))

ON BEHALF OF THE BOARD:

/s/ William A. Rand
Director

/s/ Richard J. Bailes
Director

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

	Three months ended December 31,		Nine months ended December 31,	
	2007	2006	2007	2006
Expenses				
General exploration and project investigation	4,038	40,289	11,621	615,015
Management fees	84,900	57,000	222,900	168,000
Office and general	5,640	6,165	23,058	18,294
Professional fees	13,189	42,001	75,932	96,566
Promotion and public relations	37,381	6,408	84,668	25,588
Stock exchange and filing fees	2,053	8,231	15,319	14,594
Transfer agent and shareholder information	5,270	6,151	23,903	26,932
Travel	9,294	-	9,744	-
Wages and benefits	50,101	-	138,223	-
Stock based compensation	-	-	783,791	-
Amortization	220	415	660	1,245
Loss before the undernoted items	212,086	166,660	1,389,820	966,234
Other (income) expenses				
Interest income	(43,930)	(17,295)	(150,876)	(54,972)
Other income	-	-	-	31
Interest and financing expenses	75,000	1,128	75,000	18,107
Foreign exchange (gain)/ loss	(227,567)	(146)	(250,563)	940
Project overhead fees	-	(134)	-	(1,112)
Gain on sale of investment	-	-	-	(286,198)
Loss and comprehensive loss for the period	(15,589)	(150,213)	(1,063,381)	(643,030)
Deficit, beginning of the period	84,023,925	82,299,772	82,976,132	81,806,955
Deficit, end of the period	<u>\$ 84,039,513</u>	<u>\$ 82,449,985</u>	<u>\$ 84,039,513</u>	<u>\$ 82,449,985</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>53,446,383</u>	<u>46,834,766</u>	<u>52,443,223</u>	<u>46,007,766</u>

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

	Three months ended December 31,		Nine months ended December 31,	
	2007	2006	2007	2006
Cash flows from (used in) operating activities				
Loss for the period	\$ (15,589)	\$ (150,213)	\$ (1,063,381)	\$ (643,030)
Items not affecting cash				
Amortization	220	415	660	1,245
Project overhead fees	-	(134)	-	(1,112)
Stock based compensation	-	-	783,791	-
Gain on sale of investment	-	-	-	(286,198)
	<u>(15,369)</u>	<u>(149,932)</u>	<u>(278,930)</u>	<u>(929,095)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	48	161,111	(198,734)	(35,585)
Accounts payable and accrued liabilities	(18,145)	(394,263)	283,941	(4,733)
Due to related parties	26,448	(30,384)	21,147	(10,321)
	<u>(7,017)</u>	<u>(413,468)</u>	<u>(172,577)</u>	<u>(979,734)</u>
Cash flows from (used in) financing activities				
Common shares issued, net	369,600	4,161,379	7,265,487	4,271,379
Note payable to related party	-	(438,305)	-	(421,326)
	<u>369,600</u>	<u>3,723,074</u>	<u>7,265,487</u>	<u>3,850,053</u>
Cash flows (used in) investing activities				
Mineral properties and related expenditures	(1,236,773)	(685,873)	(5,387,033)	(3,439,881)
Purchase of equipment	(55,602)	-	(187,534)	-
Proceeds from sale of investments	-	-	-	884,198
Due to/from joint venturer	-	(1,027)	-	(8,527)
Other assets	-	9,600	-	9,600
	<u>(1,292,375)</u>	<u>(677,300)</u>	<u>(5,574,567)</u>	<u>(2,554,610)</u>
Increase (decrease) in cash	(929,792)	2,632,306	1,518,343	315,709
Cash, beginning of the period	<u>6,723,374</u>	<u>1,910,522</u>	<u>4,275,238</u>	<u>4,227,119</u>
Cash, end of the period	<u>\$ 5,793,581</u>	<u>\$ 4,542,828</u>	<u>\$ 5,793,581</u>	<u>\$ 4,542,828</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Project overhead fees included in mineral properties	<u>\$ -</u>	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ 1,112</u>
Stock based compensation capitalized in mineral property and related expenditures	<u>\$ 55,302</u>	<u>\$ -</u>	<u>\$ 317,221</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
DECEMBER 31, 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
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	-	139,144	10,790	108,781	258,715
Camp costs	-	55,083	13,926	110,949	179,958
Drilling	-	1,195,725	224,452	102,629	1,522,806
Environmental & community relation	-	62,874	-	46,468	109,343
Expediting and project supervision	-	35,919	45,276	85,105	166,300
Field supplies and equipment	-	78,732	31,195	16,307	126,234
Field salaries and contract labour	-	198,403	57,067	75,306	330,776
Fuel	-	61,053	-	5,984	67,036
Consulting	-	115,640	-	19,154	134,794
Geological, geophysical & geochemical	-	240,206	42,602	459,741	742,549
Roadwork	-	-	-	123,494	123,494
Helicopter	-	502,053	-	57,915	559,968
Maps and reports	-	3,944	62	1,884	5,890
Office miscellaneous	-	2,045	-	118,819	120,864
Option payment, Licenses, Fees	-	-	-	2,821,571	2,821,571
Staking	-	-	-	7,747	7,747
Stock based compensation	-	44,169	-	273,052	317,221
Survey	-	-	-	57,689	57,689
Transport and travel	-	63,385	13,559	133,168	210,112
Incurred during the period	-	2,798,375	438,929	4,716,950	7,954,254
Write-off of mineral property interests	-	-	-	-	-
Balance, December 31, 2007	\$ -	\$ 11,055,646	\$ 1,683,485	\$ 4,716,950	\$ 17,456,081

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 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 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 initially recorded at cost, than adjusted for the Company's equity interest in the income and losses of the investee.
- 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.

Future accounting changes

The CICA published the following new sections that will apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007:

- Section 3862, "Financial Instruments – Disclosures". This section describes the required disclosure to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.
- Section 3863, "Financial Instruments – Presentation". This section establishes standards for presentation of financial instruments and non-financial derivatives. It details the presentation of standards described in Section 3861, "Financial Instruments – Disclosure and Presentation".
- Section 1535, "Capital Disclosures". This section establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance.

The Company will adopt these rules effective April 1, 2008 and is currently assessing the impact on its consolidated financial statements.

3. CASH

As at December 31, 2007, the Company had no further commitments to spend in accordance with flow-through share agreements.

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	<u>Number of Shares</u>	<u>Amount</u>
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	-	<u>(1,876,617)</u>
Balance, March 31, 2007	48,683,766	95,315,501
Private placements, net (i)	3,000,000	6,464,638
Mineral property (Note 4)	1,000,000	2,250,000
Reserved shares issued	20	1
Stock options exercised	960,000	800,850
Transfer of contributed surplus on exercise of stock Options	-	<u>501,169</u>
Balance, December 31, 2007	<u>53,643,786</u>	<u>\$105,332,159</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:

	For the Nine Months ending December 31, 2007	
	<u>Number of Shares</u>	<u>Weighted-average exercise price</u>
Outstanding at beginning of period	2,400,000	\$0.97
Granted	1,154,000	\$2.12
Exercised	(960,000)	\$0.83
Cancelled/Expired	<u>(1,099,000)</u>	\$1.12
Outstanding at end of period	<u>1,495,000</u>	\$1.83
Exercisable at end of period	<u>1,320,000</u>	\$1.81

During the nine months ended December 31, 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 \$317,221 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 December 31, 2007, the Company had an additional \$81,851 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 December 31, 2007 have exercise prices between \$0.68 and \$2.25 and expire between February 18, 2008 and August 16, 2010 and have a weighted-average remaining contractual life of approximately 3 years. Subsequent to December 31, 2007, 157,000 stock options were exercised an exercise price of \$0.68 per share for proceeds of \$106,760.

(d) As at December 31, 2007, there were no share purchase warrants outstanding.

6. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2007, the Company:

- (a) incurred management fees of \$222,900 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, 2007, \$42,041 was due to this company and included in amounts due to related parties;
- (b) incurred legal fees of \$30,639 to a law firm of which a partner is a director of the Company. At December 31, 2007, \$987 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 resources 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.

8. SUBSEQUENT EVENT

Subsequent to December 31, 2007, the Company issued 148,000 common shares at a deemed price of \$1.70 per share for a total of \$251,600 to the University of British Columbia ("University") as a donation to the University to build a new earth science systems building.