

Redhawk Resources, Inc.
(A Development Stage Company)
Interim Consolidated Financial Statements
September 30, 2007 and 2006

Unaudited

Notice of no Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the Company at September 30, 2007 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 of the Canadian Institute of Chartered Accountants for a review of interim financial statements.

Redhawk Resources, Inc.

(A Development Stage Company)

Interim Consolidated Balance Sheets

As at September 30 and March 31, 2007

Canadian Funds

Statement 1

ASSETS	September 30, 2007 (Unaudited)	September 30, 2006 (Unaudited)	March 31, 2007 (Unaudited)
Current			
Cash and term deposits	\$ 2,832,311	\$ 2,623,558	\$ 1,191,661
Term deposit in trust	-	-	3,000,000
Short-term investments	8,866	8,866	8,866
Accounts receivable and prepaid expense	93,376	77,300	207,093
	<u>2,934,553</u>	<u>2,709,724</u>	<u>4,407,620</u>
Reclamation Bond	17,130	11,640	11,640
Property and Equipment (Note 4)	75,429	66,818	78,287
Resources Properties – Schedule 1 (Note 3)	9,547,372	6,504,294	9,004,736
	<u>\$ 12,574,484</u>	<u>\$ 9,292,476</u>	<u>\$ 13,502,283</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 179,830	\$ 351,655	\$ 788,375
Long Term Debt (Note 5)	<u>2,133,371</u>	<u>-</u>	<u>-</u>
SHAREHOLDERS' EQUITY			
Share Capital (Note 6)	18,884,942	13,493,446	15,362,587
Flow through Warrants	-	-	1,760,666
Contributed Surplus (Note 7)	1,781,301	963,076	1,296,802
Deficit – Statement 2	(10,404,960)	(5,515,701)	(5,706,147)
	<u>10,261,283</u>	<u>8,940,821</u>	<u>12,713,908</u>
Commitments (Note 14)			
	<u>\$ 12,574,484</u>	<u>\$ 9,292,476</u>	<u>\$ 13,502,283</u>

ON BEHALF OF THE BOARD:

Director: “Darryl J. Yea”

Director: “Bruce M. Briggs”

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 2

(A Development Stage Company)

Interim Consolidated Statements of Loss (Income), Comprehensive loss (Income) and Deficit For the Six Months Ended September 30, 2007 and 2006

Canadian Funds

	Three Months ended September 30		Six Months Ended September 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Administrative Costs				
Audit and accounting	\$ 7,787	\$ 38,102	\$ 44,845	\$ 46,011
Amortization	4,584	4,956	9,315	9,729
Filing fees	3,550	50	5,600	39,319
Insurance	6,541	7,607	13,877	15,582
Investor relations	31,654	27,699	59,623	64,294
Legal	35,175	41,487	74,977	142,562
Management fees and consulting	66,391	90,773	262,783	183,173
Office and sundry	43,876	11,965	56,006	33,880
Office services	21,572	17,765	47,594	30,485
Rent	21,641	24,336	45,051	49,145
Stock based compensation expense (Note 7)	355,275	300,417	525,774	386,563
Transfer agent	2,496	2,460	21,603	7,879
Travel and accommodation	20,822	25,506	23,383	34,970
Foreign exchange (gain) loss	(105,981)	3,220	(173,755)	2,816
Loss Before the Following	515,383	596,343	1,016,676	1,046,408
Other Income (Expenses)				
Interest income	28,563	26,670	67,821	50,439
Gain on sale of subsidiary (Note 11)	-	-	5,145,042	-
Loss on disposal of capital assets	-	-	-	(5,018)
	28,563	26,670	5,212,863	45,421
Income (Loss) and Comprehensive Income (Loss) for the Period	(486,820)	(569,673)	4,196,187	(1,000,987)
Deficit – Beginning of Period	(9,918,140)	(4,946,028)	(5,706,147)	(4,514,714)
Distribution of Assets (Note 11)	-	-	(8,895,000)	-
Deficit – End of Period	\$ (10,404,960)	\$ (5,515,701)	\$ (10,404,960)	\$ (5,515,701)
(Loss) Income per share-Basic	\$ (0.01)	\$ (0.01)	\$ 0.07	\$ (0.02)
(Loss) Income per Share – Diluted	\$ (0.01)	\$ (0.01)	\$ 0.06	\$ (0.02)
Weighted Average Shares Outstanding-Basic	66,537,135	49,327,777	59,235,841	44,399,564
Shares-Outstanding-Diluted	67,952,820	68,143,596	67,952,820	68,143,596

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 3

(A Development Stage Company)

Interim Consolidated Statements of Cash Flows

For the Six Months Ended September 30, 2007 and 2006

Canadian Funds

Cash Resources Provided by (Used in)	Three Months ended September 30		Six Months Ended September 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Operating Activities				
(Loss) Income for the period	\$ (486,820)	\$ (569,673)	\$ 4,196,187	\$ (1,000,987)
Items not affected by cash				
Amortization	4,584	4,956	9,315	9,729
Stock-based compensation expense	355,275	300,417	525,774	386,563
Loss on disposal of capital assets	-	-	-	5,018
Gain on disposal of subsidiary	-	-	(5,145,042)	-
Changes in non-cash working capital	24,126	200,796	(294,642)	12,416
	(102,835)	(63,504)	(708,408)	(587,261)
Investing Activities				
Property, plant and equipment	-	(623)	(6,457)	(1,287)
Resource property expenditures	(547,118)	(633,136)	(3,411,301)	(951,729)
Reclamation bond	-	-	(5,490)	-
Repayment from ReMac Zinc Development Corp.	293,250	-	172,855	-
	(253,868)	(633,759)	(3,250,393)	(953,016)
Financing Activities				
Share capital	190,800	75,000	3,466,080	653,000
Long term debt	(101,274)	-	2,133,371	-
Disposal of subsidiary	-	-	(3,000,000)	-
	89,526	75,000	2,599,451	653,000
Net Increase (Decrease) in Cash	(267,177)	(622,263)	(1,359,350)	(887,277)
Cash position – Beginning of Period	3,099,488	3,245,821	4,191,661	3,510,835
Cash Position –End of Period	\$ 2,832,311	\$ 2,623,558	\$ 2,832,311	\$ 2,623,558
Non-Cash Financing/Investing Activities				
Stock-based compensation included in contributed surplus	\$ 355,275	\$ 300,417	\$ 525,774	\$ 386,563
Transfer from contributed surplus to share capital	\$ (41,275)	\$ (92,425)	\$ -	\$ (92,425)
Shares issued for resource properties	\$ -	\$ -	\$ 15,000	\$ 6,000

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Schedule 1

(A Development Stage Company)

Interim Consolidated Schedule of Resource Properties For the Six Months Ended September 30, 2007 and 2006 Canadian Funds

	Three months ended September 30		Six months ended September 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Red Bird, Kootenay Land District, B.C.				
Deferred Expenditures				
Camp and general	\$ -	\$ -	\$ -	\$ 332
Engineering and consulting	-	34,261	-	48,019
Field costs	-	-	-	344
Permits and fees	-	1,004	-	1,004
Travel and accommodations	-	540	-	540
	-	35,805	-	50,239
Reeves, Kootenay Land District, B.C.				
Deferred Expenditures				
Assaying	-	3,104	-	3,104
Engineering and consulting	-	-	-	675
Field costs	-	480	-	960
	-	3,584	-	4,739
Ramona, Nevada, USA – (Note 3 (a))				
Acquisition Costs	-	-	42,003	28,146
Deferred Expenditures				
Permit and fees	344	5,755	344	5,755
	344	5,755	42,347	33,901
Alien, Nevada, USA – (Note 3 (b))				
Deferred Expenditures				
Engineering and consulting	-	1,500	-	1,500
Government fees	-	28,609	-	28,609
Permits and fees	1,701	-	31,693	-
	1,701	30,109	31,693	30,109
Copper Creek, Arizona, USA – (Note 3 (f))				
Acquisition Costs	21,721	44,868	2,339,819	44,868
Deferred Expenditures				
Assaying	3,424	29,953	16,973	48,337
Camp and general	-	577	751	1,141
Drilling	298,750	-	563,684	-
Engineering and consulting	198,574	425,797	362,648	661,609
Field costs	15,316	20,394	28,712	38,896
Permits and fees	3,412	30,566	28,427	30,843
Vehicles	3,874	5,728	11,245	13,047
	523,350	513,015	1,012,440	793,873
	545,071	557,883	3,352,259	838,741
Deferred Exploration Costs for the Period	547,116	633,136	3,426,299	957,729
Write-off of Resource Properties for the Period	-	-	-	-
	547,116	633,136	3,426,299	957,729
Balance – Beginning of Period	9,000,256	5,871,158	9,004,736	5,546,565
Sale of ReMac Property (Note 3)	-	-	(2,883,663)	-
Balance – End of Period	\$ 9,547,372	\$ 6,504,294	\$ 9,547,372	\$ 6,504,294

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 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 additions as set out below. 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 market 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.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

3. Resource Properties

	September 30 2007	September 30 2006	March 31 2007
Red Bird – Kootenay Land District, B.C.			
Acquisition	\$ -	\$ 90,151	\$ 90,151
Exploration and development	-	2,153,807	2,435,794
Recoveries	-	(223,151)	(223,151)
		2,020,807	2,302,794
Red Bird Extension – Kootenay Land District, B.C.			
Acquisition	-	58,476	58,476
Reeves – Kootenay Land District, B.C.			
Acquisition	-	323,851	441,421
Exploration and development	-	338,662	338,662
Recoveries	-	(257,690)	(257,690)
		404,823	522,393
Ramona – Nevada, USA			
Acquisition	115,370	73,367	73,367
Exploration and development	72,009	71,608	71,665
	187,379	144,975	145,032
Alien – Nevada, USA			
Acquisition	109,624	60,605	109,624
Exploration and development	632,354	600,604	600,661
	741,978	661,209	710,285
Copper Creek – Arizona, USA			
Acquisition	4,997,544	1,865,929	2,657,725
Exploration and development	3,620,471	1,348,075	2,608,031
	8,618,015	3,214,004	5,265,756
Other Properties			
Exploration and development	-	269,378	269,378
Write-off of resource properties	-	(223,614)	(223,614)
Recoveries	-	(45,764)	(45,764)
	-	-	-
Total	\$ 9,547,372	\$ 6,504,294	\$ 9,004,736

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

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 \$473,570 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 and acquired 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

	September 30, 2007			March 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 62,531	17,559	\$ 44,972	\$ 59,230	13,000	\$ 46,230
Computer equipment	25,949	13,096	12,853	22,794	11,107	11,687
Software	33,848	16,244	17,604	33,848	13,478	20,370
	\$ 122,328	46,899	\$ 75,429	\$ 115,872	37,585	\$ 78,287

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

5. Long Term Debt

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, the blended interest and principal price of US\$3,200,000 (reduced by an initial payment of US \$500,000) is payable over 12 years at 5% interest per annum. The property is subject to a 1% net smelter return royalty in favor of Phelps Dodge.

Payments (USD) required under the purchase agreement are as follow:

	Date	Amount
	Dec 2008	\$ 500,000
	Jun 2010	500,000
	Jun 2011	200,000
	Jun 2012	200,000
	Jun 2013	200,000
	Balance due beyond 5 years	<u>1,100,000</u>
		<u>\$ 2,700,000</u>

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 properties	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 properties	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
Share purchase warrants exercised	511,000	153,300
Stock options exercised	125,000	37,500
Fair value of stock options exercised	-	41,275
Balance, September 30, 2007	<u>67,027,820</u>	<u>\$ 18,884,942</u>

(a) During the six months ended September 30, 2007 the Company issued 511,000 common shares and received \$153,300 on the exercise of warrants at \$0.30.

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

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

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
Fair value of stock options issued		355,275
Transferred to share capital on options exercised		(41,275)
Balance, September 30, 2007	\$	1,781,301

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.

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

Number Outstanding March 31, 2007	Granted	Exercised	Cancelled	Expired	Number Outstanding September 30, 2007	Exercise Price Per Share	Expiry Date
540,000	-	-	50,000	-	490,000	\$ 0.25	March 5, 2008
975,000	-	125,000	50,000	-	800,000	\$ 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
-	250,000	-	-	-	250,000	\$ 0.66	May 3, 2012
-	1,000,000	-	-	-	1,000,000	\$ 0.65	July 5, 2012
5,345,000	1,250,000	125,000	175,000	-	6,295,000	\$ 0.16-\$0.66	March 5, 2008 – July 5, 2012

- i) 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.
- ii) On July 5, 2007, the Company issued 1,000,000 stock options to directors, consultants and advisory board members exercisable at \$0.65 per share for a period of five years.

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

8. Options and Warrants –continued

- 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, \$525,774 (2006 - \$386,563) 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	420,000
Risk-free interest rate	3.71%	4.14%	4.45%	4.19%	3.30%	3.35%
Expected dividend yield	NIL	NIL	NIL	NIL	NIL	NIL
Expected stock price volatility	108.912%	118.486%	119.745%	113.308%	90.120%	90.279%
Expected option life in years	5	5	5	5	5	5

Number of options granted	425,000	1,250,000	1,335,000	250,000	250,000	250,000	1,000,000
Risk-free interest rate	3.35%	4.07%	4.01%	4.01%	3.94%	4.5%	4.8%
Expected dividend yield	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected stock price volatility	91.50%	92.98%	97.606%	94.060%	94.060%	93.647%	96.859%
Expected option life in years	5	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 September 30, 2007 and the changes for the period are as follows:

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

9. Related Party Transactions

For the six months ended September 30, 2007, management fees in the amount of \$52,000 (2006- \$71,000) were paid to two directors and one former director of the company. Consulting fees in the amount of \$29,000 were paid to a director and a company in which two directors of the Company have an interest.

Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

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

- 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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Redhawk Resources, Inc.

(A Development Stage Company)

Notes to Interim Consolidated Financial Statements

September 30, 2007 and 2006

Canadian Funds

Unaudited

12. Segmented

	2007		2006	
Assets by geographic area				
USA	\$	9,782,441	\$	3,347,663
Canada		2,792,043		5,944,813
	\$	12,574,484	\$	9,292,476

	Three Months Ended September 30		Six Months Ended September 30	
	2007	2006	2007	2006
Net loss (income) by geographic area				
USA	\$	(76,955)	\$	(108,147)
Canada		43,987		82,412
	\$	563,775	\$	918,575
	\$	486,820	\$	569,673
			\$	(4,196,187)
			\$	1,000,987

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 expects to use approximate \$3 million of the non-capital losses on the sale of RMZD to OMC. (Note 11)

14. Commitments

- 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.
 - The Company has retained a consultant for a period of 6 months at 10,000 Euros per month commencing October 15, 2007. This contract is for the provision of financial advisory services.
 - On September 28, 2007, Ruen Drilling Incorporated was contracted for approximately 14,000 feet to 25,000 feet of drilling services. An initial advance of \$80,000 USD was made on October 29, 2007. Rates negotiated were at normal commercial terms for these services.
 - On October 11, 2007, B.J. Drilling Company Inc. was contracted for approximately 10,000 feet of drilling services. An initial advance of \$25,000 USD was made on October 19, 2007. Rates negotiated were at normal commercial terms for these services.
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