

Redhawk Resources, Inc.

(An Exploration Stage Company)

Interim Consolidated Financial Statements

June 30, 2007 and 2006

(Canadian Funds)

Unaudited

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards by the Canadian Institute of Chartered Accountants for a review of interim financial statements.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Interim Consolidated Balance Sheets

As at June 30 and March 31, 2007

Canadian Funds

Unaudited

Statement 1

ASSETS	June 30, 2007	March 31, 2007
Current		
Cash	\$ 3,099,488	\$ 1,191,661
Term deposit in trust	-	3,000,000
Short-term investments	8,866	8,866
Accounts receivable and prepaid expenses	172,456	207,093
Advances to ReMac Zinc Development Corp.	293,250	-
	3,574,060	4,407,620
Reclamation Bond	17,130	11,640
Property and Equipment (Note 4)	80,014	78,287
Resource Properties - Schedule 1, (Note 3)	9,000,256	9,004,736
	\$ 12,671,460	\$ 13,502,283
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 234,787	\$ 788,375
Long Term Debt (Note 5)	2,234,645	-
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	18,652,867	15,362,587
Flow Through Warrants	-	1,760,666
Contributed Surplus (Note 7)	1,467,301	1,296,802
Deficit – Statement 2	(9,918,140)	(5,706,147)
	10,202,028	12,713,908
	\$ 12,671,460	\$ 13,502,283

ON BEHALF OF THE BOARD:

Director: “Steve Bastable”

Director: “Bruce Briggs”

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 2

(An Exploration Stage Company)

Interim Consolidated Statements of Operations and Deficit For the Three Months Ended June 30, 2007 and 2006

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	2007	2006
Administrative Costs		
Accounting and audit	\$ 37,058	\$ 7,909
Amortization	4,731	4,773
Filing fees	2,050	39,269
Insurance	7,336	7,975
Investor relations	27,969	36,595
Legal	39,802	101,075
Management fees and consulting	196,392	92,400
Office and sundry	12,130	18,694
Office services	26,022	12,720
Rent	23,410	24,809
Stock based compensation expense (Note 8(b))	170,499	86,147
Transfer agent	19,107	5,419
Travel and accommodation	2,561	9,464
Foreign exchange (gain) loss	(67,774)	2,816
Loss Before the Following	(501,293)	(450,065)
Other Income (Expenses)		
Interest income	39,258	23,769
Gain on sale of subsidiary (Note 11)	5,145,042	(5,018)
	5,184,300	18,751
Income, (Loss) for the period	4,683,007	(431,314)
(Deficit) - Beginning of period	(5,706,147)	(4,514,714)
Distribution of assets (Note 11 b(i))	(8,895,000)	-
(Deficit) - End of period	\$ (9,918,140)	\$ (4,946,028)
Earnings, (Loss) per Share – Basic		
	\$ 0.09	\$ (0.01)
Earnings, (Loss) per Share – Diluted		
	\$ 0.08	\$ (0.01)
Weighted Average Shares Outstanding	54,835,673	38,000,285

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 3

(An Exploration Stage Company)

Interim Consolidated Statements of Cash Flows For the Three Months Ended June 30, 2007 and 2006

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Cash Resources Provided by (Used in)	2007	2006
Operating Activities		
Income (Loss) for the period	\$ 4,683,007	\$ (431,314)
Items not affected by cash		
Amortization	4,731	4,773
Unrealized foreign exchange loss	1,998	-
Stock-based compensation expense	170,499	86,147
Loss on disposal of property and equipment	-	5,018
Gain on sale of subsidiary	(5,145,042)	-
Changes in non-cash working capital	(320,766)	(188,380)
	(605,573)	(523,756)
Investing Activities		
Property and equipment	(6,457)	(665)
Resource property expenditures	(2,864,183)	(324,593)
Reclamation bond	(5,490)	-
Advances to ReMac Zinc Development Corp.	(120,395)	-
	(2,996,525)	(325,258)
Financing Activities		
Share capital issued for cash, net of issuance costs	3,275,280	584,000
Long term debt	2,234,645	-
Disposal of ReMac Zinc Development Corp.	(3,000,000)	-
	2,509,925	584,000
Net Increase (Decrease) in Cash	(1,092,173)	(265,014)
Cash position - Beginning of Year	4,191,661	3,510,835
Cash Position - End of Period	\$ 3,099,488	\$ 3,245,821
Supplemental Schedule of Non-Cash Transactions		
Shares issued for financing as finder's fees	\$ 170,499	\$ 86,147
Shares issued for resource properties	15,000	6,000
Proceeds of sale of subsidiary	\$ 8,895,000	\$ -

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Redhawk Resources, Inc.

Schedule 1

(An Exploration Stage Company)

Interim Consolidated Schedule of Resource Properties For the Three Months Ended June 30, 2007 and 2006

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	2007	2006
Red Bird, Kootenay Land District, B.C.		
Deferred Expenditures		
Assaying	\$ -	\$ 332
Engineering and consulting	-	13,758
Field costs	-	344
	<u>-</u>	<u>14,434</u>
Reeves, Kootenay Land District, B.C.		
Deferred Expenditures		
Engineering and consulting	-	675
Field costs	-	480
	<u>-</u>	<u>1,155</u>
Ramona, Nevada, USA (Note 3(a))		
Acquisition costs	<u>42,003</u>	<u>28,146</u>
	42,003	28,146
Alien, Nevada, USA (Note 3(b))		
Deferred Expenditures		
Permits and fees	<u>29,992</u>	-
	29,992	-
Copper Creek, Arizona, USA (Note 3(c))		
Acquisition costs	<u>2,318,098</u>	-
Deferred Expenditures		
Assaying and laboratory	13,549	18,384
Camp and general	751	564
Drilling	264,934	-
Engineering and consulting	164,074	235,812
Field costs	13,396	18,502
Permits and fees	25,015	277
Vehicles	7,371	7,319
	<u>489,090</u>	<u>280,858</u>
	2,807,188	280,858
Deferred Exploration Costs for the Period	2,879,183	324,593
Balance – Beginning of period	9,004,736	5,546,565
Sale of Redbird, Redbird extension and Reeves Properties (Note 10)	(2,883,663)	
Balance – End of Period	\$ 9,000,256	\$ 5,871,158

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements For the Three Months Ended June 30, 2007 and 2006

Canadian Funds

Unaudited

1. Nature of Operations

Redhawk Resources, Inc. (the "Company") engages principally in the acquisition, exploration and development of resource properties. As discussed in the notes to the financial statements, the recovery of the Company's investment in resource properties and the attainment of profitable operations is dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production. The ultimate outcome of these matters cannot presently be determined because they are contingent on future events.

2. Significant Accounting Policies

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles, using the same accounting policies and methods as per the annual consolidated financial statements for the year ended March 31, 2007 with the following additions. They do not include all the disclosures required by generally accepted accounting principles, and should be read in conjunction with the most recent annual financial statements of the Company.

Adoption of new accounting standards

On April 1, 2007, the Company adopted two new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"); Section 3855, "Financial instruments – recognition and measurement", and Section 1530, "Comprehensive income". These standards were adopted on a prospective basis and as such, prior periods have not been restated.

a) Financial instruments – recognition and measurement

CICA Handbook Section 3855 requires that all financial assets, except those classified as held to maturity, must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss.

b) Comprehensive income

Under CICA Handbook Section 1530, comprehensive income is the change in the Company's net assets that results from transaction, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the statement of operations such as unrealized gains or losses from available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net earnings (loss) until realized.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

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3. Resource Properties

	June 30, 2007	March 31, 2007
Red Bird – Kootenay Land District, B.C.		
Acquisition	\$ -	\$ 90,151
Exploration and development	-	2,435,794
Recoveries	-	(223,151)
	-	2,302,794
Red Bird Extension – Kootenay Land District, B.C.		
Acquisition	-	58,476
Reeves – Kootenay Land District, B.C.		
Acquisition	-	441,421
Exploration and development	-	338,662
Recoveries	-	(257,690)
	-	522,393
Ramona – Nevada, USA		
Acquisition	115,370	73,367
Exploration and development	71,665	71,665
	187,035	145,032
Alien - Nevada, USA		
Acquisition	109,624	109,624
Exploration and development	630,653	600,661
	740,277	710,285
Copper Creek – Arizona, USA		
Acquisition	4,975,823	2,657,725
Exploration and development	3,097,121	2,608,031
	8,079,944	5,265,756
Other Properties		
Exploration and development	-	269,378
Write-off of resource properties	-	(223,614)
Recoveries	-	(45,764)
	-	-
Total	\$ 9,000,256	\$ 9,004,736

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

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Unaudited

3. Resource Properties - *continued*

a) Ramona Agreement

In May 2004, the Company optioned to purchase the Ramona Gold project in Nevada from a third party. The Company can acquire 100% interest in the property by spending US\$32,000 over two years, by paying US\$770,000 in advance royalty payments over 16 years (US\$50,000 paid), by issuing to the third party a total of 100,000 (50,000 issued) shares of the Company in years two to five, and by paying up to a 4% net smelter royalty from commercial production. The Company has the right to reduce the 4% net smelter royalty to 2% at any time by paying the third party US\$1,200,000.

b) Alien Agreement

On October 3, 2003, the Company optioned to acquire a 100% interest, subject to a net smelter royalty of up to 3%, in a long-term mineral lease in 16 unpatented mining claims located in Nye County, Nevada, known as the Alien Gold project. In consideration, over an initial six-year period, the Company will make advance royalty payments of US\$100,000 (US\$45,000 paid), incur exploration expenditures of US \$725,000 (US \$471,628 completed) and issue 500,000 shares (200,000 shares issued). Thereafter, the Company shall make a series of minimum advance royalty payments on an annual basis.

c) Copper Creek Agreements

In November 2005, the Company closed the acquisition of the Copper Creek property in Arizona by signing a letter agreement with AMT International Mining Corporation, to purchase the property for a total purchase price of \$1.6 million and annual advance royalty payments of \$125,000 per year while the Company retains interest in the property. Upon commercial production, the Company will have to pay a 2.25% royalty payment until a total of \$25,000,000, in combined advance royalty and royalty payments have been made to AMT.

The Company entered into a purchase agreement in principal to acquire mining claims in the Copper Creek District, from Phelps Dodge Corporation. The agreement was finalized in April, 2007. The purchase price for the property was US \$3,200,000, including interest payable by a deposit of US \$500,000 (paid) , and delivery of a promissory note for US \$2,072,128 which is payable over 12 years at 5% interest per annum. The property is subject to a 1% net smelter return royalty in favour of Phelps Dodge.

In November 2005, the Company also entered into a lease to purchase agreement with a third party for an additional property within the Copper Creek boundaries known as the D&G Mining Agreement. The Company has paid US\$80,000 and will pay a further US\$80,000 for years one and two and US\$100,000 for years three to fifteen. The Company has the option to purchase the property prior to the first anniversary for US\$1,200,000. The purchase price, if not exercised, increases by US\$200,000 per year until year 15. All yearly lease payments made prior to exercising the option to purchase will be applied as credits toward the purchase price in the year the Company exercises its property purchase option.

4. Property and Equipment

	June 30, 2007			March 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 62,531	15,318	\$ 47,213	\$ 59,230	13,000	\$ 46,230
Computer equipment	25,949	12,101	13,848	22,794	11,107	11,687
Software	33,848	14,895	18,953	33,848	13,478	20,370
	<u>\$ 122,328</u>	<u>42,314</u>	<u>\$ 80,014</u>	<u>\$ 115,872</u>	<u>37,585</u>	<u>\$ 78,287</u>

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

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Unaudited

5. Long Term Debt

The Company entered into a purchase agreement in principle to acquire mining claims in the Copper Creek District, from Phelps Dodge Corporation. The agreement was finalized in April, 2007. The purchase price for the property was US \$3,200,000, including interest payable by a deposit of US \$500,000 (paid), and delivery of a promissory note for US \$2,072,128 which is payable over 12 years at 5% interest per annum. The property is subject to a 1% net smelter return royalty in favour of Phelps Dodge.

6. Share Capital

Details are as follows:

Authorized: Unlimited common shares without par value

	Number	Amount
Balance, March 31, 2006	47,165,820	\$ 12,742,021
Shares issued for resource property	75,000	38,000
Share purchase warrants exercised	6,625,000	2,077,500
Stock options exercised	1,295,000	357,251
Fair value of stock options exercised	-	147,815
Balance, March 31, 2007	55,160,820	15,362,587
Shares issued for resource property	25,000	15,000
Share purchase warrants exercised	11,206,000	3,361,800
Share issue costs	-	(86,520)
Balance, June 30, 2007	66,391,820	\$ 18,652,867

7. Contributed Surplus

Balance, March 31, 2006	\$ 668,937
Fair value of stock options issued	775,680
Transferred to share capital on options exercised	(147,815)
Balance, March 31, 2007	1,296,802
Fair value of stock options issued	170,499
Balance, June 30, 2007	\$ 1,467,301

8. Options and Warrants

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the TSX Venture Exchange on the last trading day preceding the grant. Options shall be exercisable ("vested") as to 25% on the date of grant of the Option and 12.5% every quarter thereafter.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

Canadian Funds

Unaudited

8. Options and Warrants – continued

- a) A summary of the Company's options at June 30, 2007 and the changes for the period are as follows:

Number Outstanding March 31, 2007	Granted	Exercised	Cancelled	Expired	Number Outstanding June 30, 2007	Exercise Price Per Share	Expiry Date
540,000	-	-	-	-	540,000	\$ 0.25	March 5, 2008
975,000	-	-	-	-	975,000	\$ 0.30	January 19, 2009
50,000	-	-	-	-	50,000	\$ 0.25	June 28, 2009
75,000	-	-	-	-	75,000	\$ 0.35	March 17, 2010
420,000	-	-	-	-	420,000	\$ 0.16	July 8, 2010
350,000	-	-	-	-	350,000	\$ 0.22	July 21, 2010
1,250,000	-	-	-	-	1,250,000	\$ 0.60	February 27, 2011
1,185,000	-	-	-	-	1,185,000	\$0.60	August 1, 2011
250,000	-	-	-	-	250,000	\$0.48	October 1, 2011
250,000	-	-	-	-	250,000	\$0.65	February 22, 2012
5,345,000	-	-	-	-	5,345,000	\$ 0.16-\$0.65	March 5, 2008 – February 22, 2012

- b) The fair value of stock options used to calculate compensation for employees is estimated using the Black-Scholes Option Pricing Model. Since the options were granted under a graded vesting schedule, \$170,499 (2006 - \$86,147) of the fair value has been recorded in the accounts of the Company during the period. The offsetting entry is to contributed surplus (*Note 7*) this value is estimated at the date of the grant with the following weighted average assumptions:

Number of options granted	1,240,000	100,000	50,000	150,000	50,000	
Risk-free interest rate	3.71%	4.14%	4.45%	4.19%	3.30%	
Expected dividend yield	NIL	NIL	NIL	NIL	NIL	
Expected stock price volatility	108.912%	118.486%	119.745%	113.308%	90.120%	
Expected option life in years	5	5	5	5	5	
Number of options granted	420,000	425,000	1,250,000	1,335,000	250,000	250,000
Risk-free interest rate	3.35%	3.35%	4.07%	4.01%	4.01%	3.94%
Expected dividend yield	NIL	NIL	NIL	NIL	NIL	NIL
Expected stock price volatility	90.279%	91.50%	92.98%	97.606%	94.060%	94.060%
Expected option life in years	5	5	5	5	5	5

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

- c) A summary of the Company's share purchase warrants at June 30, 2007 and the changes for the period are as follows:

Number Outstanding March 31, 2007	Granted	Exercised	Cancelled	Expired	Number Outstanding June 31, 2007	Exercise Price Per Share	Expiry Date
11,717,000	-	11,206,000	-	-	511,000	\$0.30	Sept 26, 2007
6,000,000	-	-	-	-	6,000,000	\$0.85	Mar 30, 2008
17,717,000	-	11,206,000	-	-	6,511,000	\$ 0.30-\$0.85	Sept 26, 2007 – March 30, 2008

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

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9. Related Party Transactions

Except as disclosed elsewhere in these financial statements related party transactions are as follows:

For the three months ended June 30, 2007, fees in the amount of \$30,500 (2006- \$36,000) were paid to two directors (and one former director) of the Company, which are shown as management fees on the consolidated statement of operations and deficit. For the three months June 30, 2007, legal fees of \$14,411 were paid to a director of the Company.

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

10. Sale of ReMac Zinc Project to ReMac Zinc Development Corp.

The ReMac zinc project consisting of the Red Bird, Red Bird Extension and the Reeves Property (Note 3) was transferred to the Company on December 15, 2006 to its wholly-owned subsidiary ReMac Zinc Development Corp. ("RMZD") (formerly ReMac Zinc Corp.) for 100 common shares.

The Company entered into a definitive arrangement agreement dated December 15, 2006 with OMC Capital Corporation ("OMC"), a Capital Pool Company, whereby OMC acquired RMZD, in exchange for the issuance to the Company of 15,000,000 shares of OMC, which transaction shares were distributed to the Company's shareholders (the "Transaction").

11. Sale of ReMac Zinc Development Corp. to OMC Capital Corporation

- a) Effective June 4, 2007, the Transaction (*Note 10*) was completed. In exchange for the transfer of all of the issued and outstanding shares of RMZD from the Company to OMC, OMC issued to Redhawk 15,000,000 post-consolidated shares in the capital of OMC ("OMC Shares") which were distributed to the Company's shareholders on a pro rata basis. Each registered shareholder of the Company as at June 4, 2007 was entitled to receive such shareholders pro rata portion of the OMC Shares.

The Condensed Balance Sheet of RMZD as at the date of disposition on June 4, 2007 is as follows:

Condensed Balance Sheet

Current Assets	\$	5,340,634
Resource Properties		3,139,305
Total Assets	\$	<u>8,479,939</u>
Current Liabilities	\$	447,780
Due to Redhawk Resources, Inc.		293,250
Total Liabilities	\$	<u>741,030</u>
Net Book Value	\$	<u><u>7,738,909</u></u>

Pursuant to the Amended Arrangement, effective June 4, 2007, RMZD became a wholly-owned subsidiary of OMC and changed its name to "ReMac Zinc Development Corp.", and OMC changed its name to "ReMac Zinc Corp.".

Redhawk Resources, Inc.

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Notes to Consolidated Financial Statements Three Months ended June 30, 2007 and 2006

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11. Sale of ReMac Zinc Development Corp. to OMC Capital Corporation - *continued*

b) Gain on sale of subsidiary

Proceeds	\$	8,895,000	i)
Net book value of investment		<u>3,749,958</u>	ii)
Net gain	\$	<u>5,145,042</u>	

- i) 15,000,000 post consolidation shares of ReMac Zinc Corp (formerly OMC Capital Corporation) at a deemed value of \$0.593 per share.
ii) Value of 100 shares issued by RMZD to Redhawk for the purchase of the Redbird, Redbird extension and Reeves Macdonald properties.
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12. Segmented

	Three Months ended	
	June 30, 2007	June 30, 2006
Assets by geographic area		
USA	\$ 5,351,490	\$ 2,805,035
Canada	<u>7,319,970</u>	<u>6,491,075</u>
	<u>\$ 12,671,460</u>	<u>\$ 9,296,092</u>
Net income (loss) by geographic area		
USA	\$ 155,497	\$ (38,425)
Canada	<u>4,527,510</u>	<u>(392,889)</u>
	<u>\$ 4,683,007</u>	<u>\$ (431,314)</u>

13. Income Taxes

At the year ended March 31, 2007, there was \$3,543,937 of non-capital losses for income tax purposes. The Company will be using approximate \$3 million of the non-capital losses on the sale of RMZD to OMC. (Note 11)

14. Subsequent Events

The Company issued 125,000 shares and received \$37,500 on the exercise of options at \$0.30 per share.

The Company has signed a five year monthly lease for general office use commencing August 1, 2007 at a rate of \$44,552 per annum for Years 1 to 3 and \$45,180 per annum for Years 4 to 5.

In May 2007, the Company issued 250,000 stock options to a consultant exercisable at \$0.66 per share for a period of five years. As approval has not yet been received on these options, these options are not included in the schedule of options in these financial statements.

In July 5, 2007, the Company issued 1,000,000 stock options to directors, consultants and advisory board members exercisable at \$0.60 per share for a period of five years.
