S E C O N D Q U A R T E R R E P O R T

September 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) completed its first-phase drill program on the Cerro la Paila target at its Caballo Blanco gold project in Mexico. Geophysics, surface sampling and diamond drilling outlined a large area (about 800 by up to 450 metres) underlain by gold-bearing silica breccias. Follow-up drilling will start in mid-November 2008 and consist of approximately 10,000 metres in 48 drill holes.

The Company completed a new resource calculation on the GJ/Kinaskan copper-gold project located in northern British Columbia. The measured and indicated resource, at a cut-off of 0.20% copper, is 153.3 million tonnes grading 0.321% copper and 0.369 g/t gold and contains 1.09 billion pounds of copper and 1.82 million ounces of gold. An economic evaluation will follow.

In addition, the initial drill program was completed on the newly-acquired Zymo copper-gold property located near Smithers British Columbia. Highlights included 72.0 metres grading 0.72% copper and 0.54 g/t gold from 15.0 to 90 metres in drill hole ZY08-09. The Company can earn up to a 75% interest in this promising new project from Eastfield Resources Ltd.

Caballo Blanco Gold Project, Mexico

The first phase of diamond drilling was concluded in mid-August 2008 on the Company's Caballo Blanco Project in Mexico. A total of 5,933 meters of drilling was completed in 28 diamond drill holes: 3,464 meters in 19 holes on the Northern Zone and 2,469 meters in 9 holes on the Central Grid Zone. Drilling on the Cerro la Paila target in the Northern Zone encountered significant gold over long intervals in complex vuggy silica breccias. Drilling in the Central Grid Zone resulted in the discovery of the Pedrero copper-gold porphyry and the further evaluation of the El Porvenir porphyry copper-gold system. Low-grade copper-gold mineralization was intersected over long intervals at both targets.

Caballo Blanco is a large, high-sulphidation epithermal gold system located on the Gulf of Mexico roughly 70 kilometers north of the port city of Veracruz. Infrastructure is excellent as the prospective areas are all located within 10 kilometers of the Panamerican highway and a power plant. The primary target at Caballo Blanco is the Northern Zone, a high-sulphidation gold system. The Northern Zone alteration system comprises strong vuggy silica, quartz-alunite and various clay minerals extending over 20 square kilometres.

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 N-S 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 many sections the drill holes were abandoned in mineralized silica breccia and the true thicknesses are not known. A 48-hole, ten-thousand metre diamond drill program is scheduled to start at Cerro la Paila in mid-November 2008. This program will be completed using two larger rigs that will be capable of drilling deeper holes so that Cerro la Paila can be tested on 50-metre centres to a depth of up to 300 metres. A resource calculation will follow.

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.

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 The Central Grid Zone hosts at least two porphyry copper-gold systems, El Porvenir and Pedrero, separated by almost three kilometers. Both target areas are underlain by altered monzodioritic stocks of unknown dimensions intrusive into basalts and/or quartz-eye dacite tuffs and carrying variable amounts of pyrite, chalcopyrite, minor bornite and associated gold.

Drilling in the Central Grid Zone consisted of four holes drilled at the Pedrero, the first holes to test this Cu-Au porphyry target, and five holes drilled to evaluate the El Porvenir porphyry Cu-Au system further. Low-grade copper and gold at El Porvenir persist to considerable (400 m.) depth within a restricted surface area. The best hole of the Central Grid program was 08CBCN-19 at Pedrero, which intersected 41.15 metres grading 0.27% copper and 0.42g/t gold before being lost in well-mineralized monzodiorite at 187.45 meters. There are insufficient drill holes at Pedrero to evaluate its potential at this stage but more drilling is required. The host monzodiorites at both sites are identical and, hence, are assumed to belong to the same mineralizing episode.

GJ/KINASKAN PROJECT

The Company announced the completion of an updated independent resource estimate on the Donnelly and North Donnelly zones at its GJ/Kinaskan gold-rich porphyry copper deposit in northern British Columbia.

The measured and indicated resource, at a cut-off of 0.20% copper, is 153.3 million tonnes grading 0.321% copper and 0.369 g/t gold and contains 1.09 billion pounds of copper and 1.82 million ounces of gold. This new resource represents an approximate 25% increase in tonnage, 27% increase in contained copper and 31% increase in contained gold over the 2007 measured and indicated resource.

The Donnelly Zone has been drilled to an average depth of about 300 metres on about 50-metre centres. It is 1600 metres in length and up to 340 metres wide. This new resource estimate includes substantial additional near-surface, higher-grade material that would be immediately accessible for mining.

The Main and North Donnelly Zone resource estimate was prepared by qualified person Mr. Gary Giroux. P.Eng. using a computer-generated block model based on approximately 42,000 metres of diamond drilling in 169 drill holes. A total of 9,883 assayed samples were used to define the resource.

During the quarter, Premier Gordon Campbell announced that the Province of British Columbia will immediately start the environmental assessment process and First Nations consultation on the Northwest Transmission Line along Highway 37. This news is encouraging because the power line would have a positive impact on the economics of the GJ project, which is easily accessible from Highway 37.

The GJ/Kinaskan Property is located in northern British Columbia about 10 kilometres west of Highway 37. The claims underlie an area of about 150 square kilometres and cover a number of significant mineral showings, including the Donnelly, GJ and North zones. Canadian Gold Hunter has a 100% working interest in the property.

ZYMO PROJECT

The Company completed its initial exploration program on the Zymo copper-gold project located 40 km west of Smithers in central British Columbia in September 2008. The program included a 6-hole 1,550-metre diamond drill program, the highlight of which was the upper 72.0 metres of ZY08-09, which graded 0.72% copper and 0.54 g/t gold from 15.0 to 87 metres.

The exploration program, which started in late June, included geochemical sampling, IP geophysical surveying and geological mapping in preparation for the drill program, which was focused on the newly discovered Hobbes target located 4.5 km northwest of the original discovery area (FM grid). The Hobbes target consists of copper-gold mineralization associated with magnetite and quartz stockwork. Mineralized outcrops have been observed along the length of a strongly altered intrusion for approximately 800 m. Copper and gold grades from outcrop samples range from background levels to 0.86% Cu and 1.1 g/t Au.

The IP geophysical survey demonstrated that copper and gold are associated with a very large sulphide system that is continuous between the FM and Hobbes grids, covering an area at least 5 kilometres long and approximately 2.5 km wide.

The Company can earn an initial 60% interest in the property from Eastfield Resources Ltd. by making cash payments totaling $350,000 over five years, 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 (incurred) must be completed in calendar 2008. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

The Company has sufficient funds to carry out its planned exploration programs and cover general and administrative costs through to early 2010. A 48-hole, two-phase, 10,000-metre diamond drill program is scheduled to start at Caballo Blanco in mid-November, 2008. The initial phase will consist of 5,000 metres in 24 holes.

On behalf of the Board,

(signed) Richard J. Bailes
President

November 14, 2008

CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTHS ENDED SEPTEMBER 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 six months ended September 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 November 13, 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.

EXPLORATION REVIEW

CABALLO BLANCO PROJECT

The first phase of diamond drilling was concluded during the quarter on the Company's Caballo Blanco Project in Mexico. A total of 5,933 metres of drilling was completed in 28 diamond drill holes: 3,464 metres in 19 holes on the Northern Zone and 2,469 metres in 9 holes on the Central Grid Zone. Drilling on the Cerro la Paila target in the Northern Zone encountered significant gold over long intervals in complex vuggy silica breccias. Drilling in the Central Grid Zone resulted in the discovery of the Pedrero copper-gold porphyry and the further evaluation of the El Porvenir porphyry copper-gold system. Low-grade copper-gold mineralization was intersected over long intervals at both targets.

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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 N-S 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 many sections the drill holes were abandoned in mineralized silica breccia and the true thicknesses are not known. A two-phased 48 holes, ten-thousand metre diamond drill program is scheduled to start at Cerro la Paila in mid November 2008. The first phase will consists of 5,000 metres. This program will be completed using two larger rigs that will be capable of drilling deeper holes so that Cerro la Paila can be tested on 50-metre centres to a depth of up to 300 metres.

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

GJ/KINASKAN PROJECT

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The measured and indicated resource, at a cut-off of 0.20% copper, is 153.3 million tonnes grading 0.321% copper and 0.369 g/t gold and contains 1.09 billion pounds of copper and 1.82 million ounces of gold. This new resource represents an approximate 25% increase in tonnage, 27% increase in contained copper and 31% increase in contained gold over the 2007 measured and indicated resource.

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Main and North Donnelly Measured & Indicated Resource

Cut-off Cu (%)	Tonnes (000,000)	Cu (%)	Au (g/t)	Contained Cu (million lbs)	Contained Au (million ozs)
0.10	293.3	0.238	0.281	1,539	2.65
0.15	217.5	0.277	0.323	1,328	2.26
0.20	**153.3**	**0.321**	**0.369**	**1,085**	**1.82**
0.25	103.4	0.367	0.416	837	1.38
0.30	66.3	0.420	0.469	614	1.00

The Company is encouraged that, during the quarter, Premier Gordon Campbell announced that the Province of British Columbia will immediately start the environmental assessment process and First Nations consultation on the Northwest Transmission Line along Highway 37. This power line would have a positive impact on the economics of the GJ project, which is easily accessible from Highway 37.

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The IP geophysical survey demonstrated that mineralization is associated with a very large sulphide system, which is continuous between the FM and Hobbes grids, covering an area at least 5 kilometres long and approximately 2.5 kilometres wide.

The Company can earn an initial 60% interest in the property from Eastfield Resources Ltd. by making cash payments totaling $350,000 over five years, 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 (incurred) must be completed in calendar 2008. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

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. Finder’s fees totaling $240,000 and other share issuance costs of $17,000 were paid.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended*	**Sep-08**	**Jun-08**	**Mar-08**	**Dec-07**	**Sep-07**	**Jun-07**	**Mar-07**	**Dec-06**
				(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
A. Total revenues ($000's)	-	-	-	-	-	-	-	-
B. Net loss ($000's)	(1,493)	(362)	(409)	80	(202)	(666)	(1,485)	(15)
C. Basic and diluted loss per share ($)	(0.03)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	0.00

*As disclosed in Note 2 to the interim consolidated financial statements for the period ended September 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 second quarter ended September 30, 2008 from the first quarter ended June 30, 2008 is mainly due to the write off the Manson Creek property expenditures.

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 gain 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 of 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 second quarter ended September 30, 2008 was $1.5 million as compared to $202,000 for the same period ended September 30, 2007. The increase in loss of $1.3 million was primarily due to the write off of the mineral property interest in the Manson Creek project of $1.7 million, offset in part by a future income tax recovery of $466,000. General and administrative expenses for the second quarter of 2008 were slightly higher at $377,000 compared to the same period of 2007. The increase was due primarily to a donation of $83,000 to Lundin for Africa charitable organization offset by decreased stock based compensation expense.

For the six months ended September 30, 2008, the Company’s net loss was $1.9 million compared with a net loss of $869,000 for the same period in 2007. The increase in net loss is due primarily to write off of the mineral property interest in the Manson Creek project in the second quarter of 2008, offset in part by a future income tax recovery of $533,000 and lower general and administrative expenses. General and administrative expenses were lower 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 September 30, 2008, the Company had cash and working capital of $8.0 million as compared to cash and working capital of $4.1 million and $3.9 million at March 31, 2008. The increase in both cash and working capital is primarily due to the completion of a private placement during the quarter 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. Finder’s fees totaling $240,000 and other share issuance costs of $17,000 were paid.

Net cash used in operating activities was $782,000 for the six months ended September 30, 2008 and consisted primarily of the loss from operations of $1.9 million adjusted for the impact of non-cash items and changes in non-cash working capital items of $398,000.

Net cash provided by financing activities for the six months ended September 30, 2008 was $8.0 million and consisted primarily of the private placement completed during the quarter, net of issuance costs including finder’s fees.

Net cash used in investing activities was $3.4 million and consisted mainly of capitalized exploration expenditures of $3.4 million on the Company’s projects and equipment purchase of $13,000.

Based on the Company’s financial position at September 30, 2008 the Company believes that existing funds will be sufficient to perform planned discretionary exploration and general corporate activities for at least the next 12 months. Additional funding from the issuance of shares will be required in the future to fund further exploration and corporate expenses.

The recent unprecedented global credit crisis has adversely affected the mineral industry and the ability to raise exploration funding through the equity market. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any 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 utilize 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.

RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2008, the Company incurred:

(a) management fees of $168,000 (2007 - $138,000) to a company controlled by a director pursuant to an agreement which is renewable on July 1, 2010. At September 30, 2008, $13,000 (March 31, 2008 - $41,416) was due to this company and included in amounts due to related parties;

(b) legal fees of $28,000 (2007 - $29,000) to a law firm of which a partner is a director of the Company. At September 30, 2008, $584 (March 31, 2008 - $2,000) was due to this law firm and included in amounts due to related parties.

(c) A donation of $83,000 (2007 - $Nil) to Lundin for Africa Foundation, a charitable organization with a common director.

These transactions 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 November 5, 2008, the Company had 58,108,286 common shares outstanding and 2,559,000 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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

For the six months ended September 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, a second-phase drill program will commence in mid-November 2008. A two-phased 48 holes, ten-thousand-metre diamond drill program is planned and will be focused on the Cerro la Paila target in the Northern Zone. The first phase will consists of 24 holes totaling 5,000 metres. This program will be completed using two larger rigs that will be capable of drilling deeper holes so that Cerro la Paila can be tested on 50-metre centres to a depth of up to 300 metres. This drill spacing should be sufficient to allow for a preliminary resource calculation at Cerro la Paila. In addition to the work at Cerro la Paila, reconnaissance drilling will be carried out to test other Northern Zone targets as well as follow up on the Central Grid Zone.

At the GJ/Kinaskan project, upcoming plans include a Preliminary Economic Assessment. This study will focus on initial open-pit mining of the high-grade, near-surface eastern portion of the Donnelly Zone. The higher-grade material in this area averages in excess of 0.4% copper and 0.4 g/t gold.

At the Zymo project, the data from the 2008 summer program will be compiled over the winter and a follow-up program will be planned for the summer of 2009.

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

The mineral industry has been adversely affected by the recent uncertain economic conditions. In the long term, demand for metals from China, India, Eastern Europe and Brazil is expected to remain strong. However, in the short term, the ability of the Company to raise funds through the sale of equity has been compromised. The Company has sufficient funds to carry out planned exploration programs and cover general and administrative costs through to early 2010.

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)

	September 30, 2008	March 31, 2008
ASSETS		
Current assets		
Cash	$ 7,982,018	$ 4,111,307
Accounts receivable	674,780	318,375
Prepaid expenses	65,048	62,207
	8,721,846	4,491,889
Fixed assets, net	203,748	207,460
Mineral properties and related expenditures (Note 5)	22,197,185	20,182,950
Other assets	43,500	43,500
	$ 31,166,279	$ 24,925,799
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 710,684	$ 523,387
Due to related parties (Note 7)	14,095	43,416
	724,779	566,803
Long Term Liabilities		
Future income taxes	1,195,851	1,705,624
	1,920,630	2,272,427
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)		
58,108,286 shares (March 31, 2008 - 53,992,786 shares)	113,926,148	105,824,379
Reserved for issuance 20,348 shares (March 31,2008 - 20,348 shares)	1,290	1,290
Contributed surplus - stock options	2,310,106	1,964,571
Deficit	(86,991,895)	(85,136,868)
	29,245,649	22,653,372
	$ 31,166,279	$ 24,925,799

Nature and Continuance of Operations (Note 1)

ON BEHALF OF THE BOARD:

/s/William A. Rand_______
Director

/s/Richard J. Bailes___
Director

See notes to consolidated financial statements

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

	Three months ended September 30, 2008	Three months ended September 30, 2007 Restated	Six months ended September 30, 2008	Six months ended September 30, 2007 Restated
Expenses				
General exploration and project investigation	$ -	$ -	$ -	$ 7,583
Management fees	84,000	69,000	168,000	138,000
Office and general	9,863	6,203	16,072	12,995
Professional fees	23,658	16,083	52,744	62,743
Promotion and public relations	18,421	7,005	69,810	47,288
Donation	83,007	-	83,007	4,424
Stock exchange and filing fees	16,652	8,432	29,039	13,266
Transfer agent and shareholder information	17,268	14,411	23,926	18,634
Travel	77	450	1,551	450
Wages and benefits	52,758	40,164	107,906	88,122
Stock based compensation	71,025	149,958	285,199	783,791
Amortization	-	220	-	440
Loss before the undernoted items	376,729	311,926	837,254	1,177,736
Other (income) expenses				
Interest income	(58,481)	(58,028)	(69,883)	(106,946)
Other expense	-	-	-	-
Interest and financing expenses	-	-	-	-
Foreign exchange (gain)/ loss	(77,004)	(24,522)	(97,354)	(22,996)
Write-off of mineral property interests	1,717,708	-	1,717,708	-
Loss before income taxes	1,958,952	229,376	2,387,725	1,047,794
Future income tax recovery	(466,053)	(27,097)	(532,698)	(179,272)
Loss and comprehensive loss for the period	1,492,899	202,279	1,855,027	868,522
Deficit, beginning of the period	85,498,996	84,605,228	85,136,868	83,938,985
Deficit, end of the period	$ 86,991,895	$ 84,807,507	$ 86,991,895	$ 84,807,507
Basic and diluted loss per common share	$ 0.03	$ 0.00	$ 0.03	$ 0.02
Weighted average number of shares outstanding	57,622,164	51,921,009	55,822,597	51,921,009

See notes to consolidated financial statements

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

	Three months ended September 30, 2008	Three months ended September 30, 2007 Restated	Six months ended September 30, 2008	Six months ended September 30, 2007 Restated
Cash flows from (used in) operating activities				
Loss for the year	$ (1,492,899)	$ (202,279)	$ (1,855,027)	$ (868,522)
Items not affecting cash				
Amortization	-	220	-	440
Stock based compensation	71,025	149,958	285,199	783,791
Write-off of mineral property interests	1,717,708	-	1,717,708	-
Future income tax recovery	(466,053)	(27,097)	(532,698)	(179,272)
	(170,219)	(79,198)	(384,818)	(263,563)
Changes in non-cash working capital items				
Accounts receivable and other current assets	(146,436)	(144,397)	(359,246)	(198,782)
Accounts payable and accrued liabilities	(19,110)	(36,542)	(8,955)	302,087
Due to related parties	(19,479)	7,395	(29,321)	(5,301)
	(355,244)	(252,742)	(782,340)	(165,559)
Cash flows from (used in) financing activities				
Common shares issued, net	8,043,768	28,649	8,043,768	6,895,887
Cash flows (used in) investing activities				
Mineral properties and related expenditures	(1,951,704)	(3,086,886)	(3,377,452)	(4,150,260)
Purchase of equipment	(7,940)	(74,532)	(13,265)	(131,932)
	(1,959,644)	(3,161,418)	(3,390,717)	(4,282,192)
Increase (decrease) in cash	5,728,880	(3,385,511)	3,870,711	2,448,136
Cash, beginning of the period	2,253,138	10,108,885	4,111,307	4,275,238
Cash, end of the period	$ 7,982,018	$ 6,723,374	$ 7,982,018	$ 6,723,374
Supplementary information regarding non-cash transactions				
Investing activities				
Stock based compensation and related tax liability capitalized in mineral properties	(23,892)	(91,872)	(83,259)	(261,919)
Property acquisition and related tax liability	-	-	(58,000)	(2,250,000)
	$ (23,892)	$ (91,872)	$ (141,259)	$ (2,511,919)
Financing activities				
Shares issued on acquisition of mineral properties	$ -	$ -	$ 58,000	$ 2,250,000

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 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 as a result of an error in future income taxes 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. CASH

As at September 30, 2008, the Company is committed to spend $490,175 (March 31, 2008 - $Nil) in accordance with flow-through share agreements entered through private placements. The balance is included in cash, but is reserved to complete the qualified expenditures on Canadian mineral property exploration.

5. 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
Consultiing	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
Incurred 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	2,061	552	22,689	88,430	113,732
Camp costs	5,364	-	80,740	4,610	90,714
Drilling	-	-	157,608	1,226,234	1,383,842
Environmental & community relation	40,111	-	-	12,190	52,301
Expediting and project supervision	-	357	3,296	144,284	147,937
Field supplies and equipment	15,488	-	77,397	72,522	165,407
Field salaries and contract labour	-	-	-	243,758	243,758
Consulting	12,791	-	-	95,886	108,677
Geological, geophysical & geochemical	19,113	3,124	318,431	56,618	397,286
Roadwork	-	-	-	88,626	88,626
Helicopter	14,483	-	231,547	-	246,030
Maps and reports	5,697	67	1,682	7,714	15,160
Office miscellaneous	299	-	344	7,963	8,607
Option payment, Licenses, Fees	-	-	78,000	146,300	224,300
Professional	-	-	12,444	224,754	237,198
Staking	-	-	-	-	-
Stock based compensation and related tax liability	19,448	-	-	63,836	83,284
Survey	-	-	-	-	-
Transport and travel	2,141	-	36,628	86,315	125,084
Incurred during the period	136,996	4,100	1,020,806	2,570,040	3,731,943
Write-off of mineral property interests	-	(1,717,708)		-	(1,717,708)
Balance, September 30, 2008	$ 11,353,941	$ (0)	$ 1,020,806	$ 9,822,437	$ 22,197,185

(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 kilometres 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 (incurred) must be completed in calendar 2008.

6. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

Common shares	Number of Shares	Amount
Balance, March 31, 2008	53,992,786	$105,824,379
Mineral property (Note 4(b))	50,000	58,000
Private placement, net (i)	4,065,500	8,043,769
Balance, September 30, 2008	58,108,286	$113,926,148

(i) 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. Finder's fees totaling $240,026 and other share issuance costs of $16,856 were paid.

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

	September 30, 2008		September 30, 2007	
	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	1,154,000	$2.12
Cancelled/Expired	(28,000)	$1.38	(1,084,000)	$1.10
Exercised	-	-	(400,000)	$1.03
Outstanding at the end of period	2,559,000	$1.61	2,070,000	$1.53
Exercisable at end of period	1,544,000	$1.85	1,882,500	$1.48

Option prices, when granted; reflect current trading values of the Company's shares. The options outstanding at September 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

		September 30, 2008	September 30, 2007
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 six months ended September 30, 2008, stock based compensation of $285,199 (2007 - $783,791) has been recognized in the Consolidated Statements of Loss and Deficit and Comprehensive Loss. In addition, stock based compensation of $60,335 (2007 - $261,919) 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 September 30, 2008, the Company had an additional $275,668 in stock-based compensation to be recognized in operations and $40,744 in mineral properties in future periods.

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

7. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2008, the Company:

(a) incurred management fees of $168,000 (2007 - $138,000) 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 September 30, 2008, $13,000 (March 31, 2008 - $41,416) was due to this company and included in amounts due to related parties.

(b) incurred legal fees of $28,000 (2007 - $29,000) to a law firm of which a partner is a director of the Company. At September 30, 2008, $584 (March 31, 2008 - $2,000) was due to this law firm and included in amounts due to related parties.

(c) A donation of $83,000 (2007 - $Nil) to Lundin for Africa Foundation, a charitable organization with a common director.

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

8. 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.