

Humboldt Capital Corporation



Third Quarter Report

For the nine months ended September 30, 2006





HIGHLIGHTS

<i>(Thousands, except per share amounts)</i>	Nine Months Ended September 30		
	2006	2005	(Restated) 2004
Earnings (loss)	\$ (12,802)	\$ 21,519	\$ 695
per share	\$ (1.02)	\$ 1.74	\$ 0.06
Share capital	\$ 1,975	\$ 1,908	\$ 1,845
Retained earnings	\$ 66,970	\$ 69,492	\$ 29,346
Shareholders' equity	\$ 69,283	\$ 71,400	\$ 41,675
Shares outstanding	12,369	12,349	12,353
Net asset value, per share	\$ 5.49	\$ 5.65	\$ 3.37

TO THE SHAREHOLDERS

At September 30, 2006, Humboldt's net asset value per share totalled \$5.49 compared with \$5.65 per share a year earlier.

During the nine months ended September 30, 2006, Humboldt realized a gain of \$8.5 million on the sale of investments; however, the \$23.7 million decrease in the market value of investments held at the end of the period offset the realized gain and Humboldt reported a loss of \$12.8 million for the period.

A market correction in commodity prices resulted in a corresponding correction in the share prices of oil and gas stocks. Most significantly affected were Humboldt's major shareholdings, which lost a combined \$13.0 million in market value.

Humboldt's Investment Holdings

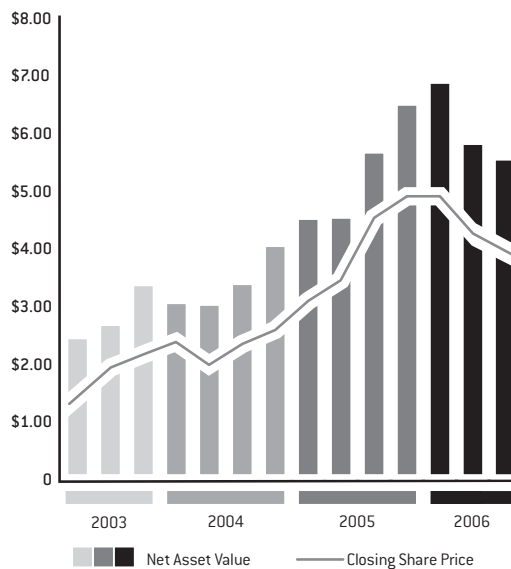
Humboldt is an investment company with the majority of its holdings in the junior oil and gas sector. Humboldt also has investments in larger, more established energy companies, in exploration companies with international assets, in the energy services sector and in the mining industry.

In addition, Humboldt has investments in Humboldt Energy Fund, a wholly owned managed fund focused on the oil and gas industry. The investment results of Humboldt Energy Fund continue to be very satisfactory, with the fund's value reaching \$7.0 million at September 30, 2006.

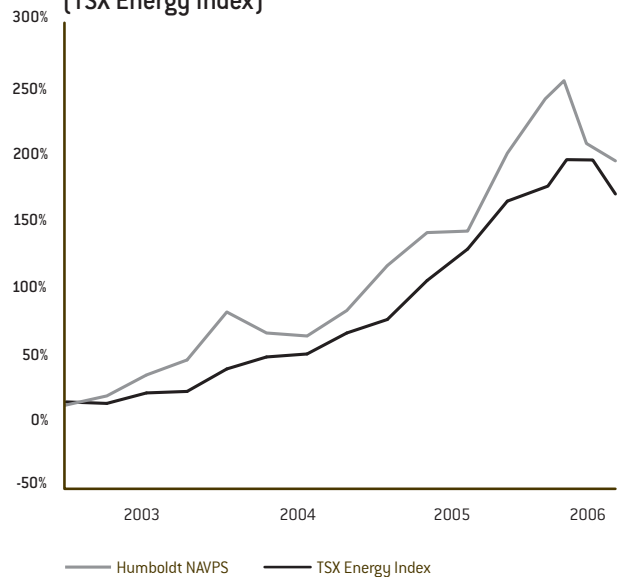
A fundamental part of Humboldt's business plan has been to assist in the financing and growth of those companies in which it holds significant interests by way of equity purchases and loans. At September 30, 2006, Humboldt had advanced \$3.3 million to Sharon Energy Ltd., a company in its portfolio. These funds were used to accelerate Sharon's active exploration program in Texas to improve its growth potential. Humboldt anticipates that these advances will be repaid from cash flow or from further equity financing by Sharon.



Net Asset Value per Share and Closing Share Price



Comparative Growth in Net Asset Value per Share (NAVPS) and the TSX Composite Index—Energy (TSX Energy Index)



The Economy and the Markets

The U.S. economy continues to grow, fuelled by relatively low interest rates and a low U.S. dollar. The impact of this growth has helped increase oil prices during the year and has increased pressure on the supply of a number of metals including copper, nickel and zinc. Of great significance, however, is the emergence of growing demand for industrial commodities in the rapidly expanding economies of China and India. The European economy has been lagging to date but now, in 2006, appears to be in a recovery phase.

As a result of these upward commodity trends, concerns are emerging regarding an increase in U.S. inflation, which would give rise to further increases in North American interest rates. While interest rates are too low at present to negatively affect continuing growth, a continuation of this trend could result in an economic slowdown in 2007.

Natural gas prices rose to over \$12.00 per Mcf last winter due to supply constraints. Since then, however, the extremely mild winter has resulted in gas prices declining to near \$4.00 per Mcf, and have recovered to \$8.00 in November 2006. Of further concern in the short term is the steady increase in year-over-year gas storage in the U.S. as well as a steadily rising trend of wells being drilled for natural gas targets. Humboldt's view is that this drilling trend must decline before gas prices start to recover and it appears likely that the current lower gas pricing will result in an exploration slowdown.

Humboldt's investments in metal exploration companies, especially copper and zinc, relate to the steady depletion of these commodities' inventory levels. Over the past two years, copper and zinc supplies have dropped to near historic levels and this has resulted in great increases in the price of both metals. Humboldt anticipates that this situation will continue until demand is impaired by a slow down in economic growth or until there is an increase in supply from new mines being placed into production. Neither of these events is likely in the short term.

The mid-summer stock market correction, while of some short term concern, can be attributed to seasonal factors, a recent interest rate increase, as well as concerns regarding future inflation. In addition, commodity markets in the early spring had clearly become overheated and stocks are readjusting to more



reasonable levels. During that phase, Humboldt continued to review and modify its portfolio to focus on sound companies with achievable growth targets.

Outlook

Humboldt believes that the North American economy will continue to grow and that oil and gas prices and base metal prices will continue to increase in value. Increasing demand from China is likely to put increased price pressure on all commodities. Over the short term, commodity prices and share values will continue to be volatile.

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. Management believes the current upward trend in North American stock markets, triggered by the U.S. Federal Reserve signalling a pause in interest rate increases, will continue into 2007.

Finally, the Company remains optimistic about the last quarter of 2006 as Humboldt's portfolio has been carefully selected for growth at reasonable prices.

On behalf of the Board,

[Signed]

"R.W. Lamond"
Chairman of the Board

November 23, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

November 23, 2006

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, 2006 and the audited financial statements at December 31, 2005. The reader should be aware that historical results are not necessarily indicative of future performance.

Forward-looking Statements – Certain of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements. Words such as “may”, “will”, “should”, “could”, “anticipate”, “believe”, “expect”, “intend”, “plan”, “potential”, “continue” and similar expressions may be used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in investment climate, interest rates, commodity prices, income tax obligations and economic uncertainty. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements and other information contained herein concerning the resource industry and the Company's general expectations concerning this industry is based on estimates prepared by management using data from publicly available industry sources, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

PAGE

4



HUMBOLDT CAPITAL CORPORATION



The following is a summary of the investments held by Humboldt and other components of Humboldt's net asset value, as at September 30, 2006.

Portfolio Summary and Net Asset Value at September 30, 2006

<i>(Thousands, except percentage and per share amounts)</i>	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Portfolio	% of Net Asset Value
Major Holdings	\$ 24,817	\$ 11,715	\$ 13,101	36.7%	35.8%
Oil & Gas					
Canadian	15,352	83	15,279	22.7%	22.1%
International	11,098	3,986	7,114	16.4%	16.0%
Australian	607	(262)	869	0.9%	0.9%
Mining	10,663	2,775	7,885	15.8%	15.4%
Humboldt Energy Fund	4,547	972	3,576	6.7%	6.6%
Energy Services	428	(158)	585	0.6%	0.6%
Other Equity Investments	67	(20)	87	0.1%	0.1%
Total Portfolio	\$ 67,582	\$ 19,088	\$ 48,494	100.0%	97.5%
Loans to associate companies	3,275				4.7%
Cash, working capital & other	2,381				3.4%
Current income tax	(280)				(0.4%)
Future tax liability	(3,676)				(5.3%)
	1,700				2.5%
Net asset value	\$ 69,282				100.0%
Net asset value, per share (diluted)	\$ 5.49				

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, 2006, Humboldt realized capital gains of \$8.5 million and proceeds of \$17.8 million from the sale of equity positions. The Company reinvested \$15.9 million of these proceeds in new equity positions.

Humboldt's Major Shareholdings

Investments in four closely held companies together with loans to these companies comprised 40.5% of Humboldt's net asset value at September 30, 2006. At the end of the period, Humboldt had investments totaling \$13.1 million in these four companies and has advanced a further \$3.3 million to one of the companies, for a total of \$16.4 million. The investments and loans have a market value of \$28.1 million at September 30, 2006. The value of Humboldt's major holdings decreased by \$13.0 million, 34%, during the period. In part, this reflects declining natural gas prices during the period.

Although Humboldt's position in these companies may exceed 20% of their outstanding shares from time to time, the Company does not consolidate these companies' accounts because as an investment company, Humboldt carries its investments at their estimated fair value. Market values have been estimated based on the trading price of the securities held at the period end. The actual price realized for these securities and the market value at any other point in time may vary significantly from their carrying value at the end of the quarter.

**Diaz Resources Ltd.**

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
18,214,000	\$ 16.2	23.4%	\$ 0.32	\$ 0.89

Humboldt's investment in Diaz Resources Ltd. remains the largest holding in the Company's portfolio, representing 23.4% of Humboldt's net asset value. Humboldt owns 29.5% of the outstanding shares of Diaz at September 30, 2006.

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 its third quarter results. The company reported revenues of \$11.7 million, cash flow of \$7.3 million, earnings of \$1.8 million and an average production of 1,155 BOEd for the nine months ended September 30, 2006.

Sharon Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
17,722,000	\$ 6.2	9.0%	\$ 0.10	\$ 0.35
Loan outstanding – due to Humboldt	\$ 3.3	4.7%		

Humboldt's investment in and loans to Sharon represents 13.7% of the Company's net asset value at September 30, 2006.

During the period, Humboldt increased its interest in Sharon by participating in a \$6.0 million equity offering. Humboldt acquired 4.0 million shares and 2.0 million warrants to purchase shares of Sharon for an aggregate of \$2.0 million, or 33% of the offering. The net proceeds of the offering were used, in part, to repay Sharon's debt to Humboldt. Humboldt has entered into a financing agreement with Sharon in which Humboldt agreed to provide a \$4.8 million revolving loan facility to Sharon, which allowed Sharon to continue its exploration and development program. At the end of the quarter, \$3.3 million was outstanding.

Sharon is a Houston, Texas based junior exploration company in the early stage of its development. The company's exploration is focused on high impact, deep Wilcox gas prospects in Texas.

Highview Resources Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
12,819,000	\$ 1.0	1.5%	\$ 0.12	\$ 0.08

Highview is a junior, Calgary based energy company in which Humboldt owns 13.4% of the outstanding shares.

For the nine months ended August 31, 2006, the company reported production of 108 BOEd and cash flow of \$346,000.

Tuscany Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Per Share	
			Cost	Market Value
6,262,000	\$ 1.4	2.0%	\$ 0.20	\$ 0.22

During 2005, Tuscany grew as a result of two financings raising \$4.3 million and the acquisition of a producing oil property in west central Saskatchewan. Tuscany reported production of 165 BOEd, together with cash flow of 381,000 for the nine months ended September 30, 2006.



Humboldt Energy Fund

<i>(Thousands, except percentage amounts)</i>	September 30		
	2006	2005	2004
Portfolio value	\$ 4,547	\$ 9,059	\$ 3,039
Cash	2,417	374	508
Total value	\$ 6,964	\$ 9,433	\$ 3,547
Increase in value and realized gain	\$ (2,469)	\$ 5,886	\$ 1,142
Percentage growth on average capital invested	(30%)	91%	38%

In 1999, Humboldt established a wholly owned, managed fund to invest in a portfolio of intermediate and junior Canadian oil and gas companies.

The Fund has performed well since its organization, despite decreasing in value by 30% over the past year.

The Fund now has a value of \$7.0 million, an increase in value of \$5 million over the amount invested in the fund. This represented 10.1% of Humboldt's net asset value at September 30, 2006.

Humboldt Energy Fund Portfolio Summary and Net Asset Value at September 30, 2006

<i>(Thousands, except percentage amounts)</i>	No. of Shares	Carrying Value	Unrealized Gain (Loss) ⁽¹⁾	Investment Cost ⁽²⁾	% of Fund
Rider Resources Ltd.	63	\$ 589	\$ 316	\$ 273	13.0%
Storm Exploration Inc.	82	508	134	375	11.2%
Find Energy Ltd.	58	481	152	329	10.6%
Celtic Exploration Ltd.	37	472	171	301	10.4%
Cyries Energy Inc.	35	395	148	247	8.7%
West Energy Ltd.	65	371	9	362	8.2%
Bear Ridge Resources Ltd.	87	355	44	311	7.8%
NuVista Energy Ltd.	27	331	20	311	7.3%
Atlas Energy Ltd.	80	307	76	231	6.8%
Titan Exploration Ltd.	69	307	(43)	350	6.8%
Kereco Energy Ltd.	30	279	23	256	6.1%
C1 Energy Ltd.	110	92	(108)	200	2.0%
Ver0 Energy Inc.	13	60	30	30	1.3%
Total Humboldt Energy Fund		\$ 4,547	\$ 972	\$ 3,576	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.

Canadian Oil and Gas Sector

During the first nine months of 2006, Humboldt realized gains of \$4.3 million and proceeds of \$7.8 million on the disposition of Canadian oil and gas holdings. Humboldt reinvested only \$4.0 million in this sector thereby reducing its weighting in the sector from 23.4% to 22.1% of its portfolio.

International Oil Sector

Humboldt realized gains of \$1.8 million and proceeds of \$3.8 million on sales of equity positions in international companies during the period. Humboldt reinvested \$1.6 million into this sector. The value of Humboldt's investment in the international oil sector was \$11.1 million at September 30, 2006, representing 16% of Humboldt's net asset value compared with \$10.4 million, or 12.2% of Humboldt's net asset value at the beginning of the year.



Energy Services Sector

Humboldt has reduced its investment in the energy services sector to less than 1% of its holdings. This decision was made on the basis that this sector would suffer as a result of the decline in natural gas prices.

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 well run mining exploration firms with upside potential.

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 realized \$1.7 million of gains on proceeds of \$3.9 million during the period. The Company reinvested \$3.5 million into the sector and increased its investment in the mining sector to \$7.9 million. This sector has a market value of \$10.7 million, representing 15.4% of Humboldt's asset value. Investments in this sector range from the more speculative Canadian diamond mining industry to international base metal explorers.

Revenue

During the first nine months of 2006, Humboldt realized capital gains of \$8.5 million compared with \$12.7 million in 2005. Humboldt reported a decrease in the unrealized appreciation in investment values of \$23.7 million.

Administrative Costs

<i>(Thousands, except percentage amounts)</i>	Nine Months Ended September 30		
	2006	2005	2004
Overhead	\$ 905	\$ 543	\$ 453
Assets under management	\$ 73,287	\$ 78,683	\$ 45,377
Percentage (annualized)	1.6%	0.9%	1.3%

Total general and administrative costs of \$905,000 equalled an annualized 1.6% of the assets under management. Humboldt also incurred non-cash compensation expense of \$99,000 during the period. These costs were related to the valuation of the options granted to employees.

Stock Valuation and Market Price

<i>(Thousands, except per share and percentage amounts)</i>	September 30		
	2006	2005	2004
Net asset value	\$ 69,283	\$ 71,400	\$ 41,675
NAV, per share (diluted)	\$ 5.49	\$ 5.65	\$ 3.37
Market price, per share	\$ 3.25	\$ 3.85	\$ 2.20
Market price, as a percentage of NAV	59%	68%	65%

Issuer Bid

<i>Shares Purchased</i>	Nine Months	Years Ended	
	Ended September 30	December 31	December 31
	2006	2005	2004
Common	8,200	31,000	72,800
Average cost paid, per share	\$ 3.63	\$ 2.29	\$ 2.07



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.

On July 26, 2006, Humboldt filed a notice of intent to continue its Normal Course Issuer Bid. The Company may repurchase up to 618,800 of its outstanding Common Shares, pursuant to the normal course issuer bid, which expires on August 10, 2007. The shares will be purchased on the TSX Venture Exchange.

Income Tax

<i>(Thousands)</i>	Nine Months Ended September 30		
	2006	2005	2004
Future income tax liability, at period end	\$ 3,676	\$ 3,533	\$ 1,969
Income tax expense			
Current	\$ 900	\$ 2,238	\$ 776
Future	(3,947)	2,171	(1,909)
Total income tax expense (recovered)	\$ (3,047)	\$ 4,409	\$ (1,133)

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 16% before non-deductible items such as non-cash compensation.

The income tax recovered during the period was increased by a 1% reduction in income tax rates enacted during the period.

Liquidity and Capital Resources

<i>(Thousands)</i>	September 30		
	2006	2005	2004
Working capital	\$ 1,750	\$ (995)	\$ 2,109

At September 30, 2006, Humboldt had working capital of \$1.8 million. The Company has no long term debt. Humboldt does not plan to use debt leverage to increase its investment portfolio.

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 quoted market and investments that do not have a quoted 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.

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. Humboldt reports unrealized gains or losses on shares based on the Company's estimate of the value of the shares held at the end of the period. The estimates are based on a quoted market price at the date of the report. By their nature, quoted market prices change daily and the contents of the portfolio changes from time to time. 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 market price.

Markets on which the shares held by the Company trade may experience significant fluctuations on the valuation date and therefore the market value of the holdings may change significantly after the valuation date.

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 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

The following table summarizes selected financial results of Humboldt for each of the eight quarters ended September 30, 2006. The information has been summarized from the financial statements, which were prepared in accordance with Canadian generally accepted accounting principles.

Selected Quarterly Information

For the Three Months Ended

<i>(Thousands, except per share amounts)</i>	2006		2005				2004	
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
Total revenue	\$ (4,472)	\$(16,815)	\$ 6,442	\$ 13,260	\$ 18,499	\$ (428)	\$ 8,197	\$ 7,536
Earnings (loss)	\$ (3,990)	\$(13,912)	\$ 5,100	\$ 10,442	\$ 14,588	\$ 289	\$ 6,642	\$ 8,098
per share, basic	\$ (0.32)	\$ (1.10)	\$ 0.41	\$ 0.86	\$ 1.17	\$ 0.02	\$ 0.54	\$ 0.65
per share, diluted	\$ (0.32)	\$ (1.10)	\$ 0.41	\$ 0.83	\$ 1.17	\$ 0.02	\$ 0.54	\$ 0.65

As at the Period Ended

<i>(Thousands, except per share amounts)</i>	2006		2005		2004			
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31
Retained earnings	\$ 66,970	\$ 70,988	\$ 84,900	\$ 79,800	\$ 69,492	\$ 54,904	\$ 54,615	\$ 47,906
Net asset value	\$ 69,283	\$ 73,281	\$ 87,152	\$ 81,947	\$ 71,400	\$ 56,768	\$ 56,455	\$ 49,724
per share, basic	\$ 5.60	\$ 5.92	\$ 7.04	\$ 6.64	\$ 5.78	\$ 4.61	\$ 4.58	\$ 4.03
per share, diluted	\$ 5.49	\$ 5.80	\$ 6.86	\$ 6.48	\$ 5.56	\$ 4.52	\$ 4.50	\$ 4.03

The most significant effect on the Company's revenue and earnings over the past two years is the change in value of its holding. Over the two years, Humboldt has increased shareholder value from \$49.7 million at December 31, 2004 to \$69.3 million at September 30, 2006.



Capital Stock

As of September 30, 2006, Humboldt had 12,368,695 common shares outstanding. In addition, the Company has outstanding employee and director options to purchase an additional 478,400 common shares at an average price of \$2.71 per share, expiring from January 4, 2010 to April 18, 2011.

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

Humboldt believes that the North American economy will continue to grow and that oil and gas prices and base metal prices will continue to increase in value. Increasing demand from China is likely to put increased price pressure on all commodities. Over the short term, commodity prices and share values will continue to be volatile.

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. Management believes the current upward trend in North American stock markets, triggered by the U.S. Federal Reserve signalling a pause in interest rate increases, will continue into 2007.

Finally, the Company remains optimistic about the last quarter of 2006 as Humboldt's portfolio has been carefully selected for growth at reasonable prices.

CONSOLIDATED BALANCE SHEET

(Thousands, except per share amounts)
(Unaudited)

As at	September 30 2006	December 31 2005
ASSETS		
Cash and term deposits	\$ 2,078	\$ 1,875
Accounts receivable	—	116
	2,078	1,991
Other assets	247	238
Loans and convertible debt receivable	104	99
Loans to associated companies	3,275	5,411
Investments (Note 2)	67,583	84,757
	71,209	90,505
Total Assets	\$ 73,287	\$ 92,496
LIABILITIES		
Short term margin debt	\$ —	\$ 1,159
Accounts payable and accrued liabilities	48	663
Income tax payable	280	1,104
	328	2,926
Future income taxes	3,676	7,623
	4,004	10,549
SHAREHOLDERS' EQUITY		
Share capital		
Common shares	1,975	1,908
Contributed surplus	338	239
Retained earnings	66,970	79,800
Total Shareholders' Equity	69,283	81,947
Total Liabilities and Shareholders' Equity	\$ 73,287	\$ 92,496
Net asset value per share, basic	\$ 5.60	\$ 6.64
Net asset value per share, diluted	\$ 5.49	\$ 6.48

Approved by the Board:

[Signed]

"R.W. Lamond"
Director

[Signed]

"C.A. Teare"
Director

PAGE

12



HUMBOLDT CAPITAL CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(Thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2006	2005	2006	2005
Revenue				
Net gain on sale of investments	\$ 1,642	\$ 3,082	\$ 8,538	\$ 12,680
Unrealized appreciation (decrease)				
in investment value	(6,225)	15,306	(23,734)	13,245
Interest, dividends and other	111	111	351	343
	(4,472)	18,499	(14,845)	26,268
Expenses				
Loan loss expense (recovery)	—	—		(331)
General and administrative	257	174	905	543
Non-cash compensation	21	(1)	99	128
	278	173	1,004	340
Earnings before income taxes	(4,750)	18,326	(15,849)	25,928
Income taxes (recovery)				
Current	247	1,217	900	2,238
Future	(1,007)	2,521	(3,947)	2,171
	(760)	3,738	(3,047)	4,409
Net earnings (loss)	(3,990)	14,588	(12,802)	21,519
Cost in excess of stated value of shares repurchased	(28)	—	(28)	67
Retained earnings, beginning of period, as previously reported	70,988	54,904	79,800	47,906
Retained earnings, end of period	\$ 66,970	\$ 69,492	\$ 66,970	\$ 69,492
Earnings (loss) per share, basic	\$ (0.32)	\$ 1.18	\$ (1.03)	\$ 1.74
Earnings (loss) per share, diluted	\$ (0.32)	\$ 1.18	\$ (1.02)	\$ 1.74



CONSOLIDATED STATEMENT OF CASH FLOWS

(Thousands)

(Unaudited)

	Three Months		Nine Months	
	Ended September 30		Ended September 30	
	2006	2005	2006	2005
Cash provided by (used for):				
Operating Activities				
Net earnings (loss)	\$ (3,990)	\$ 14,588	\$ (12,802)	\$ 21,519
Adjusted for:				
Interest	(111)	(111)	(351)	(343)
Loan loss expense	-	-	-	(331)
Non-cash compensation	21	(1)	99	128
Future income tax recovery	(1,007)	2,521	(3,947)	2,171
Unrealized appreciation of investments	6,225	(15,306)	23,734	(13,245)
Net gain on sale of investments	(1,642)	(3,082)	(8,538)	(12,680)
	(504)	(1,391)	(1,805)	(2,781)
Change in non-cash working capital	(2,434)	156	(2,434)	(552)
	(2,938)	(1,235)	(4,239)	(3,333)
Investing Activities				
Loans to associated companies	(21)	609	2,111	(520)
Proceeds from sale of investments	3,893	9,681	17,826	32,234
Purchase of investments	(2,385)	(10,670)	(15,850)	(29,400)
Other loans and debentures	-	52	-	41
Other assets	(9)	24	(9)	20
Interest	139	105	326	343
	1,617	(199)	4,404	2,718
Financing Activities				
Shares issued on exercise of options	68	44	68	68
Purchase of shares for cancellation	(30)	-	(30)	(72)
	38	44	38	(4)
Increase (decrease) in cash	(1,283)	(1,390)	203	(619)
Cash, beginning of period	3,361	1,453	1,875	682
Cash, end of period	\$ 2,078	\$ 63	\$ 2,078	\$ 63
Supplementary information regarding cash payments:				
Interest received during the period	\$ 479	\$ 232	\$ 666	\$ 470
Taxes paid (refunded) during the period	\$ 345	\$ 1,242	\$ 1,730	\$ 2,595
Non-cash items:				
Interest on loans to associated companies	\$ 84	\$ 100	\$ 222	\$ 297

PAGE

14



HUMBOLDT CAPITAL CORPORATION

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2006

The financial statements for the nine months ended September 30, 2006 and 2005 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, 2005.

2. Investments

Investments are comprised of the following:

Portfolio Summary and Net Asset Value at September 30, 2006

<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.	18,214	\$ 16,210	\$ 10,375	\$ 5,835	24.0%	23.4%
Sharon Energy Ltd.	17,722	6,203	1,758	4,444	9.2%	9.0%
Tuscany Energy Ltd.	6,262	1,378	102	1,276	2.0%	2.0%
Highview Resources Ltd.	12,819	1,026	(520)	1,546	1.5%	1.5%
Total Major Holdings		24,817	11,715	13,101	36.7%	35.8%
Humboldt Energy Fund		4,547	972	3,576	6.7%	6.6%
CANADIAN OIL & GAS						
Bear Ridge Resources Ltd.	289	1,182	446	737	1.7%	1.7%
Buffalo Oil Corporation	665	1,150	219	931	1.7%	1.7%
Eastshore Energy Ltd. Cls A	733	953	26	927	1.4%	1.4%
E4 Energy Inc.	732	908	(201)	1,109	1.3%	1.3%
SignalEnergy Inc.	806	878	134	745	1.3%	1.3%
Trafina Energy Ltd A	303	818	743	75	1.2%	1.2%
Endev Energy Inc.	588	781	159	622	1.2%	1.1%
Wave Energy Ltd.	240	569	1	568	0.8%	0.8%
Verenex Energy Inc.	100	499	178	321	0.7%	0.7%
Result Energy Inc.	597	447	168	279	0.7%	0.6%
Rock Energy Inc.	145	441	(128)	569	0.7%	0.6%
Gulf Shores Resources Ltd.	890	427	196	231	0.6%	0.6%
Burmis Energy Inc.	145	423	79	345	0.6%	0.6%
Cork Exploration Inc.	116	418	302	116	0.6%	0.6%
Cirrus Energy Corp.	337	404	36	369	0.6%	0.6%
Titan Exploration Ltd.	89	397	126	271	0.6%	0.6%
EnCore Resources	735	338	(6)	345	0.5%	0.5%
Canext Energy Ltd.	243	315	(1)	316	0.5%	0.5%
Vero Energy Inc.	67	313	(33)	347	0.5%	0.5%
Tag Oil Ltd.	545	311	(309)	620	0.5%	0.4%
Rival Energy Ltd.	244	297	(54)	351	0.4%	0.4%
Exile Resources Inc.	500	240	(10)	250	0.4%	0.3%
Mystique Energy Inc.	753	226	(49)	275	0.3%	0.3%
Sound Energy Trust	33	217	(43)	261	0.3%	0.3%
Yangarra Resources Ltd.	672	215	(287)	502	0.3%	0.3%



Portfolio Summary and Net Asset Value at September 30, 2006 (cont'd)

<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
Choice Resources Corp.	319	201	1	200	0.3%	0.3%
NuLoch Resources Inc.	200	200	(130)	330	0.3%	0.3%
C1 Energy Ltd.	230	193	(225)	419	0.3%	0.3%
Westchester Resources Inc.	1,008	192	(567)	759	0.3%	0.3%
Canadian Superior Energy Inc.	80	171	18	153	0.3%	0.2%
G2 Resources Inc.	203	158	61	97	0.2%	0.2%
Rosetta Exploration Inc.	314	138	(84)	222	0.2%	0.2%
Javelin Energy Inc.	143	118	(81)	200	0.2%	0.2%
AltaCanada Energy Corp.	200	114	(48)	162	0.2%	0.2%
Winslow Resources Inc.	661	106	(113)	219	0.2%	0.2%
Nexstar Energy Ltd. Class A	80	102	82	20	0.2%	0.1%
Renegade Oil & Gas Ltd.	100	100	0	100	0.1%	0.1%
Other Canadian Oil & Gas		392	(523)	916	0.6%	0.6%
Total Canadian Oil & Gas		15,352	83	15,279	22.7%	22.1%
INTERNATIONAL OIL & GAS						
Bow Valley Energy Ltd.	381	1,994	1,163	831	3.0%	2.9%
Sterling Resources Ltd.	404	1,252	775	478	1.9%	1.8%
Stratic Energy Corp.	1,085	1,128	358	771	1.7%	1.6%
Antrim Energy Inc.	243	968	623	345	1.4%	1.4%
Pan Orient Energy Corp.	227	915	639	276	1.4%	1.3%
Excelsior Energy Ltd.	1,071	739	241	498	1.1%	1.1%
BrazAlta Resources Corp.	579	665	363	302	1.0%	1.0%
Ithaca Energy Inc.	252	566	36	530	0.8%	0.8%
Mart Resources Inc.	700	448	50	398	0.7%	0.6%
Big Sky Energy Corp.	450	342	(300)	642	0.5%	0.5%
Europa Oil & Gas PLC	600	324	39	285	0.5%	0.5%
Loon Energy Inc.	590	295	44	251	0.4%	0.4%
TG World Energy Corp.	200	294	54	240	0.4%	0.4%
Serica Energy PLC	125	281	6	275	0.4%	0.4%
Fuel-X International Inc.	495	252	0	251	0.4%	0.4%
Genesis Petroleum Corporation PLC	400	152	(147)	299	0.2%	0.2%
Benchmark Energy Corp.	400	112	(88)	200	0.2%	0.2%
Oracle Energy Corp.	231	101	5	97	0.1%	0.1%
Other International Oil & Gas		270	125	145	0.4%	0.4%
Total International Oil & Gas		11,098	3,986	7,114	16.4%	16.0%
ENERGY SERVICES						
Production Enhancement Group Inc.	305	363	(163)	525	0.5%	0.5%
Other Energy Services		65	5	60	0.1%	0.1%
Total Energy Services		428	(158)	585	0.6%	0.6%
MINING						
Shore Gold Inc.	210	1,193	457	736	1.8%	1.7%
Alberta Star Development Corp.	547	880	681	199	1.3%	1.3%
Pacifica Resources Ltd.	1,238	706	429	277	1.0%	1.0%
Firestone Ventures Inc.	1,497	644	382	262	1.0%	0.9%
Candente Resource Corp.	702	583	169	414	0.9%	0.8%
Vaaldiam Resources Ltd.	699	559	109	450	0.8%	0.8%
International PBX Ventures Ltd.	911	419	(3)	422	0.6%	0.6%
Chapleau Resources Ltd.	525	368	216	151	0.5%	0.5%
Yukon Zinc Corp.	1,217	329	(101)	429	0.5%	0.5%
StrataGold Corp.	263	321	173	148	0.5%	0.5%
Shear Minerals Ltd.	751	263	(80)	342	0.4%	0.4%

PAGE

16



HUMBOLDT CAPITAL CORPORATION


Portfolio Summary and Net Asset Value at September 30, 2006 (cont'd)

<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
Firestone Ventures Inc. Warrants	834	225	225	—	0.3%	0.3%
Strongbow Exploration Inc.	404	202	97	105	0.3%	0.3%
Commander Resources Ltd.	277	194	91	102	0.3%	0.3%
Scorpio Mining Corp.	166	186	(5)	191	0.3%	0.3%
Kaminak Gold Corp.	424	182	56	127	0.3%	0.3%
Capstone Gold Mining Corp.	105	166	66	100	0.2%	0.2%
Cabo Drilling Corp.	500	160	4	156	0.2%	0.2%
Global Copper Corp.	100	160	30	130	0.2%	0.2%
Indicator Minerals Inc.	200	158	58	100	0.2%	0.2%
Atlas Moly Inc.	500	150	—	150	0.2%	0.2%
Christopher James Gold Corp.	258	134	57	78	0.2%	0.2%
Powertech Uranium Corp.	75	134	59	75	0.2%	0.2%
Bayswater Uranium Corp.	122	127	27	100	0.2%	0.2%
Verena Minerals Corp.	250	108	51	57	0.2%	0.2%
Firestone Ventures Inc. Warrants	417	104	104	—	0.2%	0.2%
Fury Explorations Inc.	125	103	3	100	0.2%	0.1%
Astron Resources Corp.	100	100	—	100	0.1%	0.1%
Other Mining		1,805	(580)	2,384	2.7%	2.6%
Total Mining		10,663	2,775	7,885	15.8%	15.4%
AUSTRALIAN OIL & GAS						
Elixir Petroleum Limited	612	202	(171)	373	0.3%	0.3%
Other Australian Oil & Gas		405	(91)	496	0.6%	0.6%
Total Australian Oil & Gas		607	(262)	869	0.9%	0.9%
Other Equity Investments		67	(20)	87	0.1%	0.1%
Total Portfolio		\$ 67,582	\$ 19,088	\$ 48,494	100.0%	97.5%
Loans to associate companies		3,275				4.7%
Cash, working capital & other		2,381				3.4%
Current income tax		(280)				(0.4%)
Future tax liability		(3,676)				(5.3%)
Net asset value		\$ 69,282				100.0%
Net asset value, per share (diluted)		\$ 5.49				

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.

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

	Number of Shares	Amount <i>(Thousands)</i>
<hr/>		
COMMON SHARES		
Balance, December 31, 2005	12,348,595	\$ 1,908
Issued on exercise of options	28,300	68
Repurchased for cancellation	(8,200)	(1)
<hr/> Total Shares Outstanding September 30, 2006	<hr/> 12,368,695	<hr/> \$ 1,975

c) Share based compensation plan

At September 30, 2006, options to purchase 478,400 common shares at an average price of \$2.71 per share were outstanding, of which 289,900 were exercisable.

On October 11, 2006, Humboldt issued 600,000 options at an exercise price of \$3.05 per share. The options expire on October 10, 2011.



Corporate Information

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[1] Member of the Audit Committee

[2] Member of the Compensation Committee

[3] Member of the Corporate Governance 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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