Redhawk Resources, Inc.

Condensed Consolidated Interim Financial Statements

Six Month Period Ended September 30, 2014 and 2013

(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 interim unaudited condensed consolidated interim financial statements for the period ended September 30, 2014.

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

	Notes	September 30, 2014	March 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ 64,275	$ 151,984
Short-term investments		201,074	1,091,784
Receivables and prepaid expenses	4	221,670	178,344
		487,019	1,422,112
Non-current assets			
Reclamation deposits		37,335	36,685
Property and equipment		284,785	291,742
Exploration and evaluation assets	5	42,343,793	41,090,544
		42,665,913	41,418,971
TOTAL ASSETS		**$ 43,152,932**	**$ 42,841,083**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	$ 144,698	$ 381,267
Current portion of long-term debt	7	356,904	354,953
		501,602	736,220
Non-Current liabilities			
Long-term debt – property acquisition	7	2,603,736	2,484,334
Long-term debt - notes payable	7	280,082	-
TOTAL LIABILIITES		**3,385,420**	**3,220,554**
SHAREHOLDERS’ EQUITY			
Share capital	8	49,779,279	49,751,933
Reserves	8	11,318,642	10,931,661
Accumulated other comprehensive income (loss)	8	3,127,287	2,471,754
Deficit		(24,457,696)	(23,534,819)
TOTAL SHAREHOLDERS’ EQUITY		**39,767,512**	**39,620,529**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**$ 43,152,932**	**$ 42,841,083**

Nature of operations and going concern – Note 1

ON BEHALF OF THE BOARD:

Director: “Darryl J. Yea”

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 income (loss)
(Presented in Canadian dollars - unaudited)

	Three month period ended September 30, 2014	Three month period ended September 30, 2013	Six month period ended September 30, 2014	Six month period ended September 30, 2013
Expenses				
Director fees	$ 42,500	$ 33,122	$ 64,154	$ 67,207
Filing fees	11,192	11,004	24,331	34,199
Insurance	7,875	10,298	18,375	19,448
Investor relations	108	53,190	183	198,060
Management and consulting fees	97,906	211,928	189,104	366,881
Office and sundry	14,481	16,588	28,280	36,301
Professional fees	153,727	40,365	188,888	99,269
Rent	1,408	6,783	4,635	12,852
Salaries	25,725	20,645	46,241	41,659
Share-based compensation	54,767	25,072	268,447	81,907
Transfer agents	5,732	3,887	6,874	4,830
Travel and accommodations	8,526	14,929	13,003	35,444
Total expenses	(423,947)	(447,811)	(852,515)	(998,057)
Interest income	10	4,139	2,211	11,598
Interest expense	(33,596)	(30,898)	(69,108)	(61,263)
Foreign exchange gain	(1,695)	(3,479)	(3,465)	2,986
Net loss for period	**$ (459,228)**	**$ (478,049)**	**$ (922,877)**	**$ (1,044,736)**
Other comprehensive income				
Items that may be reclassified subsequently to net income				
Exchange differences on translating foreign operations	1,782,050	(682,607)	657,209	432,529
Total comprehensive income (loss)	**$ 1,322,822**	**$(1,160,656)**	**$ (265,668)**	**$ (612,207)**
Loss per share – basic and diluted	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**	**$ (0.01)**
Weighted average number of common shares outstanding	**157,698,138**	**147,081,038**	**157,689,648**	**147,006,885**

See accompanying notes to the condensed consolidated interim financial statements

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

	Share capital		Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
	Number of shares	Amount				
Balance at March 31, 2013	146,851,038	$ 47,235,334	$ 10,289,288	$ (225,898)	$ (21,619,897)	$ 35,678,827
Shares issued for services	230,000	93,150	-	-	-	93,150
Share-based compensation	-	-	167,478	-	-	167,478
Currency translation adjustment	-	-	-	432,529	-	432,529
Loss for the period	-	-	-	-	(1,044,736)	(1,044,736)
Balance at September 30, 2013	**147,081,038**	**$ 47,328,484**	**$ 10,456,766**	**$ 206,631**	**$ (22,664,633)**	**$ 35,327,248**
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 option value on exercise of stock options	-	10,839	(10,839)	-	-	-
Share-based compensation	-	-	397,820	-	-	397,820
Currency translation adjustment	-	-	-	655,533	-	655,533
Loss for the period	-	-	-	-	(922,877)	(922,877)
Balance at September 30, 2014	**157,698,138**	**$ 49,779,279**	**$ 11,318,642**	**$ 3,127,287**	**$ (24,457,696)**	**$ 39,767,512**

See accompanying notes to the condensed consolidated interim financial statements

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

	Three month period ended September 30, 2014	Three month period ended September 30, 2013	Six month period ended September 30, 2014	Six month period ended September 30, 2013
Operating activities				
Loss for the period	$ (459,228)	$ (478,049)	$ (922,877)	$ (1,044,736)
Adjustments for non-cash items:				
Depreciation	5,895	5,473	11,796	11,160
Share-based payments	54,766	25,072	268,447	81,907
Shares issued for services	-	-	-	93,150
Changes in non-cash working capital items:				
Receivables and prepaid expenses	(94,008)	(66,442)	(43,326)	(22,066)
Trade payables and accrued liabilities	132,598	52,959	262,829	138,387
Net cash flows used in operating activities	(359,977)	(460,987)	(423,131)	(742,198)
Investing activities				
Expenditures on exploration and evaluation assets	(134,906)	(469,427)	(523,510)	(1,068,478)
Reclamation bond	-	-	-	9,180
Short-term investments	403,897	897,810	890,710	1,882,757
Net cash flows used in investing activities	268,991	428,383	367,200	823,459
Financing activities				
Repayment of long term debt	-	-	-	(78,885)
Proceeds on issuance of common shares	-	-	16,507	-
Net cash flows received from financing activities	-	-	16,507	(78,885)
Currency impact on cash and cash equivalents	52,607	(16,827)	(48,285)	(7,959)
Increase (decrease) in cash and cash equivalents	(38,379)	(49,431)	(87,709)	(5,583)
Cash and cash equivalents, beginning	102,654	116,539	151,984	72,691
Cash and cash equivalents, ending	**$ 64,275**	**$ 67,108**	**$ 64,275**	**$ 67,108**

Supplemental cash flow information Note 12

1. Nature of operations

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 World Trade Centre, 999 Canada Place, Suite 654 Vancouver, British Columbia, Canada, V6C 3E1. 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 in accordance with International Financial Reporting Standards ("IFRS") 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 September 30, 2014, the Company's working capital was negative $14,583.

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 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These condensed consolidated interim financial statements of the Company were approved by the Board of Directors on November 10, 2014.

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, 2014. Accordingly, these condensed interim statements for the six month periods ended September 30, 2014 and 2013 should be read together with the Annual Financial Statements as at, and for the year ended, March 31, 2014.

(Presented in Canadian dollars - unaudited)

3. Summary of significant accounting policies (cont'd)

Recent accounting standards issued and not yet applied

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

IFRS 9, *Financial Instruments*, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. This standard is effective January 1, 2015.

IAS 32, *Financial instruments, Presentation*. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The amendments apply to annual periods beginning on or after January 1, 2014. The change in accounting standard will not have a significant impact on the Company's consolidated financial statements.

IAS 24 - *Related Party Disclosures*. The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRIC 21 - *Levies*. The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

None of the other new standards, interpretations and amendments, which have not been adopted early, are expected to have a material effect on the Company's future consolidated financial statements.

4. Receivables and prepaid expenses

		September 30, 2014	March 31, 2014
Value-added tax receivables	$	7,940	$ 7,516
Prepaids		213,730	170,828
	$	221,670	$178,344

(Presented in Canadian dollars - unaudited)

5. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

		Period ended September 30, 2014
		Copper Creek, Arizona
Property acquisition costs		
Balance, March 31, 2014	$	8,406,093
Additions		1,373
Balance, September 30, 2014	$	8,407,466
Exploration and evaluation costs		
Balance, March 31, 2014	$	32,684,451
Costs incurred during period:		
Assaying and laboratory		7,434
Engineering and consulting		255,323
Other		40,313
Permits and fees		122,995
Road development		2,122
Share-based compensation		129,376
		557,563
Currency translation adjustment		694,313
Balance, September 30, 2014	$	33,936,327
Total at September 30, 2014	$	42,343,793

5. Exploration and evaluation assets (cont'd)

a) Copper Creek Agreement

On September 17, 2010 the Company entered into a Royalty Purchase and Sale Agreement (the "Agreement") with AMT (USA) Inc. ("AMT") to buy out the advance royalty and the 2.25% Net Smelter Royalty retained by AMT as part of the original Copper Creek property acquisition for $1,250,000. The Agreement has now been paid in full.

AMT, under the Notice of Termination of Advance Royalty Interest and Royalty Interest, dated September 17, 2012, has irrevocably and unconditionally released the Company from any and all claims on this property.

b) D & G Mining Agreement

In November 2005, the Company entered into a lease-to-purchase agreement with a third party for additional property within the Copper Creek boundaries. The Company paid US$80,000 in both 2006 and 2007 and was required to pay US$100,000 in November 2008 and annually thereafter until the end of year fifteen. The Company is current with all payments.

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 fifteen (2024). All yearly lease payments made prior to exercising the option to purchase will be applied against the purchase price in the event that the Company exercises its property purchase option.

c) Freeport –McMoRan Agreement

In April 2007, the Company entered into a purchase agreement with Freeport-McMoRan Copper & Gold Inc. ("Freeport") 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 (See Note 7). The additional mining claims are subject to a 1% Net Smelter Return royalty. On March 11, 2014 Freeport and the Company amended to agreement. The $200,000 payment due on April 1, 2014 has been deferred to April 1, 2024.

d) Bell and Morgan Agreements

In December 2012, the Company acquired patented land from two unrelated parties for total consideration of US $1.2 million payable by deposits of US $100,000 (paid) and the balance to be paid under the agreements. (*See Note 7*).

(Presented in Canadian dollars - unaudited)

6. Trade payables and accrued liabilities

		September 30, 2014	March 31, 2014
Trade payables	$	104,693	$287,148
Amounts due to related parties (Note 9)		11,088	35,339
Accrued liabilities		28,917	58,780
	$	144,698	$381,267

7. Long-term debt – property acquisition

	September 30, 2014		March 31, 2014	
	USD	**CAD**	USD	CAD
Current portion of long term debt	$ **318,665**	$ **356,904**	$ 322,538	$ 354,953
Long term debt	$ **2,324,764**	$ **2,603,736**	$ 2,257,460	$ 2,484,334

a) In conjunction with the Company's acquisition of mining claims from Freeport, the Company entered into a promissory note. The promissory note is repayable over 12 years and bears interest at 5% per annum. (*Note 5c*)

The payment schedule as at September 30, 2014 is as follows (USD):

Date		Principal
April 2015		128,664
April 2016		135,098
April 2017		141,853
Balance due beyond 5 years		1,263,517
Total debt	US$	1,669,132
Current portion of long term debt		(118,665)
Long term debt	US$	1,550,467

In December 2012, the Company acquired patented land from unrelated parties in Pinal County, Arizona under two separate agreements for sale with the following terms of payment: (*Note 5d*).

(Presented in Canadian dollars - unaudited)

7. Long-term debt - property acquisition (cont'd)

i) Bell Agreement:

Date		Principal
December 2014		75,000
June 2015		75,000
December 2015		75,000
June 2016		75,000
December 2016		300,000
	US$	600,000
Accrued interest		74,297
Total debt	US$	674,297
Current portion of long term debt		(150,000)
Long term debt	US$	524,297

In addition, interest will be payable at the rate of 6% compounded semi-annually

The Company signed an amendment to the Bell agreement to defer the $75,000 USD payment to June 17, 2016 from June 17, 2014.

ii) Morgan Agreement:

Date		Principal
December 2014		50,000
December 2015		50,000
December 2016		50,000
December 2017		50,000
December 2018		50,000
December 2019		50,000
Total debt	US$	300,000
Current portion of long term debt		(50,000)
Long term debt	US$	250,000

No interest payable under this agreement

(Presented in Canadian dollars - unaudited)

7. Long term debt – notes payable

	September 30, 2014	March 31, 2014
Amounts due to suppliers	$ 49,209	$ -
Amounts due to related parties (Note 9)	230,873	-
	$ 280,082	$ -

The Company has indebtedness to a number of officers, 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 reserves

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2014 there were 157,698,138 issued and fully paid common shares (March 31, 2014 – 157,601,038).

Shares issued during the period

During the six month period ended September 30, 2014 97,100 stock options were exercised for cash proceeds of $16,507 and 97,100 common shares were issued.

(Presented in Canadian dollars - unaudited)

8. Share capital and reserves (cont'd)

Warrants

The following table summarizes information about the issued and outstanding warrants during the six month period ended September 30, 2014 and the year ended March 31, 2014:

	September 30, 2014		March 31, 2014	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of period	420,000	$ 0.35	-	$ -
Warrants issued	-	-	420,000	0.35
Warrants exercised	-	-	-	-
Warrants expired	-	-	-	-
Warrants outstanding, end of period	420,000	$ 0.35	420,000	$ 0.35

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.

(Presented in Canadian dollars - unaudited)

8. Share capital and reserves (cont'd)

The changes in options during the six month period ended September 30, 2014 and the year ended March 31, 2014 are as follows:

	September 30, 2014		March 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	13,060,000	$ 0.45	10,285,000	$ 0.48
Options granted	2,100,000	0.25	2,875,000	0.35
Options exercised	(97,100)	0.17	(100,000)	0.17
Options expired	(1,402,900)	0.21	-	-
Options outstanding, end of period	13,660,000	$ 0.45	13,060,000	$ 0.45
Options exercisable, end of period	11,831,875	$ 0.47	11,125,625	$ 0.47

Details of options outstanding as at September 30, 2014 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.22 - $0.25	2.92	3,350,000	2,600,000
$0.26 - $0.50	3.12	5,150,000	4,071,875
$0.51 - $0.74	2.42	4,025,000	4,025,000
$0.75 - $0.79	1.37	1,135,000	1,135,000
	2.72	13,660,000	11,831,875

During the six month period ended September 30, 2014 and 2013, the Company recorded share-based compensation of $397,820 (2013 - $167,478) relating to options vested during the period, of which $129,376 (2013 - $102,466) was reflected in the exploration and evaluation assets (Note 5).

Subsequent to September 30, 2014, 1,250,000 stock options with an exercise price of $0.22 expired unexercised.

Reserves

Stock option reserve

The stock option reserve 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 reserve

The warrant reserve 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.

(Presented in Canadian dollars - unaudited)

9. Related party transactions

Related party balances

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

	September 30, 2014	March 31, 2014
Directors and officers of the Company - trade	11,088	35,339
Directors and officers of the Company - long term (Note 7)	230,873	-
	$ 241,961	$ 35,339

Key management compensation

	Six month period ended	
	September 30 2014	September 30 2013
Management fees [1]	$ 120,195	$ 113,646
Consulting	116,751	116,550
Director fees	64,154	67,207
Share-based compensation [1]	280,953	130,111
	$ 582,053	$ 427,514

(1) Management fees 2014 - $120,195 (2013 - $113,646) and certain share-based payments 2014 - $76,881 (2013 - $51,244) 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 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 ensures

10. Financial risk management (cont'd)

that 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. For further information refer to the debt agreements in Note 7. 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.

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 Canada and 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.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	September 30, 2014	March 31, 2014
Cash and cash equivalents	$ 45,684	$ 126,558
Short term investments	-	286,128
Trade payables and accrued liabilities	(44,664)	(269,147)
Current portion of long-term debt	(470,864)	(354,953)
Long-term debt	(2,603,736)	(2,484,334)
	$ (3,073,580)	$ (2,695,748)

Based on the above net exposures, as at September 30, 2014, a 10% change in the US dollar to Canadian dollar exchange rate would impact the Company's net loss by $307,358.

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 debt agreements note fixed interest rates.

(Presented in Canadian dollars - unaudited)

10. Financial risk management (cont'd)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity.

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

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 or capacity of prompt liquidation. 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 September 30, 2014		
	Canada	U.S.	Total
Reclamation deposits	$ -	$ 37,335	$ 37,335
Property and equipment	-	284,785	284,785
Exploration and evaluation assets	-	42,343,793	42,343,793
	$ -	$ 42,665,913	$ 42,665,913

	As at March 31, 2014		
	Canada	U.S.	Total
Reclamation deposits	$ -	$ 36,685	$ 36,685
Property and equipment	-	291,742	291,742
Exploration and evaluation assets	-	41,090,544	41,090,544
	$ -	$ 41,418,971	$ 41,418,971

(Presented in Canadian dollars - unaudited)

12. Supplemental disclosure with respect to cash flows

During the six month period ended September 30, 2014 and 2013, the following non-cash transactions took place that are not reflected in the statements of cash flows:

	Six month period ended	
	September 30, 2014	**September 30, 2013**
Exploration and evaluation assets included in trade accounts payable and accrued liabilities	$158,625	$76,137
Exploration and evaluation share-based payments	$129,376	$85,571
Interest income received	$2,211	$11,598

13. Subsequent events

As of November 10, 2014, Anglo American Holdings USA Ltd. ("Anglo Holdings") a wholly owned subsidiary of Anglo American Exploration (USA) Inc. ("Anglo Exploration USA") was reviewing the terms and conditions of a definitive agreement intended to replace a binding Letter Agreement with Anglo Exploration USA dated August 11, 2014 (the "Letter Agreement"). The Letter Agreement provides for a joint venture between Anglo Exploration USA or its nominee and RDK Copper in regard to exploration and development efforts on RDK Copper's Copper Creek property.

Anglo Exploration USA or its nominee may earn a 60% interest in the Project, through funding expenditures of US $44 million over a five year period with a commitment to fund at least US$3 million in the first year. Anglo Exploration USA or its nominee may earn an additional 20% interest in the Project by funding a further US$20 million in expenditures on or before the seventh anniversary of the effective date of the joint venture. Redhawk would be the operator for the first three years of the joint venture, after which time Anglo Exploration USA or its nominee would be the operator.