Redhawk Resources, Inc.

(An Exploration Stage Company)

Interim Consolidated Financial Statements

June 30, 2008

(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.

Statement 1

(An Exploration Stage Company)

Interim Consolidated Balance Sheets

Canadian Funds
Unaudited

ASSETS		June 30, 2008		March 31, 2008
Current				
Cash and cash equivalents	$	1,403,111	$	158,338
Short-term investments *(Note 4)*		8,866		8,866
Accounts receivable and prepaid expenses		58,959		101,270
		1,470,936		268,474
Reclamation bond		17,130		17,130
Property and equipment *(Note 5)*		71,497		72,298
Resource properties *(Note 6)*		13,255,020		12,337,838
	$	14,814,583	$	12,695,740

LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	293,122	$	589,329
Current portion of long term debt *(Note 7)*		510,000		513,500
		803,122		1,102,829
Long term debt *(Note 7)*		1,734,326		1,718,876
		2,537,448		2,821,705
SHAREHOLDERS' EQUITY				
Share capital *(Note 8)*		20,962,427		19,368,785
Warrants *(Note 9)*		984,560		-
Stock Options *(Note 10)*		2,160,489		2,027,786
Deficit – *Statement 2*		(11,830,341)		(11,522,536)
		12,277,135		9,874,035
	$	14,814,583	$	12,695,740

Nature of Operations and Going Concern (Note 1)
Commitments (Notes 6 & 13)

ON BEHALF OF THE BOARD:

Director: “Darryl J. Yea”

Director: “J. Stephen Barley”

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, Comprehensive Loss and Deficit

Canadian Funds
Unaudited

	Three Months Ended June 30 2008	2007
Administrative Costs		
Accounting and audit	$ 2,773	$ 35,874
Amortization	4,605	4,731
Filing fees	946	-
Insurance	11,480	7,336
Investor relations	41,313	26,233
Legal	27,507	26,717
Management fees and consulting	55,162	192,227
Office and sundry	7,994	11,526
Salaries and benefits	52,259	26,022
Rent	13,074	22,810
Stock based compensation expense *(Note 10 (b))*	108,079	170,499
Transfer agent	1,703	19,107
Travel and accommodation	3,839	2,561
Foreign exchange gain	(23,184)	(41,032)
Loss before the following	307,550	504,611
Other expenses (income)		
Interest income	(5,537)	(18,860)
Interest expense	5,792	-
Loss for the period before discontinued operations	307,805	485,751
Net loss from discontinued operations	-	3,026
Loss and comprehensive loss for the period	307,805	488,777
Deficit – beginning of year	11,522,536	5,706,147
Distribution of assets *(Note 17)*	-	3,723,216
Deficit – end of period	11,830,341	9,918,140
Loss per share from continuing operations– basic and diluted	$ 0.004	$ 0.009
Loss per share from the discontinued operations – basic and diluted	-	0.000
Total loss per share – basic and diluted	0.004	0.009
Weighted average shares outstanding – basic	70,426,376	54,835,673
Weighted average shares outstanding –diluted	71,496,376	54,835,673

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

Canadian Funds

Unaudited

	Three Months Ended June 30	
	2008	2007
Cash flows from operating activities		
Loss and comprehensive loss for the period	$ (307,805)	$ (488,777)
Items not affecting cash		
Amortization	4,605	4,731
Stock-based compensation expense *(Note 10(b))*	108,079	170,499
	(195,121)	(313,547)
Changes in non-cash working capital	(371,634)	(3,412,421)
	(566,755)	(3,725,968)
Cash flows from investing activities		
Purchase of reclamation bond	-	(5,490)
Property and equipment	(3,804)	(6,457)
Resource property expenditures	(750,870)	(629,538)
	(754,674)	(641,485)
Cash flows from financing activities		
Share capital issued for cash, net of issuance costs	2,566,202	3,275,280
Net increase (decrease) in cash	1,244,773	(1,092,173)
Cash and cash equivalents - beginning of year	158,338	1,191,661
Cash and cash equivalents - end of period	$ 1,403,111	$ 99,488
Supplemental Schedule of Non-Cash Transactions		
Shares issued for financing as finder's fees	-	170,499
Shares issued for resource properties	$ 12,000	$ 15,000
Stock based compensation expense capitalized in resource properties	$ 24,624	$ -

The accompanying notes form an integral part of these financial statements

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 properties, and has not yet determined whether its resource properties contained mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for resource properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its resource properties and on future profitable production or proceeds from the disposition of the resource properties.

The Company's ability to continue operations is contingent on its ability to obtain further financing. These interim consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were going concern assumptions inappropriate. Such adjustments could be material.

2. Significant Accounting Policies

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods consistent with those used in the preparation of the most recent annual audited consolidated financial statements except as noted below. The interim consolidated financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2008.

Changes in Accounting Policies

Effective April 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

Section 3862, "Financial Instruments – Disclosures". This section describes the required disclosure to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. *(See note 3)*

Section 3863, "Financial Instruments – Presentation". This section establishes standards for presentation of financial instruments and non-financial derivatives. These sections detail the presentation of standards described in Section 3861, "Financial Instruments – Disclosure and presentation". *(See note 3)*

Section 1535, "Capital Disclosures". This section establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance. *(See note 16)*

Section 1400, "General Standards on Financial Statement Presentation", has been amended to include requirements to assess and disclose a company's ability to continue as a going concern. The adoption of this standard did not have an effect on the Company for the three months ended June 30, 2008.

2. Significant Accounting Policies - *continued*

International Financial Reporting Standards (IFRS)

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, reclamation bond, and accounts payable and accrued liabilities, and long term debt. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments other than it relates to the long term debt described in note 7, which is repayable in US dollars. The carrying value of these financial instruments approximates their fair value.

4. Short Term Investments

Short term investments are 55,415 shares of Golden Arch Resources Ltd.

5. Property and Equipment

	June 30, 2008			March 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	$ 66,336	24,421	$ 41,915	$ 62,532	22,214	$ 40,318
Computer equipment	35,307	19,637	15,670	35,307	18,367	16,940
Software	33,848	19,936	13,912	33,848	18,808	15,040
	$ 135,491	63,994	$ 71,497	$ 131,687	59,389	$ 72,298

6. Resource Properties

		Three Months Ended June 30, 2008		Year Ended March 31, 2008
Alien, Nevada, USA (a)				
Acquisition	$	-	$	24,710
Deferred exploration		-		31,693
		-		56,403
Ramona, Nevada, USA (b)				
Acquisition	$	42,039	$	42,003
Deferred exploration		-		344
		42,039		42.347
Copper Creek, Arizona, USA (c, d and e)				
Acquisition	$	26,900	$	2,478,586
Deferred exploration		714,259		3,639,429
Deferred general and administration		60,404		-
Deferred property development		45,118		-
Deferred property maintenance		3,838		-
Deferred exploration - stock based compensation *(Note 10(b))*		24,624		
		875,143		6,118,015
Redbird, Kootney Land District, B.C. (f)				
Spin off of subsidiary	$	-	$	(2,361,270)
Reeves, Kootney Land District, B.C. (f)				
Spin off of subsidiary	$	-	$	(522,393)
Total deferred costs for the period and year		917,182		3,333,102
Balance – beginning of period and year		12,337,838		9,004,736
Balance – end of period and year	$	13,255,020	$	12,337,838
Balance comprised of:				
Alien, Nevada, USA	$	766,688	$	766,688
Ramona, Nevada, USA		229,418		187,379
Copper Creek, Arizona, USA		12,258,914		11,383,771
Balance – end of period and year	$	13,255,020	$	12,337,838

6. Resource Properties - *continued*

a) **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 of 16 unpatented mining claims located in Nye County, Nevada, known as the Alien Gold project. Advance royalty payments are required to be paid annually during the lease term along with the issuance of 500,000 common shares of the Company over the first six years of the lease term. To date 200,000 shares have been issued with the remaining 300,000 shares to be issued on or before December 1, 2008. The Company paid advance royalty payments of US$70,000 during the first six years of the lease term and is required to make advance royalty payments of US$30,000 in December of each year of the lease term through to 2014. Thereafter, the Company is required to make a series of escalating minimum advance royalty payments on an annual basis.

b) **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 paying US$770,000 in advance royalty payments over 16 years (US$105,000 paid), by issuing to the third party a total of 100,000 (100,000 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.

c) **Copper Creek Agreement**

In November 2005, the Company acquired the Copper Creek property in Arizona for a cash payment on closing of $1.6 million and annual advance royalty payments of $125,000 per year while the Company retains an interest in the property. Upon commercial production, the Company is required 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 International Mining Corporation and AMT (USA) Inc. (collectively "AMT).

In accordance with the purchase and sale agreement with AMT International Mining Corporation and AMT (USA) Inc. (collectively "AMT") dated July 29, 2005, the Company was to have acquired the property free and clear of all claims, liens, charges and encumbrances. The property, however, is subject to a 3% Net Return Royalty granted by AMT to BHP Copper, Inc. by a Royalty Deed and Agreement dated July 30, 1998 with pre-determined reductions if the Comex price of copper is at or below $1.20 per pound. Management is of the opinion that the existence of the BHP Royalty deed is a breach of the representations and warranties provided in the July 2005 purchase agreement and is currently in discussion with the Court-Appointed Receiver of AMT in an attempt to settle the matter.

d) **D & G Mining Agreement**

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. The Company paid US$80,000 at the end of years one and two and is required to pay US$100,000 in November 2008 and annually thereafter until the end of year fifteen. The Company has the option to purchase the property for US$1,600,000 with the purchase price increasing 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.

e) **Freeport-McMoRan Agreement**

In April 2007 the Company entered into a purchase agreement with Freeport-McMoRan Copper & Gold Inc. ("Freeport" previously Phelps Dodge Corporation) to acquire additional mining claims within the Copper Creek boundaries. The purchase price for the property was US $3,200,000, payable by a deposit of US $500,000 (paid), and delivery of a promissory note for US $2.7 million. The property is subject to a 1% net smelter return royalty in favour of Freeport. (*See Note 7*).

f) **Kootenay Land District Agreements**

All of the properties in the Kootenay Land District were owned by the Company's wholly owned subsidiary ReMac Zinc Corp. ("ReMac"). On June 4, 2007, the Company completed a plan of arrangement and disposed of these properties (Note 17).

7. Long Term Debt

	June 30, 2008 USD	June 30, 2008 CAD	March 31, 2008 USD	March 31, 2008 CAD
Long term debt	$ 2,200,320	$ 2,244,326	$ 2,173,686	$ 2,232,376
Less: current portion	(500,000)	(510,000)	(500,000)	(513,500)
Long term portion	$ 1,700,320	$ 1,734,326	$ 1,673,686	$ 1,718,876

In conjunction with the Company's acquisition of mining claims in the Copper Creek District from Freeport, the Company entered into a promissory note in the amount of US$2,072,129. The promissory note is repayable over 12 years and bears interest at 5% per annum.

The payment schedule in USD as indentified within the promissory note agreement is as follows:

Date	Principal
October 2008	$ 344,590
April 2010	370,435
April 2011	132,145
April 2012	138,752
April 2013	145,690
Balance due beyond 5 years	940,517
	2,072,129
Accrued interest	128,191
Total debt	$ 2,200,320

8. Share Capital

Details are as follows:

Authorized: Unlimited common shares without par value

	Number	Amount
Balance - March 31, 2008	68,152,820	$ 19,368,785
Shares issued for cash	5,733,000	2,579,850
Share issue costs	-	(13,648)
Shares issued for property *(Note 12(d))*	25,000	12,000
Fair value of share purchase warrants *(Note 9)*	-	(984,560)
Balance - June 30, 2008	73,910,820	$ 20,962,427

On May 26, 2008 the Company completed a non-brokered private placement for 5,733,000 units at a price of $0.45 per unit for gross proceeds of $2,579,850. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share until May 26, 2010 at a price of $0.65 per share.

9. Warrants

A summary of the Company's share purchase warrants at June 30, 2008 is presented below:

	Number		Amount
Balance - March 31, 2008	-	$	-
Fair value of share purchase warrants *(Note 8)*	5,733,000		984,560
Balance – June 30, 2008	5,733,000	$	984,560

During the period ending June 30, 2008 the Company issued 5,733,000 warrants, *(see note 8)*. These warrants have been valued at $984,560 based upon the Black Scholes model which utilized the following assumptions: Expected dividend yield of nil, expected stock price volatility of 84.44 %, risk free interest rate of 3.34%, expected life of warrants of 2 years. The share purchase warrants expire May 26, 2010.

10. Stock Options

		Amount
Balance - March 31, 2008	$	2,027,786
Fair value of stock options vested during the period		132,703
Balance – June 30, 2008	$	2,160,489

a) The following table summarizes information about the issued and outstanding stock options accounted for under the shareholders' equity as at June 30, 2008:

Number Outstanding March 31, 2008	Granted	Exercised	Cancelled and Expired	Number Outstanding June 30, 2008	Exercise Price Per Share	Expiry Date
400,000	-	-	-	400,000	$ 0.30	January 19, 2009
420,000	-	-	-	420,000	$ 0.16	July 8, 2010
1,000,000	-	-	-	1,000,000	$ 0.60	February 27,2011
435,000	-	-	-	435,000	$0.60	August 1, 2011
250,000	-	-	-	250,000	$0.48	October 1, 2011
250,000	-	-	-	250,000	$0.65	February 22, 2012
2,755,000	-	-	-	2,755,000	$ 0.16-$0.65	January 19, 2009 – 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, $ 132,703 (2007 - $170,499) of the fair value has been recorded in the accounts of the Company during the period with $108,079 recognized on the consolidated statement of operations and comprehensive loss, $24,624 capitalized to resource properties. This value is estimated at the date of the grant with the following weighted average assumptions:

10. Stock Options- *continued*

	June 2008	March 2008
Average risk-free interest rate	3.98%	4.19%
Expected dividend yield	-	-
Expected stock price volatility	84.22%	90.75%
Average expected option life in years	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.

11. Income Taxes

The Company has accumulated non-capital losses for income tax purposes of approximately $3,540,000 as at March 31, 2008 that may be used to reduce future taxable income. The Company will use approximately $1,240,000 of the non-capital losses on the spin off of ReMac Zinc Development Corp. (formerly ReMac Zinc Corp.) to ReMac Zinc Corp. (formerly OMC Capital Corporation) upon filing of the March 31, 2008 corporate tax return. These losses expire as follows:

2013	$	142,900
2014		1,279,300
2025		83,000
2026		77,000
2027		320,000
2028		397,800
	$	2,300,000

Future income tax assets and liabilities are calculated on an annual basis, as more fully described in Note 11(b) to the March 31, 2008 audited financial statements.

12. Related Party Transactions

Except as disclosed elsewhere in these financial statements related party transactions incurred during the period ended June 30, 2008 are as follows**:**

a) Consulting fees totalling $9,000 for services provided by the Chief Financial Officer of the Company. The balance owing at June 30, 2008 is $3,150.
b) Management and corporate advisory fees totalling $30,000 were paid to a Company controlled by two directors of the Company. The balance owing at June 30, 2008 is $60,000 with no specific terms or conditions.
c) Consulting fees totalling $38,254 (USD $37,875) were paid to the president and director of the Company. The balance owing at June 30, 2008 is 11,170 (USD $10,950).
d) An option payment for the Ramona property in the amount of $15,020 (USD $15,000) and 12,500 shares were paid to the president and director of the Company.
e) Salaries, rent and office supplies totalling $28,643 was charged to a company with common management.

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

13. Commitment

On August 1, 2007 the Company entered into a property lease agreement for the rental of office space for a term of five years with no renewal option. The future minimum lease obligations are as follows:

2009	$	33,410
2010		44,546
2011		45,127
2012		45,180
2013		15,060
	$	183,323

14. Segmented Information

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's principal operations were carried out in Canada and the USA. All of the investment income is earned in Canada. Details are as follows:

	Three Months Ended			
		June 2008		June 2007
Assets by geographic area				
USA	$	12,115,978	$	5,351,490
Canada		2,698,605		7,319,970
	$	14,814,583	$	12,671,460
Net loss by geographic area				
USA	$	1,884	$	155,497
Canada		305,921		333,280
	$	307,805	$	488,777

15. Comparative Periods

Certain of the comparative figures have been reclassified to conform to the current period presentation.

16. Capital Disclosures

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company considers the items included in shareholders' equity to be capital as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company' assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

16. Capital Disclosures- *continued*

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

17. Spin off of ReMac Zinc Project to ReMac Zinc Corp.

On June 4, 2007, the shareholders of the Company approved a plan of arrangement involving ReMac Zinc Corp. (formerly OMC Capital Corporation), the Company and ReMac Zinc Development Corp., (formerly ReMac Zinc Corp.) a wholly owned subsidiary of the Company.

This transaction is more fully described in Note 17 to the March 31, 2008 audited financial statements.