

FIRST QUARTER REPORT

June 30, 2008



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:

Canadian Gold Hunter Corp. ("CGH" or the "Company") has completed the first phase of diamond drilling on the Northern Zone at its Caballo Blanco gold project in Mexico. The Company is very encouraged by the results of this first phase of work at the Cerro la Paila target where geophysics, surface sampling and diamond drilling have outlined a large area (about 800 by up to 450 metres) underlain by gold-bearing silica breccias.

The Company is in the process of completing a new resource calculation on the GJ/Kinaskan copper/gold project located in northern British Columbia. An economic evaluation will follow.

In addition, work has commenced on the newly-acquired Zymo copper/gold property located near Smithers British Columbia. The Company can earn up to a 75% interest in this promising new project from Eastfield Resources Ltd.

Caballo Blanco Gold Project, Mexico

The Company has completed the initial phase of drilling on the epithermal gold system in the Northern Zone on the Caballo Blanco gold project located on the Gulf of Mexico roughly 70 kilometres north of the port city of Veracruz. Nineteen holes totaling 3,446 metres were drilled. Results were encouraging with drill intercepts as high as 2.09 grams per tonne gold (g/t Au) over 94.5 metres in hole 08-CBN-004. The two core rigs have been moved from the Northern Zone to the Central Grid, where 2,500 metres of drilling in 8-10 holes are planned on this gold-rich porphyry copper target.

Caballo Blanco is a large, high-sulphidation epithermal gold system that had seen limited work by previous exploration companies. 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 system 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.

The focus of the initial drill program in the Northern Zone was the Cerro la Paila target, a zone of very high resistivity defined by detailed IP. The resistivity anomaly extends over a N-S distance of 800 metres with widths up to 450 metres, but as yet undetermined depth extent. The initial drill program at Cerro la Paila was designed to test the resistivity anomaly on 100-metre spaced lines to outline the gold distribution. The gold-bearing breccias are roughly coincident with the resistivity anomaly and up to 150 metres thick; however on most sections the drill holes were lost in mineralized silica breccia and the true thicknesses are not known. The next phase of drilling at Cerro la Paila, which will start in November 2008, will be completed using larger drills that will be more capable of drilling deeper holes. The plan is to test Cerro la Paila on 50-metre centres to a depth of at least 300 metres in order to define a mineral resource.

A second high-sulphidation gold system, referred to as the Highway Zone, occurs four km. south of the Northern Zone. It is also defined by extensive vuggy silica/alunite/clay alteration. A 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.

The Central Grid Zone, a porphyry copper-gold target some 10 kilometres SW of the Northern 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. 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. Extensive soil sampling and geophysical IP and

magnetic surveys were carried out over the winter and early spring to define drill targets. Road access was also established. Drilling commenced on June 20th and will amount to approximately 2,500 metres in 8-10 holes.

The Company has an option to acquire a 70% interest in the Caballo Blanco Property from Almaden Minerals Ltd. ("Almaden") 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 (exceeded by the Company). 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

Since 2004 the Company has completed 54,725 metres of diamond drilling in 218 holes on the GJ/Kinaskan Project, located in northwestern British Columbia. The Donnelly Zone is by far the most advanced of the four mineralized zones at GJ/Kinaskan. It has been delineated by 50-metre spaced diamond drill holes over a strike length of 1.5 kilometres to a depth of approximately 300 metres and up to a maximum width of 300 metres. An updated resource is scheduled to be completed in August of this year followed by an economic analysis.

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

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

Zymo Project

On May 16, 2008, CGH signed an option agreement with Eastfield Resources Ltd. ("Eastfield") to earn up to a 75% interest in the Zymo Property, located 40 km west of Smithers, BC. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

The Company can earn an initial 60% interest in the property by making cash payments totaling \$350,000, issuing 50,000 common shares and completing exploration expenditures of \$4 million over five years. A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 must be completed in calendar 2008. The program will include extensive geochemical sampling, IP geophysical surveying and diamond drilling.

The Zymo property hosts at least two large copper-gold porphyry, or intrusion related, mineralized zones. Historical work, dating primarily from pre-2000, outlined a large geochemical anomaly measuring approximately 1 kilometre by 1 kilometre, within which numerous mineral occurrences have been located. This area is now referred to as the Main Zone. In 2007, in the Main Zone area, chip sampling along a creek exposure returned 0.13% copper and 0.26 g/t gold. Grab samples in this area have returned up to 1.0% copper. About 800 metres southeast of the Main Zone, prospecting located a new showing, where a grab sample returned a grade of 0.92% copper, 0.26 g/t gold and 4.5 g/t silver. The nearest drill holes to this new showing are over 500 m to the southeast and to the west, respectively.

The Hobbes Zone is a 2007 discovery of porphyry-style mineralization approximately 4.5 km west of the Main Zone. Grab samples returned copper grades to 0.33% and gold grades to 1.13 g/t, indicating a significant copper-gold system associated with a magnetic high that measures 1.0 km in length. The host rocks are intensely altered intrusives. In this area, a soil sample survey on the outer edges of a magnetic high outlined strong copper, gold and molybdenum anomalies over an area of at least 1.0 x 1.0 km.

The program this year, which commenced in mid-June, 2008, will include extensive geochemical sampling, IP geophysical surveying and diamond drilling. The reconnaissance program that led to a new discovery last year (Hobbes Zone) will continue over a number of prospective target areas. More detailed work, followed by diamond-drill testing, will be completed in the Main and Hobbes Zones.

Manson Creek Project

Since 2004, the Company has drilled 6,532 metres in 31 drill holes on the Manson Creek property. The main target is the QCM Zone, a low-grade gold, strongly pyritic, carbonate-altered and quartz-veined body extending over an area of some 750 x 400 meters. The best hole drilled by the Company was hole 04-003, which intersected 141.0 meters grading 0.78 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. In addition to the low grade gold a few bonanza grade gold intercepts were encountered, including 173 g/t gold over 1.53 metres in hole 04-002.

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

On behalf of the Board,

(signed) Richard J. Bailes
President

August 12, 2008

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED JUNE 30, 2008**

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 consolidated financial statements for the three months ended June 30, 2008 and the March 31, 2008 year end audited consolidated financial statements and the 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. All dollars amounts are expressed in Canadian dollars, unless otherwise indicated. The effective date of this MD&A is August 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.

OVERVIEW

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

HIGHLIGHTS

CABALLO BLANCO PROJECT

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 primary target at Caballo Blanco is the Northern Zone, a high-sulphidation gold system 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 kilometres. Road access to key areas within the Northern Zone has been completed. The initial phase of drilling in the Northern Zone has been completed. Nineteen holes totaling 3,446 metres were drilled.

The focus of the drill program on the Northern Zone was the Cerro la Paila target, a zone of very high resistivity defined by detailed I.P. The resistivity anomaly extends over a NS distance of 800 metres with widths up to 450 metres and substantial, but as yet undetermined, depth extent. In places, the resistivity anomaly is buried below low-resistivity volcanic rocks. Where the resistivity high extends to surface, iron-rich silica breccias are exposed and gold soil and rock geochemical anomalies are extensive. The gold-bearing silica breccias have now been traced by surface sampling and diamond drilling over an area roughly coincident with the resistivity anomaly. The gold-bearing breccias are up to 150 metres thick; however on most sections the drill holes were abandoned in mineralized silica breccia and the true thicknesses are not known. The next phase of drilling at Cerro la Paila, which is scheduled to start in early November 2008 will be completed using a larger rig that will be more capable of drilling deeper holes so that Cerro la Paila can be tested on 50-metre centres to a depth of at least 300 metres.

Most holes drilled at Cerro la Paila intersected wide intervals of gold mineralization. Core hole 08CBN-004, which intersected 94.5 metres grading 2.09 g/t Au (grams/tonne gold), including 39.62 metres grading 3.93 g/t Au, is the best hole drilled to date and confirms the high-grade potential of the Cerro la Paila target. The hole was abandoned due to difficult drilling conditions in massive silica breccia at 203.61 metres. Assays have not yet been received for the bottom of hole 017, hole 018 and hole 020; they will be released when they are available.

A second high sulphidation gold system, referred to as the Highway Zone, occurs four kilometres south of the Northern Zone. It is also defined by extensive vuggy silica/alunite/clay alteration. A geochemical survey outlined strong gold soil anomalies (up to 350 ppb Au) over an N-S distance of three kilometres. Some of these anomalies remain open and require additional sampling prior to drilling.

The Central Grid Zone, a porphyry copper-gold target, located some 10 kilometres SW of the Northern Zone, encompasses a broad area of 16 square kilometres 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 metres in altered monzodiorite (see Almaden Minerals Ltd. 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. Extensive soil sampling and geophysical IP and magnetic surveys have been carried out over the winter and early spring to define drill targets. Road access has also been established.

The two drill rigs were moved from the Northern Zone to the Central Grid and drilling commenced on June 20, 2008. Eight to ten holes totaling 2,500 metres are planned at the Central Grid to test coincident geophysical and geochemical anomalies.

Geological data are verified by qualified person Jan Christoffersen, P. Eng., Vice President of the Company.

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 latest assays results were received in March, 2008.

The Donnelly Zone is by far the most advanced of the four mineralized zones at GJ. It has been delineated by 50-metre spaced diamond drill holes over a strike length of 1.5 kilometres to a depth of about 300 metres and up to a maximum width of 300 metres. In June 2007, the Company completed a Technical 43-101 compliant resource estimate for the Donnelly Zone. At a cut-off of 0.20% copper, the Donnelly Zone contains 123,090,000 metric tons grading 0.314% Cu and 0.352 g/t Au. An updated resource is being completed at present and an economic evaluation of the project will be undertaken shortly thereafter. No further field work will be carried out until such evaluation is completed.

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

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

ZYMO PROJECT

On May 16, 2008, the Company signed an option agreement with Eastfield Resources Ltd. ("Eastfield") to earn up to a 75% interest in the Zymo Property, located 40 km west of Smithers, BC. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

The Company can earn an initial 60% interest in the property by making cash payments totaling \$350,000 over five years and completing exploration expenditures of \$4 million over five years and issuing 50,000 shares (issued). A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 must be completed in calendar 2008.

The Zymo property hosts at least two large copper-gold porphyry, or intrusion related, mineralized zones. Historical work, dating primarily from pre-2000, outlined a large geochemical anomaly measuring approximately 1 kilometer by 1 kilometer, within which numerous mineral occurrences have been located. This area is now referred to as the Main Zone. In 2007 in the Main Zone area, chip sampling along a creek exposure returned 0.13% Cu and 0.26 g/t Au.

Grab samples in this area have returned up to 1.0% Cu. About 800 metres southeast of the Main Zone, prospecting located a new showing, where a grab sample returned a grade of 0.92% Cu, 0.26 g/t Au and 4.5 g/t Ag. The nearest drill holes to this new showing are over 500 m to the southeast and to the west, respectively.

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The program this year, which commenced in mid-June, 2008, will include extensive geochemical sampling, IP geophysical surveying and diamond drilling. The reconnaissance program that led to a new discovery last year (Hobbes Zone) will continue over a number of prospective target areas. More detailed work, followed by diamond-drill testing, will be completed in the Main and Hobbes Zones.

MANSON CREEK PROJECT

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FINANCING

On July 11, 2008, the Company completed a private placement of 565,500 flow-through common shares at a price of \$2.30 per share and 3.5 million common shares of the Company at a price of \$2.00 per share for total gross proceeds of \$8.3 million. A 4% finder's fee totaling \$240,000 cash was paid on a portion of the private placement.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended*	Jun-08	Mar-08	Dec-07	Sep-07	Jun-07	Mar-07	Dec-06	Sep-06
			(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
A. Total revenues (\$000's)	-	-	-	-	-	-	-	-
B. Net loss (\$000's)	(362)	(409)	80	(202)	(666)	(1,485)	(15)	(240)
C. Basic and diluted loss per share (\$)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	0.00	(0.01)

*As disclosed in Note 2 to the interim consolidated financial statements for the period ended June 30, 2008, the prior period results have been restated as a result of an error in future income taxes.

Net loss, quarter over quarter, is affected by the level of general exploration and project investigation expenses incurred and write-off of mineral properties interests and will vary accordingly. Net loss is also impacted by the recognition of stock based compensation in that quarter which will depend on options granted and vested.

The increase in net loss for the fourth quarter ended March 31, 2008 from the third quarter ended December 31, 2007 is mainly attributed to a donation of Company shares, amounting to \$252,000, made to the University of British Columbia towards the construction of a new earth science systems building and future tax expenses of \$93,000.

The decrease in loss for the third quarter ending December 31, 2007 from the quarter ended September 30, 2007 is primarily due to foreign exchange gains of \$228,000.

The increase in net loss for the first quarter ending June 30, 2007 from the quarter ended March 31, 2007 is primarily due to increased stock based compensation expenses.

The increase in net loss for the fourth quarter ending March 31, 2007 from the quarter ended December 31, 2006 is primarily due to the write off mineral property expenditures of \$2.2 million on the Assean Lake, which was offset by a recovery of \$1.3 million of future income taxes.

RESULTS OF OPERATIONS

The Company's loss for the first quarter ended June 30, 2008 was \$362,000 as compared to \$666,000 for the same period ended June 30, 2007. The decrease in loss of \$304,000 was primarily due to decreased general and administrative expenses, which includes a decrease in stock based compensation expenses of \$214,000.

General and administrative expenses for the first quarter of 2008 decreased to \$461,000 as compared to \$866,000 for same period of 2007. As noted above, the decrease is due primarily to decreased stock based compensation expenses.

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

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2008, the Company had cash and working capital of \$2.3 million and \$2.5 million, respectively, as compared to cash and working capital of \$4.1 million and \$3.9 million at March 31, 2008. Subsequent to June 30, 2008, the Company completed a private placement of 565,500 flow-through common shares at a price of \$2.30 per share and 3.5 million common shares of the Company at a price of \$2.00 per share for total gross proceeds of \$8.3 million. A 4% finder's fee totaling \$240,000 cash was paid on a portion of the private placement.

Net cash used in operating activities was \$427,000 for the three months ended June 30, 2008 and consisted primarily of the loss from operations of \$362,000 adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash provided by financing activities for the three months ended June 30, 2008 was \$nil.

Net cash used in investing activities was \$1.4 million and consisted mainly of capitalized exploration expenditures of \$1.4 million on the Company's projects and equipment purchase of \$5,000.

Based on the Company's financial position at June 30, 2008 and including the private placement completed subsequent to June 30, 2008, the Company believes that existing funds will be sufficient to perform planned exploration and general corporate activities for at least 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.

CHANGES IN ACCOUNTING POLICIES

CICA Section 1400, "General Standards on Financial Statement Presentation", was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. This new standard became effective for the Company on April 1, 2008. There was no material impact on the Company's financial condition or operating results as a result of the adoption of the new standard.

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 3 to the consolidated financial statements for the year ended March 31, 2008 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.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Management has commenced its internal training program and during the upcoming quarter plans to commence the process of identifying the differences between Canadian generally accepted accounting standards and IFRS and putting into place a conversion plan for the adoption of IFRS.

RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2008, the Company incurred:

- (a) management fees of \$84,000 (2008 - \$69,000) to a company controlled by a director pursuant to an agreement which is renewable on July 1, 2010. At June 30, 2008, \$31,574 (March 31, 2008 - \$41,416) was due to this company and included in amounts due to related parties;
- (b) legal fees of \$12,244 (2008 - \$20,717) to a law firm of which a partner is a director of the Company. At June 30, 2008, \$2,000 (March 31, 2008 - \$2,000) was due to this law firm and included in amounts due to related parties.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

As at August 12, 2008, the Company had 54,042,786 common shares outstanding and 2,587,000 share options outstanding under its stock-based incentive plans. As at the same date, the Company had no share purchase warrants outstanding. Of the 2,587,000 share options outstanding, 1,293,000 are subject to shareholder's approval.

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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

For the three months ended June 30, 2008, the Company took steps to improve its internal disclosure controls and procedures over financial reporting which includes an independent tax review of future income tax balances and provided the appropriate training and instruction for the staff at its foreign subsidiary with respect to the accrual basis of accounting.

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 prices of these metals, especially copper and gold, greatly affect 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 metals 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.

Foreign Operations Risk: The Company conducts exploration activities in Mexico, which expose the Company to risks that may not otherwise be experienced if all operations were domestic. The risks include, but are not limited to, terrorism and hostage taking, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Competition: There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

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.

The Company is earning an interest in certain of its key properties through options agreements and acquisition of title to the properties is completed only when the option conditions have been met. These conditions include making property payments, incurring exploration expenditures on the properties and satisfactory completion of certain pre-feasibility studies and third party agreements. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

OFF-BALANCE SHEET AGREEMENTS

The Company has no off-balance sheet arrangements.

OUTLOOK

At the Caballo Blanco project, drilling will continue to complete the 2,500-metre planned drill program on the Central Grid gold-rich porphyry copper target. A two to three month drilling break is planned during the rainy season starting in mid-August 2008 to compile data, plan additional work and obtain further permits for access. Drilling will commence again in early November 2008 on both Cerro la Paila and other targets in the Northern Zone and on the Central Grid.

At the GJ/Kinaskan project, an updated resource estimate will be completed in August, 2008. An economic evaluation of the project will then be undertaken.

At the Zymo project, the summer program will include extensive geochemical sampling, geological mapping, IP geophysical surveying and diamond drilling.

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.

The mineral industry has remained very strong throughout 2007 and 2008 driven by strong demand from China, India, Eastern Europe and Brazil. Overall, metal prices are expected to be at or above historic averages for the next several years, such that the Company's exploration and development activities should continue to receive strong investor support and wide industry recognition in the year ahead.

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.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>June 30,</u> <u>2008</u>	<u>March 31,</u> <u>2008</u>
ASSETS		
Current assets		
Cash	\$ 2,253,138	\$ 4,111,307
Accounts receivable	515,847	318,375
Prepaid expenses	77,545	62,207
	<u>2,846,530</u>	<u>4,491,889</u>
Fixed assets, net	204,275	207,460
Mineral properties and related expenditures (Note 4)	21,558,912	20,182,950
Other assets	43,500	43,500
	<u>\$ 24,653,217</u>	<u>\$ 24,925,799</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 357,879	\$ 523,387
Due to related parties (Note 6)	33,574	43,416
	<u>391,453</u>	<u>566,803</u>
Long Term Liabilities		
Future income taxes	1,655,310	1,705,624
	<u>2,046,763</u>	<u>2,272,427</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)		
54,042,786 shares (March 31, 2008 - 53,992,786 shares)	105,882,379	105,824,379
Reserved for issuance 20,348 shares (March 31,2008 - 20,348 shares)	1,290	1,290
Contributed surplus - stock options	2,221,781	1,964,571
Deficit	(85,498,996)	(85,136,868)
	<u>22,606,454</u>	<u>22,653,372</u>
	<u>\$ 24,653,217</u>	<u>\$ 24,925,799</u>
Nature and Continuance of Operations (Note 1)		
Subsequent event (Note 8)		
ON BEHALF OF THE BOARD:		
<u>/s/William A. Rand</u>	<u>/s/Richard J. Bailes</u>	
Director	Director	

See notes to consolidated financial statements

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

	Three months ended	
	June 30,	
	<u>2008</u>	<u>2007</u>
		Restated
Expenses		
General exploration and project investigation	\$ -	\$ 7,583
Management fees	84,000	69,000
Office and general	6,210	6,792
Professional fees	29,085	46,660
Promotion and public relations	51,390	40,283
Donation	-	4,424
Stock exchange and filing fees	12,386	4,834
Transfer agent and shareholder information	6,658	4,223
Travel	1,474	-
Wages and benefits	55,149	47,958
Stock based compensation	214,174	633,833
Amortization	-	220
	<u>460,525</u>	<u>865,810</u>
Loss before the undernoted items		
Other (income) expenses		
Interest income	(11,401)	(48,918)
Foreign exchange (gain)/ loss	(20,350)	1,526
	<u>428,774</u>	<u>818,418</u>
Loss before income taxes		
Future income tax recovery	(66,645)	(152,175)
	<u>362,128</u>	<u>666,243</u>
Loss and comprehensive loss for the period		
Deficit, beginning of the period	<u>85,136,868</u>	<u>83,938,985</u>
Deficit, end of the period	<u>\$ 85,498,996</u>	<u>\$ 84,605,228</u>
Basic and diluted loss per common share	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of shares outstanding	<u>54,003,226</u>	<u>50,785,753</u>

See notes to consolidated financial statements

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

	Three months ended June 30,	
	<u>2008</u>	<u>2007</u>
		Restated
Cash flows from (used in) operating activities		
Loss for the year	\$ (362,128)	\$ (666,243)
Items not affecting cash		
Amortization	-	220
Stock based compensation	214,174	633,833
Future income tax recovery	(66,645)	(152,175)
	<u>(214,600)</u>	<u>(184,365)</u>
Changes in non-cash working capital items		
Accounts receivable and other current assets	(212,810)	(54,385)
Accounts payable and accrued liabilities	10,156	338,629
Due to related parties	(9,842)	(12,696)
	<u>(427,096)</u>	<u>87,183</u>
Cash flows from (used in) financing activities		
Common shares issued, net	-	6,867,238
Cash flows (used in) investing activities		
Mineral properties and related expenditures	(1,425,748)	(1,063,374)
Purchase of equipment	(5,325)	(57,400)
	<u>(1,431,073)</u>	<u>(1,120,774)</u>
Increase (decrease) in cash	(1,858,169)	5,833,647
Cash, beginning of the period	<u>4,111,307</u>	<u>4,275,238</u>
Cash, end of the period	<u>\$ 2,253,138</u>	<u>\$ 10,108,885</u>
Supplementary information regarding non-cash transactions		
Investing activities		
Stock based compensation and related tax liability capitalized in mineral properties	(59,367)	(170,047)
Property acquisition and related tax liability	(58,000)	(2,250,000)
	<u>\$ (117,367)</u>	<u>\$ (2,420,047)</u>
Financing activities		
Shares issued on acquisition of mineral properties	<u>\$ 58,000</u>	<u>\$ 2,250,000</u>

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2008
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Canadian Gold Hunter Corp. (the "Company") is a Canadian federal company engaged in the acquisition, exploration and development of mineral properties primarily in Canada and Mexico.

The recoverability of the cost of mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the project, and future profitable production or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material reductions in the carrying amount of mineral properties and related fixed assets.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of 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 3 to the Company's audited consolidated financial statements for the year ended March 31, 2008.

Certain comparative figures have been restated to conform with the restatements as disclosed in Note 2 to the Company's audited financial statements for the year ended March 31, 2008.

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 2008 Annual Report.

3. ACCOUNTING POLICIES CHANGE

CICA Section 1400, "General Standards on Financial Statement Presentation", was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. This new standard became effective for the Company on April 1, 2008. There was no material impact on the Company's consolidated financial statements as a result of the adoption of the new standard.

4. MINERAL PROPERTIES AND RELATED EXPENDITURES

	GJ and Kinaskan Canada	Manson Creek Canada	Zymo Canada	Caballo Blanco Mexico	Total
Balance, March 31, 2007	\$ 8,257,271	\$ 1,244,556	\$ -	\$ -	\$ 9,501,827
Assaying	146,174	28,160		174,401	348,735
Camp costs	55,318	13,926		79,961	149,205
Drilling	1,195,725	224,452		775,002	2,195,179
Environmental & community relation	68,242	-		60,695	128,937
Expediting and project supervision	35,919	48,014		97,602	181,535
Field supplies and equipment	78,769	34,241		135,284	248,294
Field salaries and contract labour	207,853	57,067		154,368	419,288
Fuel	61,053	-		5,984	67,037
Consulting	115,640	-		28,394	144,034
Geological, geophysical & geochemical	275,877	49,558		667,843	993,278
Roadwork	-	-		209,098	209,098
Helicopter	505,009	-		57,915	562,924
Maps and reports	19,503	62		4,663	24,228
Office miscellaneous	2,053	-		265,090	267,143
Option payment, Licenses, Fees	13,764	-		3,765,839	3,779,603
Professional	-	-		48,710	48,710
Staking	-	-		7,747	7,747
Stock based compensation and related tax liability	115,316	-		422,618	537,934
Survey	-	-		101,296	101,296
Transport and travel	63,459	13,571		189,887	266,917
Incurring during the year	2,959,674	469,051	-	7,252,397	10,681,123
Balance, March 31, 2008	\$ 11,216,945	\$ 1,713,608	\$ -	\$ 7,252,397	\$ 20,182,950
Assaying	1,553	-	-	36,116	37,669
Camp costs	-	-	5,564	2,351	7,915
Drilling	-	-	-	605,371	605,371
Environmental & community relation	9,187	-	-	10,028	19,215
Expediting and project supervision	-	357	-	80,838	81,195
Field supplies and equipment	908	-	12,805	39,522	53,235
Field salaries and contract labour	-	-	-	154,543	154,543
Consulting	-	-	-	50,711	50,711
Geological, geophysical & geochemical	14,200	3,506	22,255	18,548	58,509
Roadwork	-	-	-	57,067	57,067
Helicopter	9,818	-	-	-	9,818
Maps and reports	3,749	2,393	-	4,784	10,926
Office miscellaneous	-	-	-	(36,896)	(36,896)
Option payment, Licenses, Fees	-	-	78,000	61,412	139,412
Professional	-	-	12,444	13,383	25,827
Staking	-	-	-	-	-
Stock based compensation and related tax liability	14,568	-	-	44,799	59,367
Survey	-	-	-	-	-
Transport and travel	1,300	-	203	40,574	42,077
Incurring during the period	55,283	6,256	131,271	1,183,151	1,375,962
Balance, June 30, 2008	\$ 11,272,228	\$ 1,719,864	\$ 131,271	\$ 8,435,548	\$ 21,558,912

(a) 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 Minerals Ltd. ("Almaden") (issued), making a cash payment of US\$500,000 to a subsidiary of Almaden (paid) 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 (made). 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.

(b) Zymo Property, Canada

In May, 2008, the Company signed an option agreement with Eastfield Resources Ltd. to earn up to a 75% interest in the Zymo Property, located 40 km west of Smithers, BC. The Company can earn an initial 60% interest in the property by making cash payments totaling \$350,000 over five years and completing exploration expenditures of \$4 million over five years and issuing 50,000 shares (issued). A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 must be completed in calendar 2008.

5. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

	<u>Number of Shares</u>	<u>Amount</u>
Common shares		
Balance, March 31, 2008	53,992,786	\$105,824,379
Mineral property (Note 4(b))	<u>50,000</u>	<u>58,000</u>
Balance, June 30, 2008	<u>54,042,786</u>	<u>\$105,882,379</u>

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

	<u>June 30, 2008</u>		<u>June 30, 2007</u>	
	Number of Shares	Weighted- average exercise price	Number of Shares	Weighted- average exercise price
Outstanding at beginning of period	1,294,000	\$2.01	2,400,000	\$0.97
Granted*	1,293,000	\$1.19	764,000	\$2.25
Cancelled/Expired	-	-	(370,000)	\$1.09
Exercised	-	-	(1,084,000)	\$1.10
Outstanding at the end of period	<u>2,587,000</u>	\$1.60	<u>1,710,000</u>	\$1.43
Exercisable at end of period	<u>1,181,500</u>	\$2.02	<u>1,672,500</u>	\$1.43

*The options granted during the quarter ended June 30, 2008 are subject to shareholder's approval.

Option prices, when granted; reflect current trading values of the Company's shares. The options outstanding at June 30, 2008 have exercise prices ranging from \$1.19 to \$2.25 and expire between January 4, 2010 and April 9, 2011 and have a weighted-average remaining contractual life of approximately 2 years.

The fair value of options granted have been estimated using an option-pricing model with the following assumptions

		<u>June 30, 2008</u>	<u>June 30, 2007</u>
Dividend Yield	:	0%	0%
Average risk free interest rate	:	4.55%	4.71%
Expected volatility	:	68%	69%
Expected life of option	:	3 years	3 years

During the three months ended June 30, 2008, stock based compensation of \$214,174 (2007-\$633,833) has been recognized in the Consolidated Statements of Loss and Deficit and Comprehensive Loss. In addition, stock based compensation of \$43,035 (2007-\$170,047) have been capitalized to mineral properties.

The fair values of stocks options with vesting provisions are amortized on a straight-line basis as stock-based compensation over the applicable period. At June 30, 2008, the Company had an additional \$354,958 in stock-based compensation to be recognized in operations and \$58,044 in mineral properties in future periods.

(d) As at June 30, 2008, there were no share purchase warrants outstanding.

6. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2008, the Company:

- (a) incurred management fees of \$84,000 (2007 - \$69,000) to a company controlled by a director pursuant to an agreement for administration and officer services, which is due for renewal on July 1, 2010. At June 30, 2008, \$31,574 (March 31, 2008 - \$41,416) was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$12,244 (2007 - \$20,717) to a law firm of which a partner is a director of the Company. At June 30, 2008, \$2,000 (March 31, 2008 - \$2,000) was due to this law firm and included in amounts due to related parties.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. SEGMENTED INFORMATION

The Company's only business activity is the exploration for and development of mineral resources in Canada and Mexico. Segmented information about mineral properties is disclosed elsewhere in these consolidated financial statements. The Company's fixed assets are primarily located in Mexico.

8. SUBSEQUENT EVENT

On July 11, 2008, the Company completed a private placement of 565,500 flow-through common shares at a price of \$2.30 per share and 3.5 million common shares of the Company at a price of \$2.00 per share for total gross proceeds of \$8.3 million. A 4% finder's fee totaling \$240,026 cash was paid on a portion of the private placement.