

Redhawk Resources, Inc.
Condensed Consolidated Interim Financial Statements
Three Month Period Ended June 30, 2015 and 2014
(Unaudited – prepared by Management)
(Presented in Canadian Dollars)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended June 30, 2015.

Redhawk Resources, Inc.
Condensed consolidated interim statements of financial position
(Presented in Canadian dollars - unaudited)

	Notes	June 30, 2015	March 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents		\$ 17,061	\$ 192,461
Receivables and prepaid expenses	4	45,956	56,816
		63,017	249,277
Non-current assets			
Reclamation deposits		1,249	1,267
Property and equipment		298,528	308,358
Investment in associate	5	23,911,493	24,249,787
		24,211,270	24,559,412
TOTAL ASSETS		\$ 24,274,287	\$ 24,808,689
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	\$ 60,210	\$ 101,932
		60,210	101,932
Non-Current liabilities			
Long-term debt - notes payable	7	635,601	639,332
TOTAL LIABILITIES		695,811	741,264
SHAREHOLDERS' EQUITY			
Share capital	8	49,779,279	49,779,279
Contributed surplus	8	11,448,431	11,422,492
Accumulated other comprehensive income	8	5,711,171	6,049,295
Deficit		(43,360,405)	(43,183,641)
TOTAL SHAREHOLDERS' EQUITY		23,578,476	24,067,425
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 24,274,287	\$ 24,808,689

Nature of operations and going concern – Note 1

Subsequent events – Note 13

ON BEHALF OF THE BOARD:

Director: “Steven C. Bastable”

Director: “J. Stephen Barley”

See accompanying notes to the condensed consolidated interim financial statements

Redhawk Resources, Inc.
Condensed consolidated interim statements of loss and comprehensive loss
(Presented in Canadian dollars - unaudited)

	Three month period ended June 30,	
	2015	2014
Expenses		
Director fees	\$ -	\$ 21,654
Filing fees	13,539	13,139
Insurance	8,625	10,500
Investor relations	1,000	75
Management and consulting fees	48,388	91,198
Office and sundry	12,485	13,799
Professional fees	34,438	35,161
Project generation	19,325	-
Rent	3,069	3,227
Salaries	-	20,516
Share-based compensation	25,939	213,680
Transfer agents	1,555	1,142
Travel and accommodations	4,442	4,477
Total expenses	(172,805)	(428,568)
Interest income	-	2,201
Interest expense	-	(35,512)
Foreign exchange loss	(3,959)	(1,770)
Net loss for period	\$ (176,764)	\$ (463,649)
Other comprehensive income		
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	(338,124)	(1,124,841)
Total comprehensive loss	\$ (514,888)	\$ (1,588,490)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	157,698,138	157,681,065

Redhawk Resources, Inc.
Condensed consolidated interim statements of changes in equity
(Presented in Canadian dollars - unaudited)

	Share capital		Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
	Number of shares	Amount				
Balance at March 31, 2014	157,601,038	\$ 49,751,933	\$ 10,931,661	\$ 2,471,754	\$ (23,534,819)	\$ 39,620,529
Shares issued for cash - options exercised	97,100	16,507	-	-	-	16,507
Transfer of value on exercise of stock options exercised	-	10,839	(10,839)	-	-	-
Share-based compensation	-	-	316,146	-	-	316,146
Currency translation adjustment	-	-	-	(1,124,841)	-	(1,124,841)
Loss for the period	-	-	-	-	(463,649)	(463,649)
Balance at June 30, 2014	157,698,138	\$ 49,779,279	\$ 11,236,968	\$ 1,346,913	\$ (23,998,468)	\$ 38,364,692
Balance at March 31, 2015	157,698,138	\$ 49,779,279	\$ 11,422,492	\$ 6,049,295	\$ (43,183,641)	\$ 24,067,425
Share-based compensation	-	-	25,939	-	-	25,939
Currency translation adjustment	-	-	-	(338,124)	-	(338,124)
Loss for the period	-	-	-	-	(176,764)	(176,764)
Balance at June 30, 2015	157,698,138	\$ 49,779,279	\$ 11,448,431	\$ 5,711,171	\$ (43,360,405)	\$ 23,578,476

Redhawk Resources, Inc.
Condensed consolidated interim statements of cash flows
(Presented in Canadian dollars - unaudited)

	Three month period ended June 30,	
	2015	2014
Operating activities		
Loss for the period	\$ (176,764)	\$ (463,649)
Adjustments for non-cash items:		
Depreciation	5,457	5,901
Share-based payments	25,939	213,680
Changes in non-cash working capital items:		
Receivables and prepaid expenses	10,861	50,685
Trade payables and accrued liabilities	(41,722)	91,295
Net cash flows used in operating activities	(176,229)	(102,088)
Investing activities		
Expenditures on exploration and evaluation assets	-	(388,608)
Short-term investments	-	486,813
Net cash flows used in investing activities	-	98,205
Financing activities		
Proceeds on issuance of common shares	-	16,507
Net cash flows received from financing activities	-	16,507
Currency impact on cash and cash equivalents	829	(61,954)
Decrease in cash and cash equivalents	(175,400)	(49,330)
Cash and cash equivalents, beginning	192,461	151,984
Cash and cash equivalents, ending	\$ 17,061	\$ 102,654

Supplemental cash flow information - Note 12

1. Nature of operations and going concern

Redhawk Resources, Inc. (the "Company") and its wholly owned subsidiaries, Redhawk Copper, Inc. and Redhawk Resources (USA), Inc. are engaged principally in the acquisition, exploration and development of resource property in the U.S.A.

The head office and principal address of the Company is located at One Bentall Centre, Suite 1560 – 505 Burrard Street, Vancouver BC V7X 1M5. The Company's registered and records office address is 1066 West Hastings Street, Suite 2600, Vancouver, British Columbia, Canada, V6E 3X1.

Going concern

These condensed consolidated interim financial statements have been prepared as applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the exploration stage, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its exploration activities. As at June 30, 2015, the Company's working capital was \$2,807.

The Company's ability to meet its administrative expenses and complete its planned exploration and development activities is dependent upon management's ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

2. Statement of compliance

These condensed consolidated interim financial statements were authorized for issue on August 14, 2015 by the directors of the Company.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended March 31, 2015.

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended March 31, 2015.

Basis of preparation

The condensed consolidated interim financial statements of the Company have been prepared on the accruals basis and are based on historical costs, modified where applicable. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

3. Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies described in Note 3 of the Company's Annual Financial Statements as at and for the year ended March 31, 2015. Accordingly, these condensed consolidated interim statements for the three month periods ended June 30, 2015 and 2014 should be read together with the Annual Financial Statements as at, and for the year ended, March 31, 2015.

Recent accounting standards issued and not yet applied

The following standards, interpretations and amendments, which have not been applied to in these condensed consolidated interim financial statements, will or may have an effect on the Company's future condensed consolidated interim financial statements. The Company is in the process of evaluating these new standards.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments, to replace IAS 39, Financial Instruments: Recognition and Measurement, and ("IAS 39). IFRS 9 introduces a single approach to determine whether a financial asset is measured at fair value through profit and loss, fair value through other comprehensive income, or at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income rather than net earnings, unless this creates an accounting mismatch.

In addition, a new expected credit loss model for calculating impairment on financial assets replaces the incurred loss impairment model used in IAS 39. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure about expected credit losses and credit risk. IFRS 9 also includes a simplified hedge accounting model, aligning hedge accounting more closely with risk management. The Company does not currently apply hedge accounting.

IFRS 9 is effective for years beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, ("IFRS 15") replacing IAS 11 Construction Contracts, IAS 18 Revenue, and the related revenue-related interpretations. IFRS 15 introduces a single, principle based, five-step model for the recognition of revenue when control of a good or service is transferred to the customer. IFRS 15 also requires expanded disclosures to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers and to improve the comparability of revenue from contracts with customers. IFRS will be effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 15 on the consolidated financial statements. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The IASB has issued an exposure draft that would, if approved defer the effective date to January 1, 2018. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

4. Receivables and prepaid expenses

	June 30, 2015	March 31, 2015
Value-added tax receivables	\$ 4,891	\$ 6,811
Prepays	41,065	50,005
	<u>\$ 45,956</u>	<u>\$ 56,816</u>

5. Investment in associate – Copper Creek Project LLC

The associate of the Company as at June 30, 2015 is Copper Creek Project LLC (“CCP”), a Limited Liability Corporation incorporated on August 26, 2014 in Delaware, USA.

Anglo American US Holdings Inc. (“Anglo Holdings”), entered into an agreement among RDK Copper and Copper Creek Project LLC (“CCP” a limited liability company pursuant to the laws of Delaware). The agreement provides for exploration and development efforts on the Copper Creek property.

Under the agreement Redhawk transferred into CCP the Copper Creek Project along with certain related assets and liabilities. Anglo Holdings currently has a 60% interest in the CCP and must fund expenditures of US \$44 million on the Project, at their option, over a five year period with a commitment to fund at least US\$3 million in the first year (paid). Should Anglo not fund the LLC on the agreed upon terms the Company will assume full ownership of the CCP. Once Anglo Holdings has funded the US\$44 million and secured the initial 60% interest, Anglo Holdings may elect to acquire an additional 20% interest in the Project by funding a further US\$20 million in expenditures on the Project on or before the seventh anniversary of the effective date. Redhawk will be the operator for the first three years, after which time Anglo Holdings will be then the operator.

CCP has a primary focus on the development of the Copper Creek copper-molybdenum project in San Manuel Arizona, USA.

Summarized statement of financial position – Copper Creek Project LLC (stated in USD) (unaudited)

	June 30, 2015	March 31, 2015
Current assets	\$ 793,021	\$ 1,392,862
Non-current assets	<u>23,743,088</u>	<u>23,465,414</u>
Total Assets	\$ 24,536,109	\$ 24,858,276
Current liabilities	\$ 41,674	\$ 392,036
Non-current liabilities	<u>2,327,556</u>	<u>2,299,361</u>
Total Liabilities	<u>2,369,230</u>	<u>2,691,397</u>
Equity - Members		
LLC Members		
Anglo Exploration USA - contributions to date	2,959,577	2,959,577
Redhawk Resources Inc. - contributions to date	19,207,302	19,207,302
Deficit	<u>-</u>	<u>-</u>
Total Members equity	<u>22,166,879</u>	<u>22,166,879</u>
Total Equity and liabilities	\$ 24,536,109	\$ 24,858,276

5. Investment in associate – Copper Creek Project LLC (cont'd)

Carrying amount of the Company's interest in Copper Creek Project LLC (stated in USD) at June 30, 2015 was \$23,911,493 (\$19,138,631USD) (March 31, 2015 - \$24,249,787 (\$19,138,631USD)).

6. Trade payables and accrued liabilities

	June 30, 2015	March 31, 2015
Trade payables	\$ 18,371	\$ 28,802
Amounts due to related parties (Note 9)	8,252	11,244
Accrued liabilities	33,587	61,886
	<u>\$ 60,210</u>	<u>\$ 101,932</u>

7. Long term debt – notes payable

	June 30, 2015	March 31, 2015
Amounts due to suppliers	\$201,956	\$ 154,736
Amounts due to related parties (Note 9)	433,645	484,596
	<u>\$635,601</u>	<u>\$ 639,332</u>

The Company has indebtedness to a number of officers, current and previous directors and advisors. The indebtedness has arisen principally from cash payments being made at less than the accrued and recorded liabilities for services provided. The notes payable are a summary of these obligations, and have the following attributes:

- (1) To be paid in full on December 31, 2016;
- (2) Non-interest bearing;
- (3) The notes may be used as partial or full payment under any future private placement of the Company's common shares. This may be before December 31, 2016. If so used, the amount will then be deemed to be a payment on the principal amount of the note.

8. Share capital and contributed surplus

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2015 there were 157,698,138 issued and fully paid common shares (March 31, 2015 – 157,698,138).

Warrants

At June 30, 2015 there were 420,000 warrants issued and outstanding with an exercise price of \$0.20 (March 31, 2015 – 420,000 with an exercise price of \$0.20).

8. Share capital and contributed surplus (cont'd)

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSX requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance is a fixed total of 27,705,457. Such options will be exercisable for a period of up to 5 years from the date of grant. Subject to the Board of Directors, options vesting schedule is following: 25% on date of grant and 12.5% on each of the three, six, nine, twelve, fifteenth and eighteen month anniversaries of the date of grant.

The changes in options during the period ended June 30, 2015 and March 31, 2015 are as follows:

	June 30, 2015		March 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	12,410,000	\$ 0.47	13,060,000	\$ 0.45
Options granted	-	-	2,100,000	0.25
Options exercised	-	-	(97,100)	0.17
Options expired	(2,220,000)	0.46	(2,652,900)	0.22
Options outstanding, end of period	10,190,000	\$ 0.47	12,410,000	\$ 0.47
Options exercisable, end of period	10,065,000	\$ 0.48	11,600,625	\$ 0.49

During three month period ended June 30, 2015 no stock options were issued (March 31, 2015 – 2,100,000). The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	June 30, 2015	March 31, 2015
Expected life of options	-	5 years
Volatility	-	89.75%
Risk-free interest rate	-	1.44%
Dividend rate	-	0%

8. Share capital and contributed surplus (cont'd)

Details of options outstanding as at June 30, 2015 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
\$0.25 - \$0.25	3.84	1,500,000	1,375,000
\$0.26 - \$0.50	2.32	4,300,000	4,300,000
\$0.51 - \$0.74	1.68	3,455,000	3,455,000
\$0.75 - \$0.79	0.62	935,000	935,000
	2.19	10,190,000	10,065,000

During the three month period ended June 30, 2015 and 2014, the Company recorded share-based compensation of \$25,939 (2014 - \$316,146) relating to options vested during the period, of which \$Nil (2014 - \$102,466) was recorded to the exploration and evaluation assets.

Subsequent to June 30, 2015, 675,000 options expired.

Contributed surplus

Stock option

The stock option contributed surplus records items recognized as share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant

The warrant contributed surplus records items recognized as part of a unit financing until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. Related party transactions

Related party balances

The following amounts due to related parties are included in liabilities:

	June 30, 2015	March 31, 2015
Directors and officers of the Company - trade	8,252	11,244
Directors and officers of the Company - long term (Note 7)	433,645	484,596
	\$441,897	\$ 495,840

9. Related party transactions (cont'd)

Key management compensation²

	Three month period ended	
	June 30, 2015	June 30, 2014
Management fees ¹	\$ 38,754	\$ 60,097
Consulting	-	58,275
Director fees	-	21,654
Share-based compensation ¹	21,173	224,233
	\$ 59,927	\$ 364,259

(1) Management fees 2015 - \$Nil (2014 - \$60,097) and certain share-based payments 2015 - \$Nil (2014 - \$62,960) are allocated to exploration and evaluation assets as warranted.

(2) Key management is considered to be the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Directors.

10. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents, short-term investments held in bank accounts and reclamation bonds. The majority of cash and short-term deposits are held with major banks in Canada and U.S.A. This credit risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. The exposure for trade payables and accrued liabilities is considered insignificant.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. For further information related to liquidity refer to Note 1.

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

10. Financial risk management (cont'd)

As at June 30, 2015	Less than 1 year	1-2 years	2-5 years	Over 5 years
Trade payables and accrued liabilities	60,210	-	-	-
Long-term debt – notes payable	-	635,601	-	-
Total	60,210	635,601	-	-

As at March 31, 2015	Less than 1 year	1-2 years	2-5 years	Over 5 years
Trade payables and accrued liabilities	101,932	-	-	-
Long-term debt – notes payable	-	639,332	-	-
Total	101,932	639,332	-	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company does not hedge its exposure to fluctuations in exchange rates.

The Company operates internationally with offices and operations in the US, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. A portion of the Company's expenses are incurred in US dollars. The Company is also exposed to foreign exchange risk in relation to debt held in USD.

A significant change in the currency exchange rate between the US dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

Financial assets and liabilities that are denominated in US dollars are as follows:

	June 30, 2015	March 31, 2015
Cash and cash equivalents	\$ 7,143	\$ 102,110
Trade payables and accrued liabilities	(16,027)	(21,860)
Long-term debt	(262,915)	(181,991)
	\$ (271,799)	\$ (101,741)

Based on the above net exposures, as at June 30, 2015, a 10% change in the US dollar to Canadian dollar exchange rate would impact the Company's net loss by \$27,180.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks because the long term debt agreements is comprised of non-interest bearing note payable (See Note 7).

Capital Management

The capital structure of the Company consists of shareholders' equity.

10. Financial risk management (cont'd)

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash and cash equivalents, short term investments, reclamation bonds, long term debt and trade payables and accrued liabilities. The fair value of cash and cash equivalents, short term investments and reclamation bonds approximates their carrying value due to their short term maturity. The fair value of long term debt, trade payables and accrued liabilities may be less than the carrying value as a result of the Company's credit and liquidity risk (Note 1).

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mineral properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at June 30, 2015		
	Canada	U.S.	Total
Reclamation deposits	\$ -	\$ 1,249	\$ 1,249
Property and equipment	-	298,528	298,528
Investment in associate (Note 5)	-	23,911,493	23,911,493
	\$ -	\$ 24,211,270	\$ 24,211,270

	As at March 31, 2015		
	Canada	U.S.	Total
Reclamation deposits	\$ -	\$ 1,267	\$ 1,267
Property and equipment	-	308,358	308,358
Investment in associate (Note 5)	-	24,249,787	24,249,787
	\$ -	\$ 24,559,412	\$ 24,559,412

12. Supplemental disclosure with respect to cash flows

During the three month period ended June 30, 2015 and 2014, the following non-cash transactions took places that are not reflected in the statements of cash flows:

	Three month period ended	
	June 30, 2015	June 30, 2014
Exploration and evaluation assets included in trade accounts payable and accrued liabilities	\$ -	\$ 72,252
Exploration and evaluation share-based payments	-	102,466
Interest income received	1	2,201

13. Subsequent events

On August 4, 2015 the Company announced a non –brokered private placement of up to 200 convertible debentures at a price of \$1,000 US per debenture to raise gross proceeds of up to US\$200,000. The debentures will bear interest at 10% per annum and mature one year from the closing date. Commencing one day following the closing date, until close of business on the maturity date, the principal amount of the debenture is convertible, at the option of the holder, into units of the Company at a price of \$.05 CDN per unit. Each unit will be comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to subscribe for an additional share at the price of \$.07CDN per share for two years from the closing date.

All securities issued pursuant to the private placement will be subject to a statutory hold period of four months and one day from the closing date. Completion of the private placement is subject to approval by the Toronto Stock Exchange.