



Corporate Profile

Humboldt is an investment company with its holdings concentrated in the resource 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 capital gains through the increase in the value of its share positions.

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

Humboldt appoints representatives to the Boards of companies in which more significant investments are made, and is proactive in ensuring management maintains well considered, long term business plans. Humboldt also has investments in the mining sector, with a particular emphasis on companies exploring or producing commodities which Humboldt anticipates have further growth potential in this stage of the economic cycle.

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

Highlights

<i>(Thousands, except per share amounts)</i>	Nine Months Ended September 30		
	2007	2006	2005
Earnings (loss)	\$ (12,591)	\$ (12,802)	\$ 6,931
Earnings (loss) per share, diluted	\$ (1.01)	\$ (1.02)	\$ 0.56
Share capital	\$ 2,076	\$ 1,975	\$ 1,864
Retained earnings	\$ 55,107	\$ 66,970	\$ 54,904
Shareholders' equity	\$ 58,313	\$ 69,283	\$ 56,768
Shares outstanding	12,384	12,369	12,330
Net asset value per share, diluted	\$ 4.56	\$ 5.49	\$ 4.52



To the Shareholders

The value of Humboldt's investment portfolio decreased by 15% during the third quarter of 2007 primarily as a result of the decline in value of its holdings in Diaz Resources Ltd. and Sharon Energy Ltd. Both of these companies are primarily natural gas producers and their share prices have been adversely affected by declining gas prices and poor market conditions for junior energy companies. At September 30, 2007, the net asset value of the Company, after tax and fully diluted, was \$4.56 per share compared with \$5.38 at June 30, 2007, and \$5.49 at September 30, 2006.

During the nine months ended September 30, 2007, the Company realized a gain of \$5.5 million and proceeds of \$17.7 million on sales of portfolio investments. Humboldt reinvested only \$9.1 million of the proceeds in the equities market, and was repaid the \$3.4 million loaned to associated companies. As a result, Humboldt increased its working capital to \$11.4 million and at the end of the quarter working capital represented 20% of its asset value.

The gains realized on these sales were offset by a decline in unrealized gains on investments held at the end of the quarter and Humboldt incurred a loss of \$12.6 million for the nine months ended September 30, 2007, compared with a loss of \$12.8 million during the same period in 2006.

The Economy and the Markets

After six years of robust growth, the U.S. economy appears to be heading towards a period of slower economic activity. The U.S. economy has been shaken by the effect of the fallout from subprime debt problems. This slow down, combined with the weak U.S. dollar, will result in a reduction in demand for commodities in the U.S. However, the continued growth in demand for most commodities in the rapidly expanding economies of India and China continues to offset this reduced North American demand for commodities and prices for oil, and most metals, have remained high.

The exploration for each of these metals has attracted very significant capital expenditures over the past year. Demand has, to date, kept metal prices at cyclically high levels. Clearly, supply and demand forces will, in due course, overtake this situation and result in increasing inventory levels, with slowly eroding prices.

Oil prices increased to test the \$100 per barrel mark due to the weak U.S. dollar, higher demand from emerging economies and continued uncertainties due to political unrest in most of the significant exporting nations.

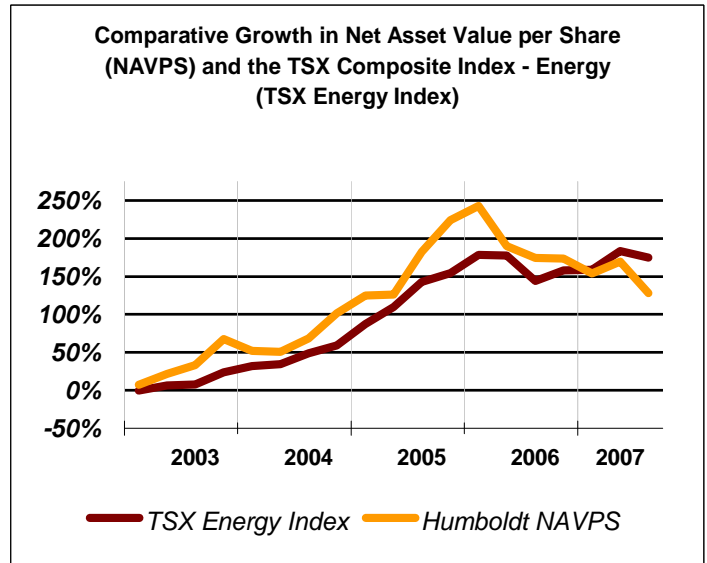
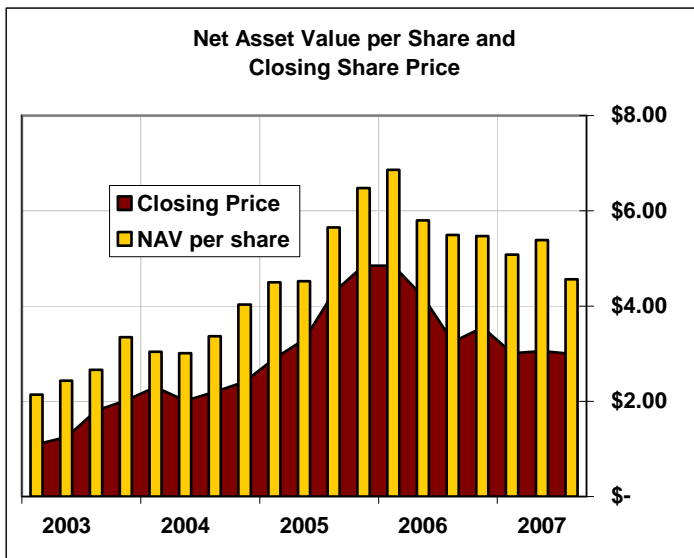
Natural gas prices appear to have disconnected from the high oil price and remain relatively weak due to continued increase in supply exacerbated by increase in LNG inputs. Eventually this situation will reverse itself, however we appear to be looking at a year of lower prices.

Humboldt's investments in metal exploration companies, especially copper, zinc and nickel, were based on the steady depletion of worldwide inventory levels to near historic lows. During the past two years, inventories of these commodities have significantly dropped due to growing demand, predominantly from the Far East, associated with apparent pricing insensitivity. As a result of the high prices, mineral exploration is booming and Humboldt foresees a somewhat lower demand picture with increasing supply developing through 2008. The negative impact on the pace of worldwide economic growth, resulting from the fall out from the subprime loan problems in the United States, will speed this process.



Stock Valuation and Share Buyback

At the end of the quarter, Humboldt's net asset value, after tax, totaled \$58.1 million, or \$4.56 per share, on a fully diluted basis. This value represents a much higher value than the current trading price and Humboldt has a program in place to repurchase its shares in the marketplace.



Outlook

Humboldt continues to have concerns about the trend in North American equity prices due to the overhang of the United States twin deficits, trade and budget, and further weakening of the U.S. dollar. North American share prices appear to have stalled. The long term impact of the meltdown in the U.S. housing business, subprime lending and continued weak U.S. dollar is hard to quantify, but will not be positive for U.S. growth in the short term.

Indeed, there is now a higher likelihood of a U.S. recession. The timely intervention by the U.S. Federal Reserve Board however appears to have stabilized some of the credit issues and Humboldt's management outlook is that after a period of turmoil for the next several months, capital and stock markets will calm down and re-resume slower growth.

Asian demand should provide a firm base for most internationally traded commodities such as oil and base metals.

Humboldt's other commodity-based holdings with a favourable outlook include diamonds, where demand continues to outstrip foreseeable supplies; uranium, which has been enormously bid up due to a perceived medium term supply problem; and finally, gold, which essentially acts in an inverse relationship to the U.S. dollar and should remain strong.



The significant correction in stock prices in Humboldt's portfolio related to the gas weighted closely held companies and mining stocks, has resulted in a reduction in Humboldt's per share value. While this reduction is significant, most of the Company's holdings have been reviewed for financial soundness and ability to continue with their active exploration programs.

As a result of greater uncertainties at this phase of the business cycle, Humboldt has increased its current level of liquidity to enable the Company to be positioned to reinvest more of its capital in the energy business at a more appropriate time. At the time of writing, Humboldt's cash reserves were in excess of \$11 million.

Humboldt is also in an enviable position, with a substantial cash balance, to be able to weather any storm. In addition, Humboldt's Board has encouraged the management teams of its major holdings to be prepared to modify their programs to maintain adequate medium-term liquidity. Two of the companies have recently closed financings to add to their stability.

On a positive note, Humboldt's staff is re-reviewing a great number of investment opportunities which, due to the present correction, have been much more attractively priced. Humboldt's focus will as usual be on quality management teams with attractive properties, but now with a greater emphasis on financial reserves with which to continue their exploration.

Finally, Humboldt anticipates that even the oil and gas business, which has suffered a major correction and an extremely negative sector rotation, out of energy stocks, may soon, after almost two years of decline, slowly come back into favour. Hence, Humboldt is presently reviewing this sector with a view to selecting energy companies with positive growth potential, at reasonable prices.

On behalf of the Board,

(Signed) "Robert W. Lamond"

Chairman of the Board
November 22, 2007



Management's Discussion and Analysis

November 22, 2007

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, 2007, and the audited financial statements at December 31, 2006. 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 conditions. 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.



The following is a summary of the investments held by Humboldt and other components of Humboldt's net asset value, as at September 30, 2007:

**Portfolio Summary and Net Asset Value
at September 30, 2007**

(Thousands, except percentage
and per share amounts)

	Carrying Value ⁽¹⁾	Unrealized Gain (Loss) ⁽²⁾	Investment Cost ⁽³⁾	% of Portfolio	% of Net Asset Value
Major Holdings	\$ 14,478	\$ 809	\$ 13,670	30%	25%
Oil & Gas					
- Canadian	8,595	(2,240)	10,835	18%	15%
- International	14,829	2,430	12,396	31%	25%
Mining	9,541	906	8,629	20%	16%
Energy Services	143	(432)	575	0%	0%
Other Equity Investments	96	9	87	0%	0%
Total Portfolio	\$ 47,677	\$ 1,485	\$ 46,192	100%	82%
Cash, working capital & other	11,434				20%
Future tax liability	(798)				-1%
Net asset value	\$ 58,313				100%
Net asset value, per share (diluted)	\$ 4.56				

Notes: (1) Carrying Value is the quoted market value for liquid securities and the estimated fair value for illiquid securities. Fair value being the expected realization from the orderly disposition of the illiquid security over a reasonable time period.

(2) Unrealized Gas (Loss) is the Carrying Value less Investment Cost.

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

(4) Columns may not add due to rounding.

Major Holdings

Humboldt's has investments in the equity of in the following five junior resource companies which represent greater than 10% of the outstanding shares in these companies. The market value of Humboldt's investments in these companies decreased by 46% in the third quarter of 2007. The market value of Humboldt's holdings in these companies accounted for \$14.5 million or 25% of Humboldt's net asset value at September 30, 2007, compared with \$24.0 million or 34% of the asset base at December 31, 2006.

Humboldt's investments in these companies have been evaluated at their market value, based on the bid prices of the securities held at the end of the period. The actual value for these holdings, when realized, may vary significantly from the carrying value.

Diaz Resources Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Cost per Share	Market Value per Share
18,290,000	\$ 7.1	12.2%	\$ 0.32	\$ 0.39

Humboldt's investment in Diaz Resources Ltd. remains the holding with the largest value in the Company's investment portfolio, representing approximately 12.2% of Humboldt's net asset value. Humboldt owned 29% of the outstanding shares of Diaz at September 30, 2007.



Diaz is an exploration and production company with assets in Alberta and Saskatchewan, in Canada and in Texas, in the United States. Diaz is primarily a natural gas producer and therefore the weaker natural gas prices have affected the company's market value. For the nine month period ended September 30, 2007, Diaz reported cash flow of \$4.2 million, or \$0.07 per share and production averaging 894 BOEd. These results were significantly lower than the prior year.

Diaz recently completed a debt financing raising \$7.1 million through the issue of five-year convertible debentures. The proceeds are to fund the company's high impact U.S. gas drilling program and its exploration in Canada. Diaz reported a new gas well in Texas and is preparing to complete a recently drilled well in the Wilcox gas trend; both of these wells should increase Diaz's production and gas flow.

Sharon Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Cost per Share	Market Value per Share
17,783,000	\$ 5.3	9.1%	\$ 0.25	\$ 0.30

The carrying value of Humboldt's investment in Sharon Energy Ltd. represents 9.1% of the Company's net asset value at September 30, 2007. Sharon is also primarily a natural gas producer and as a result of the lower gas price, has experienced production declines and delays in getting new wells on stream during the year. As a consequence, Sharon's share price has declined during the quarter by 29%. Humboldt owned 24% of the outstanding shares of Sharon at September 30, 2007.

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.

Sharon recently completed an equity financing raising \$9.0 million. The proceeds are to fund the company's high impact U.S. gas drilling program and its exploration in Canada. Sharon recently announced a successful gas well at Black Owl in Texas and is currently preparing to complete a well drilled in the Wilcox gas trend. Added production from these wells should increase Sharon's gas production and cash flow.

Tuscany Energy Ltd.

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Cost per Share	Market Value per Share
6,328,000	\$ 0.7	1.2%	\$ 0.20	\$ 0.12

Humboldt's holding in Tuscany do not make up a large percentage of Humboldt's value, however Humboldt currently owns 28% of the outstanding shares.

Tuscany is a junior exploration company with assets in Alberta and Saskatchewan. To date, the company has grown primarily through acquisitions. Rising operation costs and difficulties in development and exploration has hampered the company's growth. Subsequent to the end of the quarter, Humboldt acquired 4,000,000 additional shares of Tuscany at a cost of \$0.10 per share as part of a \$1.0 million flow-through share program. Tuscany is currently evaluating its strategic alternatives for future development. As part of the process, the company will be continuing its exploration program in Alberta and Saskatchewan.



Paris Energy Inc. (formerly Highview Resources Ltd.)

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Cost per Share	Market Value per Share
1,417,000	\$ 0.4	0.7%	\$ 1.12	\$ 0.30

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

On March 29, 2007, Paris entered into an agreement to sell substantially all of its assets for \$5.0 million the initial step of a corporate restructuring which has been approved by the shareholders of Paris.

The Board of Directors of Paris has appointed a new experienced management team and reorganized its share structure by consolidating the shares on a 1 for 10 basis.

Goldmark Minerals Ltd

Share Holdings	Value (Millions)	Percentage of Humboldt's Value	Cost per Share	Market Value per Share
4,679,000	\$ 0.9	1.5%	\$ 0.09	\$ 0.19

At September 30, 2007, Humboldt owned 23% of the outstanding shares of Goldmark.

Goldmark is a grass roots, mineral exploration company in the early stages of its operations. Goldmark is currently focused on property acquisitions in Ecuador and Brazil in South America.

In May, the company completed a financing to raise an additional \$2.1 million to fund exploration programs in South America. The company currently has approximately \$1.7 million of working capital.

Canadian Oil and Gas Sector

For reporting purposes, Humboldt has moved the securities managed in the Humboldt Energy Fund into the Canadian oil and gas sector because of the similarity of the size and nature of the holdings. The prior period comparisons have also been revised. The impact of lower gas prices and the royalty changes in Alberta was significant in the Canadian oil and gas sector. Humboldt has reduced its investments in this sector over the past year. During the nine months ended September 30, 2007, Humboldt realized a loss of \$1.6 million on proceeds of \$4.9 million from the disposition of Canadian oil and gas holdings. Humboldt reinvested only \$1.9 million in this sector during 2007. The value of the remaining holdings decreased to \$8.5 million thereby reducing its weighting in the sector from 17% to 15% of Humboldt's asset value during the year.

International Oil Sector

Humboldt's view of the international oil sector has been very different. The sector is primarily focused on oil and with rising prices it has benefited. Humboldt realized a gain of \$2.9 million and proceeds of \$5.2 million on sales of equity positions in international companies during the period. Humboldt reinvested \$4.2 million in this sector during 2007. Humboldt's investment in the international oil sector had a value of \$14.8 million at September 30, 2007, representing 25% of Humboldt's net asset value compared with \$15.1 million, or 21.4% of Humboldt's net asset value at December 31, 2006.



Mining Sector

During the nine month period ending September 30, 2007, Humboldt realized a gain of \$4.2 million on proceeds of \$7.4 million in the mining sector. Humboldt reinvested \$2.8 million in the sector during the period. The value of the investment in the mining sector was \$9.5 million at the end of the quarter and represented 16% of Humboldt's value at September 30, 2007.

Financial Information

Administration Costs

<i>(Thousands, except percentage amounts)</i>	September 30		
	2007	2006	2005
General and administrative	\$ 901	\$ 905	\$ 543
Assets under management	\$ 59,148	\$ 73,287	\$ 78,683
Percentage (annualized)	2.3%	1.6%	0.9%

Total general and administrative costs of \$901,000 equaled an annualized 2.3% of the assets under management. The percentage increased because the size of the asset pool decreased. In addition, the Company incurred a non-cash remuneration expense of \$460,000 representing the value of options previously issued to employees and directors.

Stock Valuation and Market Price

<i>(Thousands, except per share amounts)</i>	September 30		
	2007	2006	2005
Net asset value	\$ 58,313	\$ 69,283	\$ 71,400
NAV, per share (diluted)	\$ 4.56	\$ 5.49	\$ 5.65
Market price, per share	\$ 3.00	\$ 3.25	\$ 3.85

Humboldt's net asset value per share decreased by 17% during the third quarter of 2007. The market price of Humboldt's shares on September 30, 2007, was \$3.00 and has decreased by 16% during 2007.

<i>Issuer Bid</i>	Nine months ended	Years ended	
	September 30	December 31	
<i>Shares Repurchased</i>	2007	2006	2005
Common	34,100	11,200	31,000
Average cost paid, per share	\$ 3.08	\$ 3.46	\$ 2.29

Humboldt's shares trade at a discount to their net asset value and as a result, the Company is from time to time repurchasing its shares through a Normal Course Issuer Bid. Humboldt has issued a notice to renew the Normal Course Issuer Bid and has received approval to purchase a further 617,000 shares until August 16, 2008. Anyone wishing a copy of the notice to purchase shares through the Normal Course Issuer Bid dated August 5, 2007, may obtain one by contacting the Company at 403-269-9889.



Income Tax

<i>(Thousands, except percentage amounts)</i>	September 30		
	2007	2006	2005
Income tax expense (recovery)			
Current	\$ 642	\$ 900	\$ 2,238
Future	\$ (3,244)	(3,947)	2,171
Total income tax expense (recovery)	\$ (2,602)	\$ (3,047)	\$ 4,409
Earnings (loss), before tax	\$ (15,193)	\$ (14,841)	\$ 38,190
Effective tax rate	17%	21%	12%

Future income tax liabilities primarily result from unrealized gains from portfolio holdings. Since the majority of the Company's revenue comes from capital gains from long term investments, without the effect of tax changes the Company's effective tax rate will be approximately 16%.

Liquidity and Capital Resources

<i>(Thousands)</i>	September 30		
	2007	2006	2005
Working capital	\$ 11,010	\$ 1,750	\$ (995)

Humboldt's portfolio is principally comprised of junior resource companies listed on Canadian stock exchanges. Approximately 25% of its net asset value is reflected in equity positions in five resource corporations, two of which are in the start-up phase and one mining corporation which is also in the start-up phase. The remainder of Humboldt's net asset value is reflected in equity holdings in numerous oil and gas and mining corporations, the majority of which are characterized by small capitalizations and public floats and trading in low daily volumes at prices under \$1.00 per share. As such, the majority of Humboldt's portfolio is generally not highly liquid.

At September 30, 2007, Humboldt had working capital of \$11.4 million. Humboldt's requirements for overhead are minimal in relation to its asset value.

Humboldt has no long term debt and does not plan to use long term debt leverage to increase its investment portfolio.

Humboldt has an agreement with Sharon Energy Ltd. to provide a credit facility of up to \$4.8 million in order to finance Sharon's ongoing drilling program. The signed credit facility is based on Sharon's asset base and reviewed annually by Humboldt management.

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, loans and other assets.



Shareholdings having a quoted market price are recorded at the value of the last bid for the shares. Humboldt makes investments that do not have a quoted market price, these are recorded at Management's estimated fair value. Based on the information available to Management, Humboldt's cost of the investment has been used as the most reasonable evidence of fair value. Loans and other receivables are recorded at their face value unless, in the opinion of Management, the value has been impaired. At September 30, 2007, investments carried at cost represent only 2.8% of the total investment value of the Humboldt portfolio. Humboldt also holds warrants to purchase shares of resource companies. Humboldt has valued these warrants at the amount at which the market price for the securities exceeds the stock price for the warrants at September 30, 2007, the value of the warrant held was 1.3% of the total investment value of Humboldt's portfolio.

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

The interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements, except as follows:

Comprehensive Income

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, on January 1, 2007. The new standard introduces comprehensive income, which consists of net income and other comprehensive income. The Company does not currently have any other comprehensive income items.

Financial Instruments

On January 1, 2007, the Company adopted CICA Section 3855, Financial Instruments – Recognition and Measurement. This standard establishes the recognition and measurement criteria for financial assets, liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

Cash and cash equivalents are designated as "held-for-trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable are designated as "loans and receivables" and are carried at cost. Accounts payable are designated as "other financial liabilities" and are carried at cost. Long-term debt is designated as "other financial liabilities" and carried at amortized cost using the effective interest method.

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 the Company's estimate of their fair 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 in part are based on a quoted market price. 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 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 reduce its investment risk by diversifying its holdings over a large number of companies and industry segments.

Notwithstanding the foregoing, Humboldt currently has approximately 30% of its net asset value represented by its major holdings, comprised of five junior resource companies, two of which comprise 28% of such net asset value. Such major holdings are in companies involved principally in the natural gas exploration and development business in Alberta and Texas, which by its nature is inherently risky.

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 some of the adverse effects of these investment risks by maintaining sufficient financial liquidity 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.

Quarterly Information

The following table summarizes selected financial results of Humboldt for each of the eight quarters ended September 30, 2007. The information has been summarized from the unaudited financial statements, which were prepared in accordance with Canadian generally accepted accounting principles.

Related Party Transactions

Humboldt, and certain officers, holds significant interests in some of the companies in its investment portfolio and certain officers and directors of Humboldt are also officers and directors of some of the companies, and as such, they are considered related parties to Humboldt. Humboldt's business includes the acquisition and sale of the securities of such related parties through the market and directly from the companies through public and private offerings. All such offerings are at market values and approved by the appropriate regulatory bodies.

Diaz Resources Ltd.

At September 30, 2007, Humboldt owned 29% of the outstanding shares of Diaz. All of Humboldt's officers and directors are also officers and/or directors of Diaz.



During Q1 2007, Humboldt paid Diaz \$153,000 as its share of overhead costs. The charge is estimated based on, among other things, the time spent by Diaz employees on Humboldt's business.

In addition, Humboldt provides financing to companies in which it holds significant share positions. The financing is provided on an interest bearing debt basis at negotiated interest rates between Humboldt and the recipients. At September 30 2007, there was no amount due under these financing arrangements.

Sharon Energy Ltd.

At September 30, 2007, Humboldt owned 24% of the outstanding shares of Sharon. Certain of Humboldt's officers and directors are also officers and directors of Sharon.

Humboldt periodically advances funds to Sharon by way of a revolving secured loan. Humboldt has an agreement with Sharon to provide a credit facility of up to \$4.8 million. Humboldt charged Sharon interest on the loan at a simple rate of 10% per annum. The loan is on a revolving and demand basis and has no fixed repayment schedule. At September 30, 2007, the credit remained available to Sharon however, no amount was outstanding.

Selected Quarterly Information

(Unaudited)

(Thousands, except per share amounts)

	For the Three Months Ended								
	2007				2006				2005
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	
Total revenue	\$ (8,173)	\$ 4,870	\$ (5,684)	\$ 2,026	\$ (4,472)	\$ (16,815)	\$ 6,442	\$ 13,260	
Earnings (loss)	\$ (7,399)	\$ 3,873	\$ (5,192)	\$ 838	\$ (3,990)	\$ (13,912)	\$ 5,100	\$ 10,442	
per share, basic	\$ (0.60)	\$ 0.31	\$ (0.42)	\$ 0.07	\$ (0.32)	\$ (1.12)	\$ 0.41	\$ 0.86	
per share, diluted	\$ (0.59)	\$ 0.31	\$ (0.42)	\$ 0.07	\$ (0.32)	\$ (1.10)	\$ 0.41	\$ 0.83	

	As at the Period Ended								
	2007				2006				2005
	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	
Retained earnings	\$ 55,107	\$ 66,465	\$ 62,592	\$ 67,798	\$ 66,970	\$ 70,988	\$ 84,900	\$ 79,800	
Net asset value	\$ 58,313	\$ 69,543	\$ 65,542	\$ 70,529	\$ 69,283	\$ 73,281	\$ 87,152	\$ 81,947	
per share, basic	\$ 4.72	\$ 5.70	\$ 5.29	\$ 5.70	\$ 5.60	\$ 5.92	\$ 7.04	\$ 6.64	
per share, diluted	\$ 4.56	\$ 5.38	\$ 5.08	\$ 5.47	\$ 5.49	\$ 5.80	\$ 6.86	\$ 6.48	

Capital Stock

As of November 22, 2007, Humboldt had 12,349,795 common shares outstanding. In addition, the Company has outstanding employee options to purchase an additional 1,135,000 common shares.

Financial Reporting Update

The Canadian Institute of Chartered Accountants ("CICA") is continuously modifying the CICA Handbook with new or amended accounting standards. Humboldt constantly monitors and reviews changes to the CICA Handbook and has determined that no changes were required to its accounting policies during the period ended September 30, 2007. However, several new CICA Handbook sections came into effect January 1, 2007, and were adopted by the Company. Please refer to Note 2, "Changes in Accounting Policies" in the notes to the financial statements for the period ended September 30, 2007.



In December 2006, the CICA issued a new accounting standard: Handbook Section 1535, "Capital Disclosures", requiring disclosure of information about an entity's capital and the objectives, policies, and processes for managing capital. The standard is effective for fiscal years beginning on or after October 1, 2007, and we are currently assessing the impact on the consolidated financial statements.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of Humboldt are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management has assessed the design of the Company's internal control over financial reporting as at December 31, 2006, and has certified that there were no changes to the controls over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Disclosure Controls and Procedures

The Company has established disclosure controls, procedures and corporate policies so that the consolidated financial results are presented accurately, fairly and timely. The disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under applicable securities regulation is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. All internal control systems, no matter how well designed, have inherent limitations. Therefore, these systems provide reasonable, but not absolute, assurance that financial information is accurate and complete.

Outlook

Humboldt continues to have concerns about the trend in North American equity prices due to the overhang of the United States twin deficits, trade and budget, and further weakening of the U.S. dollar. North American share prices appear to have stalled and the long term impact of the meltdown in the U.S. housing business and subprime lending is hard to quantify, but will not be positive for short term U.S. growth.

Asian demand should provide a firm base for most internationally traded commodities such as oil and base metals during 2007.

Humboldt's other commodity-based holdings with a favourable outlook include diamonds, where demand continues to outstrip foreseeable supplies; uranium, which has been enormously bid up due to a perceived medium term supply problem; and finally, gold, which essentially acts in an inverse relationship to the U.S. dollar and should remain strong.

As a result of greater uncertainties at this phase of the business cycle, Humboldt has increased its current level of liquidity to enable the Company to be positioned to reinvest more of its capital in the energy business at a more appropriate time. At the time of writing, Humboldt's cash reserves in excess of \$11 million.

The recent crash in the U.S. and Worldwide stock markets, as a result of a liquidity crunch in the United States, clearly causes concern that U.S. and international growth may be substantially reduced due to credit restrictions. Indeed, there is now a higher likelihood of a U.S. recession. The timely intervention by the U.S. Federal Reserve Board however appears to have stabilized some of the credit issues and Humboldt's management outlook is that



after a period of turmoil for the next several months, capital and stock markets will calm down and re-resume slower growth.

The significant correction in stock prices in Humboldt's portfolio, especially related to mining stocks, will result in a short term reduction in Humboldt's per share value. While this reduction could be significant, most of the Company's holdings have been reviewed for financial soundness and will be able to continue with their active exploration programs.

Humboldt is also in an enviable position, with a substantial cash balance, to be able to weather any storm. In addition, Humboldt's Board has encouraged the management team of its major holdings to be prepared to modify their programs to maintain adequate medium-term liquidity.

On a positive note, Humboldt's staff is re-reviewing a great number of investment opportunities which, due to the present correction, have been much more attractively priced. Humboldt's focus will as usual be on quality management teams with attractive properties, but now with a greater emphasis on financial reserves with which to continue their exploration.

Finally, Humboldt anticipates that even the energy business, which has suffered a major correction and an extremely negative sector rotation out of energy stocks, may soon, after almost two years of decline slowly come back into favour. Hence, Humboldt is presently re-reviewing this sector again with a view to selecting energy companies with positive growth potential, at reasonable prices.



Corporate Information

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Directors

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Charles A. Teare
Calgary, Alberta

Robert L. McPherson (1) (2) (3)
Calgary, Alberta

Allan R. Twa (1) (2) (3)
Calgary, Alberta

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance Committee

Legal Counsel

Burnet, Duckworth & Palmer LLP
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: HMB



Humboldt Capital Corporation
Q3 Interim Report 2007





Consolidated Balance Sheet

(Thousands, except per share amounts)

(unaudited)

	September 30 2007	December 31 2006
Assets		
Cash and term deposits	\$ 10,609	\$ 780
Accounts receivable	438	-
Income tax recoverable		225
	11,047	1,005
Loans receivable	167	216
Loans to associated companies (Note 6)	-	3,414
Investments (Note 4)	47,677	70,508
Other assets	257	247
	48,101	74,385
Total Assets	\$ 59,148	\$ 75,390
LIABILITIES		
Short term margin debt (Note 3)	\$ -	\$ 464
Accounts payable and accrued liabilities	37	382
	37	846
Future income tax liability	798	4,015
	835	4,861
SHAREHOLDERS' EQUITY		
Share capital (Note 5)		
Common shares	2,076	2,056
Contributed surplus	1,130	675
Retained earnings	55,107	67,798
Total Shareholders' Equity	58,313	70,529
Total Liabilities and Shareholders' Equity	\$ 59,148	\$ 75,390
Net asset value per share, basic	\$ 4.72	\$ 5.70
Net asset value per share, diluted	\$ 4.56	\$ 5.47

Approved by the Board:

(Signed) "R.W. Lamond" Director

(Signed) "C.A. Teare" Director



**Consolidated Statement of Operations,
Comprehensive Income and Retained Earnings**

(Thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Revenue				
Net gain on sale of investments	\$ 1,506	\$ 1,642	\$ 5,458	\$ 8,538
Decrease in unrealized appreciation in investment value	(9,898)	(6,225)	(19,661)	(23,734)
Interest, dividends and other	219	111	346	351
	(8,173)	(4,472)	(13,857)	(14,845)
Expenses				
General and administrative	575	257	901	905
Non-cash compensation	259	21	460	99
Loan loss expense (recovery)	-	-	(25)	-
	834	278	1,336	1,004
Loss before income taxes	(9,007)	(4,750)	(15,193)	(15,849)
Income taxes (recovery)				
Current	24	247	642	900
Future	(1,632)	(1,007)	(3,244)	(3,947)
	(1,608)	(760)	(2,602)	(3,047)
Net comprehensive loss for the period	(7,399)	(3,990)	(12,591)	(12,802)
Cost in excess of stated value of shares repurchased	(86)	(28)	(100)	(28)
Retained earnings, beginning of period	62,592	70,988	67,798	79,800
Retained earnings, end of period	\$ 55,107	\$ 66,970	\$ 55,107	\$ 66,970
Loss per share, basic	\$ (0.60)	\$ (0.32)	\$ (1.02)	\$ (1.03)
Loss per share, diluted	\$ (0.59)	\$ (0.32)	\$ (1.01)	\$ (1.02)



Consolidated Statement of Cash Flows

(Thousands)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Cash provided by (used for):				
Operating Activities				
Net comprehensive loss for the period	\$ (11,272)	\$ (3,990)	\$ (12,591)	\$ (12,802)
Adjusted for:				
Interest, dividends and other	(107)	(111)	(346)	(351)
Loan loss expense	-	-	25	-
Non-cash compensation	(132)	21	(460)	99
Future income tax recovery	(2,266)	(1,007)	(3,244)	(3,947)
Decrease in unrealized appreciation of investments	13,855	6,225	19,661	23,734
Net gain on sale of investments	(705)	(1,642)	(5,458)	(8,538)
	(627)	(504)	(2,413)	(1,805)
Change in non-cash working capital	283	(2,434)	(91)	(2,434)
	(344)	(2,938)	(2,504)	(4,239)
Investing Activities				
Repayments (advances) to associated companies (net)	10	(21)	3,424	2,111
Proceeds from sale of investments	4,214	3,893	17,694	17,826
Purchase of investments	(3,499)	(2,385)	(9,066)	(15,850)
Other loans and debentures	(10)	-	39	-
Other assets	(6)	(9)	(9)	(9)
Interest	14	139	346	326
	723	1,617	12,428	4,404
Financing Activities				
Shares issued on exercise of options	-	68	20	68
Purchase of shares for cancellation	(100)	(30)	(115)	(30)
	(100)	38	(95)	38
Increase (decrease) in cash	279	(1,283)	9,829	203
Cash, beginning of period	10,330	3,361	780	1,875
Cash, end of period	\$ 10,609	\$ 2,078	\$ 10,609	\$ 2,078
Supplementary information regarding cash payments:				
Interest received during the period	\$ -	\$ 479	\$ 332	\$ 666
Taxes paid (refunded) during the period	\$ -	\$ 345	\$ 631	\$ 1,730
Non-cash items:				
Interest on loans to associated companies	\$ -	\$ 84	\$ 155	\$ 222



Notes to the Consolidated Financial Statements For the Nine months Ended September 30, 2007

The financial statements for the nine months ended September 30, 2007, and 2006, have not been reviewed by the Company's external auditors.

The Company is a corporation subject to the Business Corporations Act (Alberta) and its shares are listed on the TSX Venture Exchange. The Company's principal business activity consists of investing in resource companies.

1. 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 at December 31, 2006.

2. Change in Accounting Policies

The interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements, except as follows:

Comprehensive Income

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, on January 1, 2007. The new standard introduces comprehensive income, which consists of net income and other comprehensive income. The Company does not currently have any other comprehensive income items.

Financial Instruments

On January 1, 2007, the Company adopted CICA Section 3855, Financial Instruments – Recognition and Measurement. This standard establishes the recognition and measurement criteria for financial assets, liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

Cash and cash equivalents are designated as "held-for-trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Investments and other assets are designated as "held for trading" and are measured at their fair value as determined by the Company. Accounts receivable, loans receivable and loans to associated companies are designated as "loans and receivables" and are carried at cost unless the value has been impaired. Accounts payable are designated as "other financial liabilities" and are carried at cost.



3. Margin Debt

Humboldt uses secured margin debt to finance short term cash requirements. These facilities are provided by investment dealers who hold the Company's portfolio securities as security for the debt. Interest rates for the service vary and change in relation to prime rates charged by commercial banks.

4. Investments

Investments are comprised of the following:

**Portfolio Summary and Net Asset Value
at September 30, 2007**

<i>(Thousands, except percentage)</i>	No. of Shares	Carrying Value ⁽¹⁾	Unrealized Gain (Loss) ⁽²⁾	Investment Cost ⁽³⁾	% of Portfolio	% of Net Asset Value
Major Holdings						
Diaz Resources Ltd	18,290	7,133	1,241	5,892	15.0%	12.2%
Sharon Energy Ltd.	17,783	5,335	868	4,467	11.2%	9.1%
Paris Energy Inc	1,417	425	(1,168)	1,593	0.9%	0.7%
Tuscany Energy Ltd.	6,328	696	(590)	1,287	1.5%	1.2%
Goldmark Minerals Ltd	4,679	889	458	431	1.9%	1.5%
Total Major Holdings		14,478	809	13,670	30.4%	24.8%
Canadian Oil & Gas						
Buffalo Oil Corporation	816	1,020	(106)	1,126	2.1%	1.7%
Storm Explorations	82	710	335	375	1.5%	1.2%
Wave Energy Inc	255	568	0	568	1.2%	1.0%
E4 Energy Inc	732	527	(582)	1,109	1.1%	0.9%
Endev Energy Inc	588	499	(123)	622	1.0%	0.9%
Celtic Exploration Ltd	37	498	198	301	1.0%	0.9%
Rock Energy Inc	145	484	(85)	569	1.0%	0.8%
Vero Energy Inc	79	449	73	376	0.9%	0.8%
NuVista Energy Ltd	27	371	60	311	0.8%	0.6%
Burmis Energy Inc	168	362	(42)	404	0.8%	0.6%
Crocotta Energy Ltd	135	343	0	343	0.7%	0.6%
Result Energy Inc	751	338	(36)	374	0.7%	0.6%
Cyries Energy Inc	35	259	12	247	0.5%	0.4%
Titan Exploration Ltd	158	253	(368)	621	0.5%	0.4%
Rival Energy Inc	244	237	(115)	351	0.5%	0.4%
Canext Energy Ltd	513	236	(305)	541	0.5%	0.4%
West Energy Ltd	65	232	(130)	362	0.5%	0.4%
Trafina Energy Ltd	303	212	137	75	0.4%	0.4%
Sure Energy Inc	160	157	(110)	267	0.3%	0.3%
Nuloch Resources Inc	200	130	(200)	330	0.3%	0.2%
Renegade Oil & Gas	100	100	0	100	0.2%	0.2%
Other Canadian Oil & Gas		610	(853)	1,463	1.3%	1.0%
Total Canadian Oil & Gas		8,595	(2,240)	10,835	18.0%	14.7%



**Portfolio Summary and Net Asset Value
at September 30, 2007**

	No. of Shares	Carrying Value ⁽¹⁾	Unrealized Gain (Loss) ⁽²⁾	Investment Cost ⁽³⁾	% of Portfolio	% of Net Asset Value
<i>(Thousands, except percentage)</i>						
International Oil & Gas						
Bow Valley Energy Ltd	381	2,234	1,403	831	4.7%	3.8%
Cirrus Energy Inc.	818	1,930	729	1,201	4.0%	3.3%
Antrim Energy Ltd	212	1,285	926	359	2.7%	2.2%
Pan Orient Energy Corp	196	1,172	892	280	2.5%	2.0%
Ithica Resources Inc	337	1,128	389	738	2.4%	1.9%
Sterling Resources Ltd	515	978	256	722	2.1%	1.7%
Serica Resources PLC	368	702	(91)	793	1.5%	1.2%
BrazAlta Resources Corp	674	620	226	394	1.3%	1.1%
Excelsior Energy Ltd	609	487	202	285	1.0%	0.8%
Granby Oil & Gas	325	406	(144)	550	0.9%	0.7%
EnCore Oil	1,235	401	(193)	595	0.8%	0.7%
Loon Energy Inc	590	360	108	251	0.8%	0.6%
Coastal Energy Company	530	323	(58)	381	0.7%	0.6%
Benchmark Energy Corp	515	309	11	298	0.6%	0.5%
Mart Resources Ltd	700	308	(90)	398	0.6%	0.5%
Europa Oil & Gas	600	280	(5)	285	0.6%	0.5%
Genesis Petroleum	400	238	(62)	299	0.5%	0.4%
Gran Tierra Energy Inc	110	173	6	167	0.4%	0.3%
Tag Oil Ltd	1,040	151	(584)	735	0.3%	0.3%
Elixer Petroleum Ltd	612	146	(227)	373	0.3%	0.3%
Drillsearch Energy	820	145	93	51	0.3%	0.2%
Canadian Superior Energy Inc	50	138	42	96	0.3%	0.2%
Cue Energy	633	134	(27)	161	0.3%	0.2%
Gulf Shores	638	118	(100)	218	0.2%	0.2%
TG World Energy Corp	200	112	(128)	240	0.2%	0.2%
Avery Resources Inc	346	100	(35)	136	0.2%	0.2%
Other International Oil & Gas Companies		451	(1,109)	1,559	0.9%	0.8%
Total International Oil & Gas		14,829	2,430	12,396	31.1%	25.4%
Mining						
International PBX Ventures Ltd	957	546	44	501	1.1%	0.9%
Vaaldiam Resources Ltd	570	428	60	367	0.9%	0.7%
Alberta Star Development	377	381	181	200	0.8%	0.7%
Firestone Ventures Inc.	697	376	260	116	0.8%	0.6%
Firestone Ventures Warrants	834	317	317	0	0.7%	0.5%
Capstone Mining Corp	105	309	209	100	0.6%	0.5%
Global Copper Corp	100	305	175	130	0.6%	0.5%
Yukon Zinc	1,217	304	(125)	429	0.6%	0.5%
WSR Gold Inc	1,008	287	(471)	759	0.6%	0.5%
Scorpio Mining Corp	166	247	56	191	0.5%	0.4%
Midlands Minerals Corp	600	234	74	160	0.5%	0.4%
Chapleau Resources Ltd	525	215	64	151	0.5%	0.4%
East Asia Minerals Corp	100	214	139	75	0.4%	0.4%
Full Metal Minerals Ltd	70	200	39	161	0.4%	0.3%
Shear Minerals Ltd	403	199	16	184	0.4%	0.3%
Alexis Minerals Corporation	200	182	(10)	192	0.4%	0.3%
Indicator Minerals Inc	493	182	(53)	235	0.4%	0.3%



**Portfolio Summary and Net Asset Value
at September 30, 2007**

	No. of Shares	Carrying Value ⁽¹⁾	Unrealized Gain (Loss) ⁽²⁾	Investment Cost ⁽³⁾	% of Portfolio	% of Net Asset Value
<i>(Thousands, except percentage)</i>						
Fortune Valley Resources	400	180	20	160	0.4%	0.3%
Atlas Moly Inc	500	171	0	171	0.4%	0.3%
Capstone Gold Warrants	105	162	162	0	0.3%	0.3%
Premium Exploration Inc	450	158	8	150	0.3%	0.3%
Celtic Minerals	150	155	10	144	0.3%	0.3%
Silver Spruce Warrants	200	140	140	0	0.3%	0.2%
Strata Gold Corp	263	129	(19)	148	0.3%	0.2%
Kilo Goldmines	375	125	0	125	0.3%	0.2%
Oromin Explorations	44	124	19	104	0.3%	0.2%
Freewest Resources Canada Inc	500	123	(69)	192	0.3%	0.2%
Silverstone Resource Corp	53	123	30	93	0.3%	0.2%
Strongbow Exploration Inc	254	123	75	48	0.3%	0.2%
Bayswater Uranium Corp	122	116	16	100	0.2%	0.2%
PMI Ventures	400	116	16	100	0.2%	0.2%
Peregrine Metals Inc	200	114	0	114	0.2%	0.2%
Verena Minerals Corp	250	113	56	57	0.2%	0.2%
Apoquindo Minerals	200	112	12	100	0.2%	0.2%
Goldcrest Resources Ltd	250	110	10	100	0.2%	0.2%
Herald Resources	100	110	24	87	0.2%	0.2%
Silvermet Inc	333	110	10	100	0.2%	0.2%
Other Mining Companies		2,001	(589)	2,585	4.2%	3.4%
Total Mining		9,541	906	8,629	20.0%	16.4%
Service Industry						
Production Enhancement Group	305	125	(400)	525	0.3%	0.2%
Other Service industry		18	(32)	50	0.0%	0.0%
Service Industry Total		143	(432)	575	0.3%	0.2%
Other		96	9	87	0.2%	0.2%
Total Portfolio		47,677	1,482	46,192	100.0%	81.8%
Cash, working capital & other		11,434				19.6%
Future tax liability		(798)				-1.4%
Net asset value		58,313				100.0%
Net asset value, per share (diluted)		\$ 4.56				

Notes: (1) Carrying Value is the quoted market value for liquid securities and the estimated fair value for illiquid securities. Fair value being the expected realization from the orderly disposition of the illiquid security over a reasonable time period.

(2) Unrealized Gas (Loss) is the Carrying Value less Investment Cost.

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

(4) Columns may not add due to rounding.



5. 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, 2006	12,380,695	\$ 2,056
Issued on exercise of options	8,400	25
Purchased for cancellation	(34,100)	(5)
Total Shares Outstanding, September 30, 2007	12,354,995	\$ 2,076

	(Thousands)
Contributed Surplus	
Balance, December 31, 2006	\$ 675
Option compensation for the period	460
Options exercised	(5)
Total Contributed Surplus, September 30, 2007	\$ 1,130

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 five 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.



A summary of the Company's option plan as at September 30, 2007, and December 31, 2006, are as follows:

	September 30, 2007		December 31, 2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	1,078,400	\$2.41	486,700	\$2.41
Granted during the period	65,000	\$3.01	655,000	\$3.22
Exercised during the period	(8,400)	\$2.41	(43,300)	\$2.41
Expired during the period			(20,000)	\$2.41
Options outstanding at end of period	1,135,000	\$2.82	1,078,400	\$2.90
Options exercisable at end of period	880,000	\$2.75	490,000	\$2.77

A summary of the exercise price and the weighted average remaining life of the options outstanding are as follows:

Exercise Price	Options Outstanding	Weighted Average Remaining Contract Life	Options Exercisable
\$2.41	415,000	2.5	415,000
\$3.01	120,000	4.0	40,000
\$3.05	600,000	4.5	200,000
Total	1,135,000	3.7	655,000

The Company accounts for its stock based compensation plan using the fair value method, whereby compensation costs are charged to earnings in the period in which they are incurred.

The Company accounts for its stock based compensation plan using the fair value method whereby compensation costs have been recognized in the financial statements for share options granted to employees and directors.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with assumptions as follows:

		Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility	Dividends per Share
2005	January	3.00	4	0.34	n/a
2006	April	4.23	4	0.72	n/a
2006	October	4.08	4	0.67	n/a
2007	January	4.03	4	0.67	n/a



d) Normal Course Issuer Bid

Humboldt has received approval from the TSX Venture Exchange to repurchase its common shares through the exchange under a securities exemption for Normal Course Issuer Bids. Shares repurchased are cancelled. The following table sets forth a summary of the repurchases made pursuant to such Normal Course Issuer Bids for the period:

	Nine Months Ended September 30	
	2007	2006
Common Shares		
Shares repurchased	34,100	31,000
Weighted average price, per share	\$ 3.08	\$ 2.29

6. Related Party Transactions

Humboldt, and certain officers, holds significant interests in some of the companies in its investment portfolio and certain officers and directors of Humboldt are also officers and directors of some of the companies, and as such, they are considered related parties to Humboldt. Humboldt's business includes the acquisition and sale of the securities of such related parties through the market and directly from the companies through public and private offerings. All such offerings are at market values and approved by the appropriate regulatory bodies.

In addition, Humboldt provides financing to companies in which it holds significant share positions. The financing is provided on an interest bearing debt basis at negotiated interest rates between Humboldt and the recipients. At September 30 2007, there was no amount due under these financing arrangements.

Diaz Resources Ltd.

At September 30, 2007, Humboldt owned 29% of the outstanding shares of Diaz. All of Humboldt's officers and directors are also officers and/or directors of Diaz.

During Q1 2007, Humboldt paid Diaz \$153,000 as its share of overhead costs. The charge is estimated based on, among other things, the time spent by Diaz employees on Humboldt's business.

Sharon Energy Ltd.

At September 30, 2007, Humboldt owned 24% of the outstanding shares of Sharon. Certain of Humboldt's officers and directors are also officers and directors of Sharon.

Humboldt periodically advances funds to Sharon by way of a revolving secured loan. Humboldt has an agreement with Sharon to provide a credit facility of up to \$4.8 million. Humboldt charged Sharon interest on the loan at a simple rate of 10% per annum. The loan is on a revolving and demand basis and has no fixed repayment schedule.

At October 30, 2007, the credit remains available to Sharon, however, no amount was outstanding.



Corporate Information

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Allan R. Twa (1) (2) (3)
Calgary, Alberta

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance Committee

Legal Counsel

Burnet, Duckworth & Palmer LLP
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: HMB