



HUMBOLDT CAPITAL CORPORATION



THIRD QUARTER REPORT
For the nine months ended September 30, 2005

Corporate Profile

Humboldt is an investment company with its holdings concentrated in the junior oil and gas sector. Humboldt provides early stage risk capital, business experience and guidance to small oil and gas enterprises with attractive prospects and motivated high quality management. Humboldt makes investments in businesses that have potential for growth, with the objective of realizing gains through the increase in the value of its share positions.

The Company's business philosophy is to purchase securities for the long term. This is based on Humboldt's experience that both business cycles and company growth provide optimum returns with a longer term investment strategy. As such, Humboldt avoids short term trading positions, hoping that significant investments in fewer companies with well thought out growth plans will benefit the company's stock positions in a three to five-year period.

In companies where more significant investments are made, Humboldt appoints representatives to the Boards of these companies and is proactive in ensuring management maintains well considered, long term business plans.

In addition to its major holdings, Humboldt has a portfolio of medium-sized energy and service companies and also invests in this more established segment of the energy industry through its wholly owned affiliate, Humboldt Energy Fund. Humboldt has also commenced the purchase of companies in the mining sector, with a particular emphasis on companies exploring or producing commodities which Humboldt anticipates have further growth potential.

Humboldt's shares trade on the TSX Venture Exchange, symbol HMB.



Highlights

(Thousands, except per share amounts)	Nine Months Ended September 30		
	2005	2004	2003
Earnings	\$ 21,519	\$ 695	\$ 2,617
per share	\$ 1.73	\$ 0.06	\$ 0.21
Share capital	\$ 1,908	\$ 1,845	\$ 1,756
Retained earnings	\$ 69,492	\$ 29,346	\$ 22,814
Shareholders' equity	\$ 71,400	\$ 41,675	\$ 32,958
Shares outstanding	12,349	12,353	12,333
Net asset value, per share	\$ 5.65	\$ 3.37	\$ 2.66

To the Shareholders

I am pleased to report on another successful quarter for Humboldt.

During the nine months ended September 30, 2005, Humboldt reported earnings of \$21.5 million, or \$1.73 per share compared with a restated \$0.7 million, or \$0.06 per share for the same period in 2004. The restatement of the 2004 earnings resulted from the adoption of a new accounting policy pursuant to which the changes in the carrying value of investments is recorded in net income for the period in which the change occurred. Previously, the change was reported as an adjustment to retained earnings.

The net asset value of Humboldt's shares was \$5.65 per share at September 30, 2005, an increase of 68% over the value of \$3.37 per share one year earlier.

High commodity prices and a robust equity market fueled the Company's strong first nine months.

Humboldt's Investment Holdings

Humboldt is an investment company with its major holdings in the junior oil and gas sector. Humboldt also has investments in larger, more established energy companies, in exploration companies with international assets, in the energy services sector and in the mining industry.

In addition, Humboldt has investments in managed funds focused on the oil and gas industry, through its wholly owned fund, Humboldt Energy Fund. The investment results of Humboldt Energy Fund continue to be very satisfactory, with the fund's value increasing to \$9.4 million at September 30, 2005, from \$3.5 million in the prior year.

A fundamental part of Humboldt's business plan has been to assist in the financing and growth of those companies in which it holds significant interests by way of equity purchases and loans. As a result, at September 30, 2005, Humboldt was owed \$3.8 million from companies in its portfolio. These funds were used to accelerate their active exploration and acquisition programs and improve their growth potential. Humboldt anticipates that these advances will be repaid from cash flow or from further equity financing by these companies and that the Company will benefit both from the interest on funds advanced and through the leveraged growth of its shareholdings in these companies.

The Economy and the Markets

The U.S. economy appears to be in a steady growth stage and continues to be fuelled by a low U.S. dollar, together with low interest rates. The impact of this growth has helped increase both oil and natural gas prices during the year.

Significant supply problems created by the Gulf Coast hurricanes and continued uncertainties in the Middle East and Russia, combined with increasing demand from emerging economies such as China, have resulted in oil prices in excess of \$55.00 U.S. per barrel and gas prices of \$10.00 per Mcf.



Natural gas prices continue to rise to close to record levels, while the overall industry trend continues to be towards reduced gas deliverability, lower reserve additions and increased demand caused by the economic recovery and prevailing high oil prices.

North American stock markets remain strong and should exhibit steady growth until higher interest rates negatively impact economic growth.

Stock Valuation and Share Buyback

At the end of the quarter, Humboldt's net asset value, after tax, totaled \$71.4 million, or \$5.65 per share, on a fully diluted basis. This value represents a 68% increase from the \$3.37 per share value at September 30, 2004. However, the Company's stock continues to trade at a discount to its underlying value. Management is not satisfied with this trading pattern and consequently, Humboldt has a program in place to repurchase its shares in the marketplace. During the first nine months of 2005, the Company repurchased and cancelled 31,000 common shares.

Outlook

Humboldt believes that the North American economy is in a growth phase and that oil and gas prices and base metal prices will continue to increase in value. Significant demand from China is leading this trend and putting increasing pressure on all commodity supplies.

Some concern about the growth in equity prices relates to the continuing United States twin deficits, trade and budget, and the weakening of the U.S. dollar. These facts have resulted in increasing U.S. short term interest rates and if this trend continues or accelerates, stock prices will be negatively impacted.

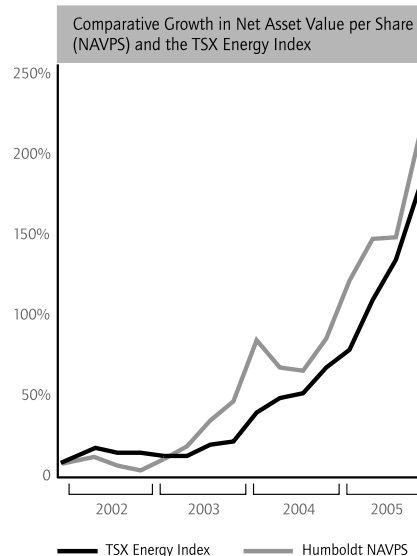
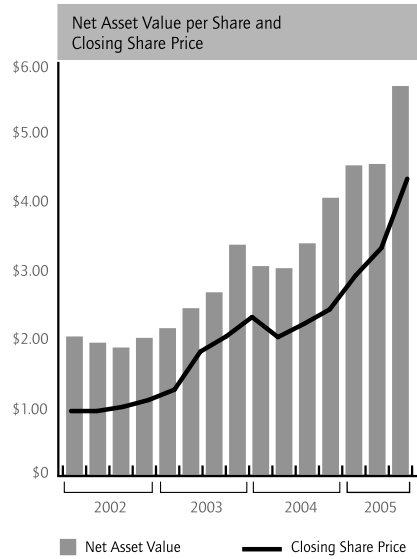
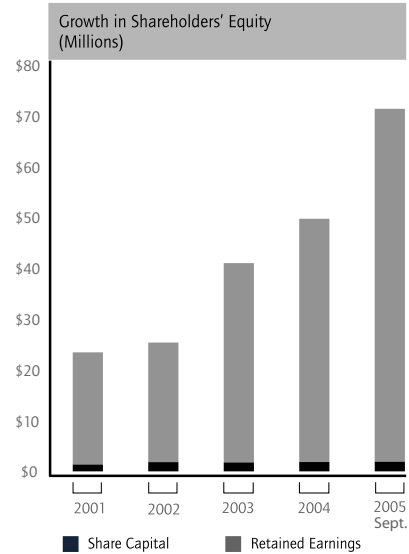
As a result of the foregoing, Humboldt plans to increase its liquidity and continue its focus on removing debt levered companies from its portfolio.

Finally, despite these concerns, the Company remains very optimistic about the outlook for the last quarter of 2005 as Humboldt's portfolio has been carefully selected for significant growth at reasonable prices.

On behalf of the Board,

"Signed"

R.W. Lamond
Chairman of the Board
November 28, 2005





Management's Discussion and Analysis

Prepared as of November 28, 2005

The following discussion and analysis is management's assessment of Humboldt's historical, financial and operating results, together with future prospects, and should be read in conjunction with the unaudited consolidated financial statements of the Company for the nine months ended September 30, 2005. The reader should be aware that historical results are not necessarily indicative of future performance.

This discussion and the Company's third quarter interim report contain forward-looking statements that involve risk and uncertainties. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated in the statements made. The interim financial statements for the nine months ended September 30, 2005 and 2004 have not been reviewed by the Company's external auditors.

The following is a summary of the investments held by Humboldt and other components of Humboldt's net asset value, as at September 30, 2005.

Portfolio Summary and Net Asset Value at September 30, 2005

<i>(Thousands, except percentage and per share amounts)</i>	No. of Shares	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Portfolio	% of Net Asset Value
MAJOR HOLDINGS						
Diaz Resources Ltd.	18,196	\$ 13,647	\$ 7,828	\$ 5,819	18.4%	19.1%
Sharon Energy Ltd.	13,722	6,724	4,287	2,437	9.1%	9.4%
Highview Resources Ltd.	12,819	3,718	2,172	1,546	5.0%	5.2%
Tuscany Energy Ltd.	5,225	1,959	1,184	776	2.6%	2.7%
Total Major Holdings		26,048	15,471	10,578	35.1%	36.5%
Humboldt Energy Fund		9,059	4,550	4,506	12.2%	12.7%
CANADIAN OIL & GAS						
Luke Energy Ltd.	522	2,253	1,153	1,100	3.0%	3.2%
Connacher Oil & Gas	661	1,679	509	1,170	2.3%	2.4%
True Energy Inc.	241	1,421	968	453	1.9%	2.0%
Veteran Resources Inc.	839	1,259	572	687	1.7%	1.8%
Endev Energy	588	1,210	588	622	1.6%	1.7%
Trafina Energy Ltd A	303	1,197	1,121	75	1.6%	1.7%
Choice Resources Corp.	1,132	1,075	366	709	1.4%	1.5%
Eastshore Energy Cls A	441	860	325	536	1.2%	1.2%
Signal Energy Inc.	606	848	387	461	1.1%	1.2%
E4 Energy Inc.	557	840	63	776	1.1%	1.2%
Buffalo Oil Corporation	580	824	79	745	1.1%	1.2%
G2 Resources	786	668	325	343	0.9%	0.9%
Canex Energy Inc.	179	591	455	136	0.8%	0.8%
Burmis Energy Inc.	145	579	234	345	0.8%	0.8%
Result Energy Inc.	500	544	386	158	0.7%	0.8%
Westchester Resources	883	539	(132)	671	0.7%	0.8%
Mystique Energy Inc.	753	490	219	271	0.7%	0.7%
Titan Exploration	89	437	166	271	0.6%	0.6%
Rival Energy Inc.	244	407	56	351	0.5%	0.6%
Yangarra Resources Inc.	708	389	(134)	524	0.5%	0.5%
Espoir Exploration Corp.	118	378	(30)	407	0.5%	0.5%
Rock Energy Inc.	60	355	54	301	0.5%	0.5%
Rosetta Exploration	314	283	61	222	0.4%	0.4%
Canadian Superior Energy	80	234	81	153	0.3%	0.3%
Winslow Resources	661	225	6	219	0.3%	0.3%
Longbow Energy Ltd.	1,431	186	(41)	227	0.3%	0.3%
Cork Exploration Inc.	150	150	-	150	0.2%	0.2%
Purcell Energy Ltd.	40	140	1	139	0.2%	0.2%
G2 Resources Warrants	375	131	131	-	0.2%	0.2%
Dual Exploration Inc.	50	130	42	88	0.2%	0.2%
Kelso Energy Inc.	745	119	(59)	178	0.2%	0.2%
Strongbow Exploration	332	109	30	79	0.1%	0.2%
Exceed Energy Inc.	404	101	(76)	177	0.1%	0.1%
Renegade Oil & Gas Ltd.	100	100	-	100	0.1%	0.1%
Other Canadian Oil & Gas		57	57	-	0.1%	0.1%
Total Canadian Oil & Gas		20,808	7,963	12,844	28.0%	29.1%



Portfolio Summary and Net Asset Value at September 30, 2005 (continued)

<i>(Thousands, except percentage and per share amounts)</i>	No. of Shares	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Portfolio	% of Net Asset Value
INTERNATIONAL OIL & GAS						
Bow Valley Energy	331	1,935	1,335	600	2.6%	2.7%
Sterling Resources	609	1,023	378	645	1.4%	1.4%
Eastcoast Energy Class B	193	762	421	340	1.0%	1.1%
Antrim Energy	368	724	202	522	1.0%	1.0%
Mart Resources Inc.	700	665	267	398	0.9%	0.9%
Avery Resources Inc.	1,164	628	207	422	0.8%	0.9%
Stratic Energy Corp.	560	560	212	348	0.8%	0.8%
Big Sky Energy	416	544	13	532	0.7%	0.8%
Rally Energy Corp.	325	523	281	242	0.7%	0.7%
Tag Oil Ltd.	324	467	45	421	0.6%	0.7%
Fuel-X	602	452	100	352	0.6%	0.6%
Loon Energy	500	425	227	198	0.6%	0.6%
Pan Orient	247	301	-	301	0.4%	0.4%
Grove Energy Limited	238	155	53	102	0.2%	0.2%
Qeva Group Inc.	667	100	-	100	0.1%	0.1%
Other International Oil & Gas		279	130	150	0.4%	0.4%
Total International Oil & Gas		9,543	3,871	5,673	12.8%	13.4%
AUSTRALIAN OIL & GAS						
Elixir Petroleum Limited	726	330	(149)	480	0.4%	0.5%
Nexus Energy Limited	647	230	(31)	261	0.3%	0.3%
Cue Energy	633	127	(44)	171	0.2%	0.2%
Other Australian Oil & Gas		264	(13)	276	0.4%	0.4%
Total Australian Oil & Gas		951	(237)	1,188	1.3%	1.3%
ENERGY SERVICES						
Leader Energy Services Ltd.	123	551	343	207	0.7%	0.8%
El Paso Corporation	30	403	63	340	0.5%	0.6%
Technicoil Corp.	106	381	279	102	0.5%	0.5%
Calpine Corp.	100	259	(82)	341	0.3%	0.4%
Dynegy	45	212	(17)	228	0.3%	0.3%
Other Energy Services		10	1	9	0.0%	0.0%
Total Energy Services		1,816	587	1,227	2.4%	2.5%
MINING						
Kensington Resources	412	1,744	844	899	2.3%	2.4%
Alberta Star Development Corp.	686	453	230	223	0.6%	0.6%
Candente Resource Corp.	665	439	89	350	0.6%	0.6%
Eurozinc Mining Corp.	467	420	93	328	0.6%	0.6%
Vaaldiam Resources Ltd.	532	399	82	316	0.5%	0.6%
Breakwater Resources	890	334	(183)	516	0.4%	0.5%
Ashton Mining of Canada	203	233	(21)	253	0.3%	0.3%
International PBX Ventures	250	203	103	100	0.3%	0.3%
Shear Minerals Ltd.	581	203	(71)	274	0.3%	0.3%
Quadra Mining Ltd.	33	178	(20)	198	0.2%	0.2%
Tyler Resources Inc.	100	139	104	35	0.2%	0.2%
Forest Gate Resources	500	127	(1)	128	0.2%	0.2%
Kensington Resources Warrants	72	124	124	-	0.2%	0.2%
Pacifica Resources Ltd.	590	124	(26)	149	0.2%	0.2%
Yukon Zinc Corp.	563	124	(44)	168	0.2%	0.2%
Strata Gold Corp.	167	120	40	80	0.2%	0.2%
Diamonds North Resources	137	111	(2)	113	0.1%	0.2%
GGL Diamond	476	100	(5)	105	0.1%	0.1%
Other Mining		417	(74)	491	0.6%	0.6%
Total Mining		5,992	1,262	4,726	8.1%	8.4%
Other Equity Investments		48	(151)	199	0.1%	(0.2%)
Total Portfolio		\$ 74,265	\$ 33,316	\$ 40,941	100.0%	103.7%



Portfolio Summary and Net Asset Value at September 30, 2005 (continued)

<i>(Thousands, except percentage and per share amounts)</i>	No. of Shares	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Portfolio	% of Net Asset Value
Loans to associated companies		3,813				5.3%
Cash, working capital & other assets		569				0.8%
Current income tax payable		(1,193)				(1.7%)
Future tax liability		(6,054)				(8.5%)
Net asset value		\$ 71,400				100.0%
Net asset value per share, diluted		\$ 5.65				

Notes:

⁽¹⁾ Unrealized Gain (Loss) is the Carrying Value less Investment Cost.

⁽²⁾ Investment Cost represents the original cost of the securities less any permanent impairment and cost recovery.

⁽³⁾ Columns may not add due to rounding.

During the nine months ended September 30, 2005, Humboldt realized capital gains of \$12.7 million and proceeds of \$32.2 million on the sale of equity positions. The Company reinvested \$29.4 million of these proceeds in new equity positions. Total capital invested increased to \$41.0 million at September 30, 2005.

Humboldt's Major Holdings

Investments in four closely held companies and loans to these companies comprised 42% of Humboldt's net asset value at September 30, 2005. Humboldt has investments totaling \$10.6 million in these four companies and has advanced \$3.8 million to two of the companies, for a total of \$14.4 million. The investments and loans have a market value of \$30.0 million at September 30, 2005.

Although Humboldt's position in these companies exceeds 20% of their outstanding shares, the Company does not consolidate these accounts because Humboldt is an investment company and carries its investments at their estimated market value. Market values are based on the trading price of the securities held at the period end. The actual price realized for these securities may vary significantly from their carrying value.

Diaz Resources Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
18,196,000	\$ 13.6	19.1%	\$ 0.32	\$ 0.75

Humboldt's investment in Diaz Resources Ltd. remains the largest holding in the Company's investment portfolio, representing 19.1% of Humboldt's net asset value. Humboldt owns 30% of the outstanding shares of Diaz at September 30, 2005.

Diaz is an exploration and production company with assets in Alberta and Saskatchewan, in Canada and in Texas, in the United States. Diaz has recently announced exploration successes in Texas and has had its assets evaluated by an independent engineering consulting firm. Effective September 30, 2005, the evaluation resulted in an increase in the net present value of Diaz's assets, before income tax and at a 10% discount rate, to \$1.88 per share.

Sharon Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
13,722,000	\$ 6.7	9.4%	\$ 0.18	\$ 0.49
Loan outstanding – due to Humboldt	\$ 3.7	5.2%		

Humboldt's investment in and loans to Sharon represents 14.6% of the Company's net asset value at September 30, 2005.

Sharon is a Houston, Texas based junior exploration company in the early stage of its development. The company's assets are focused on high impact, deep Wilcox gas prospects in Texas and Sharon has recently announced successes in its Texas exploration program. Sharon also had its assets evaluated at September 30, 2005. The evaluation resulted in an increase in Sharon's net present value, before income tax and at a 10% discount rate, to \$0.77 per share.



Humboldt has entered into a financing agreement with Sharon whereby Humboldt agrees to provide a revolving loan facility to Sharon for the year 2005. During the first nine months of 2005, Humboldt increased its investment in Sharon by \$259,000, through the exercise of warrants and purchases in the market.

Highview Resources Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
12,819,000	\$ 3.7	5.2%	\$ 0.12	\$ 0.29

Highview is a junior, Calgary based energy company in which Humboldt owns 19% of the outstanding shares. In June 2004, Highview's Board of Directors appointed John H. Cassels as President and CEO of the company and Philip A. Rodd as Vice President of Exploration.

Subsequent to these appointments, Highview has acquired a \$3.5 million producing property and entered into a \$6 million farm-in and acquisition program in Alberta. These were financed from a bank line of credit and new equity issues.

Tuscany Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
5,225,000	\$ 2.0	2.7%	\$ 0.15	\$ 0.38
Loan outstanding – due to Humboldt	\$ 0.1	0.1%		

In the second quarter of 2005, Tuscany appointed Greg Busby as President with a mandate to increase its oil and gas reserves and production base. Tuscany also completed a financial restructuring which included converting \$325,000 of debt owed to Humboldt into 325,000 shares, settling a legal claim by issuing 325,000 shares and issuing 7.3 million shares and raising \$1.5 million to finance its growth plans. In September 2005, Tuscany announced a \$5.97 million property acquisition. Humboldt agreed to provide interim financing for the purchase. Tuscany subsequently announced plans to raise \$3.0 million through the sale of equity to provide new financing for future growth plans.

As a result, Humboldt owns 5.2 million shares, or 30% of the reorganized company.

Humboldt Energy Fund

In 1999, Humboldt established a wholly owned, managed fund to invest in a portfolio of intermediate and junior Canadian oil and gas companies and invested \$1.0 million. In Q4 2004, Humboldt increased its investment in the Fund to \$2.0 million.

(Thousands, except percentage amounts)	September 30		
	2005	2004	2003
Portfolio value	\$ 9,059	\$ 3,039	\$ 2,356
Cash	374	508	49
Total value	\$ 9,433	\$ 3,547	\$ 2,405
Increase in value and realized gain	\$ 5,886	\$ 1,142	\$ 473
Percentage growth on average capital invested	91%	38%	22%



Humboldt Energy Fund
Portfolio Summary and Net Asset Value at September 30, 2005

<i>(Thousands, except percentage amounts)</i>	No. of Shares	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Fund
Storm Exploration Inc.	82	\$ 517	\$ 142	\$ 375	5.7%
West Energy Ltd.	65	534	172	362	5.9%
Titan Exploration	69	338	(12)	350	3.7%
Clear Energy	65	363	16	348	4.0%
Find Energy	58	477	148	329	5.3%
NuVista Energy Ltd.	27	521	210	311	5.8%
Bear Ridge Resources Ltd.	87	418	106	311	4.6%
Celtic Exploration Ltd.	37	477	176	301	5.3%
Rider Resource Ltd.	63	1,292	1,019	273	14.3%
Kereco Energy Ltd.	30	497	241	256	5.5%
True Energy Inc.	184	1,086	838	247	12.0%
Cyries Energy Inc.	35	621	374	247	6.9%
Atlas Energy Ltd.	80	410	178	231	4.5%
Real Resources Inc.	33	901	684	217	9.9%
C1 Energy	110	347	146	200	3.8%
Galleon Energy Inc.	15	260	112	148	2.9%
Total Humboldt Energy Fund Portfolio		\$ 9,059	\$ 4,550	\$ 4,506	100.0%

Notes:

⁽¹⁾ Unrealized Gain (Loss) is the Carrying Value less Investment Cost.

⁽²⁾ Investment Cost represents the original cost of the securities less any permanent impairment and cost recovery.

⁽³⁾ Columns may not add due to rounding.

The Fund has performed well since its organization, increasing in value by 91% over the past year. The Fund currently has a value of \$9.4 million, representing 12.7% of Humboldt's net asset value.

Canadian Oil and Gas Sector

During the first nine months of 2005, Humboldt realized gains of \$5.0 million on the disposition of Canadian oil and gas holdings, other than the major holdings referred to above.

The Company increased its investment in the sector during the first nine months of 2005 to \$12.8 million, which has a market value of \$20.8 million, representing 29.1% of Humboldt's net asset value at the end of the period.

International Oil Sector

Humboldt realized gains of \$3.3 million on sales of equity positions in international companies during the period and increased its investment to \$5.7 million. The value of Humboldt's investment in the international oil sector was \$9.5 million at September 30, 2005, representing 13.4% of Humboldt's net asset value.

Energy Services Sector

Humboldt has invested a total of \$1.2 million in the energy services sector, which has grown to \$1.8 million, representing 2.5% of the Company's net asset value at September 30, 2005.

Mining Sector

In June 2005, Humboldt commenced an active investment program in the mining sector. The basis for this investment decision was the recognition of steadily increasing demand for base metals as well as the assumption that, with higher prevailing commodity prices, mining companies have improved access to capital and are able to conduct active exploration programs. Due to long prevailing depressed industry conditions in the mining sector, there appears to be a great number of excellent exploration targets and Humboldt has allocated both the personnel and capital to review and acquire share positions in conservative, well run mining exploration firms.

In addition, the Company has built up a significant portfolio of diamond exploration stocks, focusing on the larger companies involved with the Saskatchewan diamond play as well as the evolving exploration effort in central Quebec.



Humboldt significantly increased its investment in the mining sector and currently has \$4.7 million invested. This sector has a market value of \$6.0 million, representing 8.4% of Humboldt's asset value. Investments in this sector range from the more speculative Canadian diamond mining industry, international base metal explorers and to larger production companies.

Revenue

During the first nine months of 2005, Humboldt realized capital gains of \$12.7 million compared with \$1.0 million in 2004. An increase in the unrealized appreciation in investment values increased the Company's revenues by \$13.2 million for the period compared with a reduction of \$4.9 million in 2004.

Administrative Costs

<i>(Thousands, except percentage amounts)</i>	Nine Months Ended September 30		
	2005	2004	2003
Overhead	\$ 543	\$ 453	\$ 305
Assets under management	\$ 78,683	\$ 45,377	\$ 35,487
Percentage (annualized)	1.4%	2.0%	1.7%

Total administration costs of \$543,000 equalled 1.4% of the assets under management. Humboldt also incurred non-cash compensation expense of \$128,000 during the period. These costs were related to the valuation of the options issued to employees in 2005.

Stock Valuation and Market Price

<i>(Thousands, except per share amounts)</i>	September 30		
	2005	2004	2003
Net asset value	\$ 71,400	\$ 41,675	\$ 32,958
NAV, per share (diluted)	\$ 5.65	\$ 3.37	\$ 2.66
Market price, per share	\$ 3.85	\$ 2.20	\$ 1.80

Issuer Bid

	Nine Months Ended	Years Ended	
	September 30	2004	December 31
Shares Purchased	2005	2004	2003
Common	31,000	72,800	34,600
Subordinate voting	–	–	74,200
Multiple voting	–	–	192,500
Average cost paid, per share	\$ 2.32	\$ 2.07	\$ 1.14

Humboldt's shares trade at a significant discount to their net asset value and because of this, the Company is repurchasing its shares through a Normal Course Issuer Bid.

Income Tax

<i>(Thousands)</i>	Nine Months Ended September 30		
	2005	2004	2003
Future income tax liability	\$ 6,054	\$ 2,392	\$ 2,333
Income tax expense			
Current	\$ 2,238	\$ 1,302	\$ 72
Future	2,171	1,174	406
Total income tax expense	\$ 4,409	\$ 2,476	\$ 478

Future income tax liabilities primarily result from unrealized gains on portfolio holdings. Since the majority of the Company's revenue comes from capital gains, the Company's effective tax rate is approximately 13% before non-deductible items such as non-cash compensation.



Liquidity and Capital Resources

<i>(Thousands)</i>	September 30		
	2005	2004	2003
Working capital	(995)	\$ 2,109	\$ 2,305

At September 30, 2005, Humboldt had a negative working capital of \$1.0 million. The Company currently has no long-term debt.

Critical Accounting Estimates

In the preparation of the financial statements and management's discussion and analysis, the Company utilized a number of different accounting estimates that are critical to the results.

The most significant estimates for Humboldt are the evaluation of the Company's portfolio of investments and loans.

Share holdings having a quoted market value are recorded at the value if they have a sufficiently liquid market and investments that do not have a liquid market are recorded at their estimated fair value. Loans and other receivables are recorded at their face value unless the value has been impaired.

Estimates of liquidity, fair value and the recoverability of loans are made using the information that is available to management at the time of the decision. Changing economic conditions may have a material effect on these estimates. Changes in the estimates will affect the Company's net asset value, unrealized gain on investments and earnings for the period.

Change in Accounting Policy

During 2004, the Company adopted the recommendation of AcG-18 for accounting for its investments. AcG-18 requires that the change in the valuation of the Company's investments be recorded in the Company's net income for the period in which the change occurs. Humboldt previously reported the unrealized gain and the related income tax effect in a separate category under the Shareholders' Equity on the balance sheet.

The Company has applied the changes in accounting policy retroactively. As a result of the adoption of this policy, Humboldt's retained earnings at December 31, 2004 have been increased by \$16,806,000.

Business Risks

Humboldt's external business risks arise from the economic environment in which the Company makes investment decisions.

Humboldt is engaged in making investments in a range of very small to large companies, which are in turn engaged in the exploration, development, production and acquisition of crude oil and natural gas or minerals, or companies which provide services to such companies. Humboldt's business is inherently risky in that there is no assurance that the Company will be able to sell its investments in any of these companies in the future.

Humboldt records its investments on its balance sheet on the basis of their quoted market value, as of the balance sheet date. The companies in which Humboldt holds shares have varying degrees of liquidity and there is no assurance that the investments can be sold at the quoted price.

Humboldt attempts to minimize its investment risk by diversifying its holdings over a large number of companies and industry segments.

Humboldt loans monies to companies in which it has large equity investments. There can be no assurance that such loans will be repaid in accordance with their terms, and actions by Humboldt to enforce repayment of such loans may have an adverse effect on the value of Humboldt's equity position in these companies.



Humboldt attempts to limit the adverse effects of these investment risks by maintaining a significant portion of its funds in cash or highly liquid investments in order to retain the ability to assist its portfolio companies in working through financing difficulties and to provide short term capital in order to take advantage of growth opportunities.

Selected Quarterly Information

(Thousands, except per share amounts)

	For the Three Months Ended							
	2005		2004			2003		
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
					<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
Total revenue	\$ 18,499	\$ (428)	\$ 8,197	\$ 7,536	\$ 8,249	\$ (459)	\$ (4,166)	\$ 10,254
Earnings (loss)	\$ 14,588	\$ 289	\$ 6,642	\$ 8,098	\$ 4,495	\$ (399)	\$ (3,401)	\$ 8,065
per share, basic & diluted	\$ 1.17	\$ 0.02	\$ 0.54	\$ 0.65	\$ 0.36	\$ (0.03)	\$ (0.28)	\$ 0.65

	As at Period Ended							
	2005		2004			2003		
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
					<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
Retained earnings	\$ 69,492	\$ 54,904	\$ 54,615	\$ 47,906	\$ 39,830	\$ 35,342	\$ 35,839	\$ 39,253
Net asset value	\$ 71,400	\$ 56,768	\$ 56,455	\$ 49,724	\$ 41,675	\$ 37,189	\$ 37,607	\$ 41,015
per share, basic	\$ 5.78	\$ 4.61	\$ 4.58	\$ 4.03	\$ 3.37	\$ 3.01	\$ 3.05	\$ 3.33
per share, diluted	\$ 5.65	\$ 4.52	\$ 4.50	\$ 4.03	\$ 3.37	\$ 3.01	\$ 3.04	\$ 3.31

Capital Stock

As of September 30, 2005, Humboldt had 12,348,595 common shares outstanding. In addition, the Company has outstanding employee and director options to purchase an additional 486,700 common shares at a price of \$2.41 per share until January 4, 2010.

Financial Instruments

The Company's financial instruments comprise cash, accounts receivable, investments, accounts payable, loans and convertible debt receivable, loans to associated companies and income taxes payable. Investments are recorded at their fair values. The fair values of the other financial instruments approximate their carrying value due to the short term nature of the instruments.

Humboldt carries its investments at market value and its loans and receivables at their face value, less any impairment realized during the period. The market value of the investments may change daily and therefore the value of the Company's assets and the earnings for any given period will be affected by the change.

Humboldt has significant investments in some of the companies in its portfolio and some investments may have limited liquidity from time to time.

Outlook

Oil and gas prices are currently at cyclical highs and should remain high in the short term. These commodity prices should result in increasingly positive cash flows and earnings trends for the companies in Humboldt's portfolio. During the third quarter, equity markets have shown significant strength.



Consolidated Balance Sheet

(Thousands, except per share amounts)

(Unaudited) As at	September 30 2005	December 31 2004
ASSETS		
Cash and term deposits	\$ 178	\$ 682
Accounts receivable	56	62
	234	744
Other assets	249	229
Loans and convertible debt receivable	122	273
Loans to associated companies	3,813	2,964
Investments	74,265	51,210
	78,449	54,676
Total Assets	\$ 78,683	\$ 55,420
LIABILITIES		
Accounts payable and accrued liabilities	\$ 36	\$ 464
Income tax payable	1,193	1,323
	1,229	1,787
Future income taxes	6,054	3,883
	7,283	5,670
SHAREHOLDERS' EQUITY		
Share Capital		
Common shares	1,908	1,844
Retained earnings	69,492	47,906
Total Shareholders' Equity	71,400	49,750
Total Liabilities and Shareholders' Equity	\$ 78,683	\$ 55,420
Net asset value per share, basic	\$ 5.78	\$ 4.03
Net asset value per share, diluted	\$ 5.65	\$ 4.03

Approved by the Board:

"Signed"

R.W. Lamond
Director

"Signed"

C.A. Teare
Director



Consolidated Statement of Operations

(Thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2005	2004	2005	2004
Revenue				
Net gain on sale of investments	\$ 3,082	\$ 3,412	\$ 12,680	\$ 8,317
Unrealized appreciation (decrease) in investment value	15,306	4,743	13,245	(4,947)
Interest, dividends and other	111	94	343	254
	18,499	8,249	26,268	3,624
Expenses				
General and administrative	174	145	543	453
Non-cash compensation	(1)	–	128	–
Loan loss expense (recovery)	–	–	(331)	–
	173	145	340	453
Earnings before income taxes	18,326	8,104	25,928	3,171
Income taxes				
Current	1,217	526	2,238	1,302
Future	2,521	3,083	2,171	1,174
	3,738	3,609	4,409	2,476
Net earnings	14,588	4,495	21,519	695
Cost in excess of stated value of shares repurchased	–	(7)	67	(118)
Retained earnings, beginning of period, as previously reported	54,904	26,671	47,906	22,447
Change in accounting policy	–	8,671	–	16,806
Retained earnings, end of period	\$ 69,492	\$ 39,830	\$ 69,492	\$ 39,830
Earnings per share, basic and diluted	\$ 1.17	\$ 0.36	\$ 1.73	\$ 0.06



Consolidated Statement of Cash Flows

(Thousands)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2005	2004	2005	2004
Cash provided by (used for):				
Operating Activities				
Net earnings	\$ 14,588	\$ 4,495	\$ 21,519	\$ 695
Adjusted for:				
Interest	(111)	(94)	(343)	(254)
Loan loss expense	-	-	(331)	-
Non-cash compensation	(1)	-	128	-
Future income tax recovery	2,521	3,083	2,171	1,174
Unrealized appreciation of investment value	(15,306)	(4,743)	(13,245)	4,947
Net gain on sale of investments	(3,082)	(3,412)	(12,680)	(8,317)
	(1,391)	(671)	(2,781)	(1,755)
Change in non-cash working capital	156	66	(552)	745
	(1,235)	(605)	(3,333)	(1,010)
Investing Activities				
Loans to associated companies	609	(271)	(520)	(571)
Proceeds from sale of investments	9,681	10,063	32,234	16,090
Purchase of investments	(10,670)	(9,224)	(29,400)	(11,748)
Other loans and debentures	52	-	41	-
Other assets	24	60	20	60
Interest	105	59	343	83
	(199)	687	2,718	3,914
Financing Activities				
Shares issued on exercise of options	44	86	68	93
Purchase of shares for cancellation	-	(132)	(72)	(146)
	44	(46)	(4)	(53)
Increase (decrease) in cash	(1,390)	36	(619)	2,851
Cash, beginning of period	1,453	3,216	682	401
Cash, end of period	\$ 63	\$ 3,252	\$ 63	\$ 3,252
Supplementary information regarding cash payments:				
Interest received during the period	\$ 232	\$ 160	\$ 470	\$ 184
Taxes paid during the period	\$ 1,242	\$ -	\$ 2,595	\$ 127
Non-cash items:				
Interest on loans to associated companies	\$ 100	\$ -	\$ 297	\$ -



Notes to the Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2005

The financial statements for the nine months ended September 30, 2005 and 2004 have not been reviewed by the Company's external auditors.

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Humboldt Capital Corporation ("Humboldt") have been prepared in accordance with accounting principles generally accepted in Canada. Management has made the necessary estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses in the preparation of the financial statements. Accordingly, actual results may differ from estimated amounts but management does not believe such differences will materially affect Humboldt's financial position or results of operations. Certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been condensed or omitted. The reader should refer to the annual consolidated financial statements of Humboldt for the year ended December 31, 2004.

2. Change in Accounting Policy

During 2004, the Company adopted the recommendation of AcG-18 for accounting for its investments. AcG-18 requires that the change in the valuation of the Company's investments be recorded in the Company's net income for the period in which the change occurs. Humboldt previously reported the unrealized gain and the related income tax effect in a separate category under the shareholders' equity on the balance sheet.

The Company has applied the changes in accounting policy retroactively. As a result of the adoption of this policy, Humboldt's retained earnings at December 31, 2004 were increased by \$16,806,000.

3. Share Capital

a) Authorized

Unlimited number of Common Shares, no stated par value

Unlimited number of First Preference Shares, no stated par value

b) Issued

	No. of Shares	Amount (Thousands)
Common Shares		
Balance, December 31, 2004	12,351,295	\$ 1,844
Issued on exercise of options	28,300	68
Purchased for cancellation	(31,000)	(4)
Total Shares Outstanding, September 30, 2005	12,348,595	\$ 1,908

c) Share based compensation plan

The Company established an employee compensation plan, which was approved by the shareholders on May 28, 2003. Pursuant to the plan, the Company may grant to employees and directors options to purchase up to 1,240,000 of its shares outstanding at the time of the grant. Options are exercisable for a maximum period of 5 years. One-third of the options granted vest on the day of the grant, one-third vest after one year and the balance vest after two years. The exercise price for the options is set by the Board of Directors at market, or higher, on the date of the grant.

On January 4, 2005, Humboldt issued 515,000 options to employees and directors of the Company at a price of \$2.41 per share.

At September 30, 2005, options to purchase 486,700 common shares at a price of \$2.41 per share were outstanding, of which 153,400 were exercisable. The options expire on January 3, 2010.



Corporate Information

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Charles A. Teare

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Robert L. McPherson ⁽¹⁾

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Allan R. Twa ⁽¹⁾

Calgary, Alberta

⁽¹⁾ Member of the Audit Committee

Legal Counsel

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Calgary, Alberta

Auditors

PricewaterhouseCoopers LLP

Calgary, Alberta

Officers

R.W. Lamond

President, Chairman of the Board & CEO

C.A. Teare

Executive Vice President & CFO

D.K. Clark

Vice President, Operations

C.S. Cohen

Corporate Secretary

Registrar and Transfer Agent

Computershare Trust Company of Canada

Calgary, Alberta

Stock Exchange Listing

TSX Venture Exchange

Trading Symbol:

Common Shares: HMB



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