

Redhawk Resources, Inc.

(An Exploration Stage Company)

Interim Consolidated Financial Statements

December 31, 2006 and 2005

(Canadian Funds)

Unaudited

NOTICE

These interim consolidated financial statements for the nine months ended December 31, 2006 of Redhawk Resources, Inc. have been prepared by management and have not been subject to review by the Company's auditors.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Statement 1

Interim Consolidated Balance Sheets

As at

Canadian Funds

Unaudited

ASSETS	December 31, 2006 Unaudited	December 31, 2005 Unaudited	March 31, 2006
Current			
Cash and term deposits	\$ 2,837,362	\$ 626,388	\$ 3,510,835
Cash in trust	25	-	-
Term deposits in trust	3,000,000	-	-
Short-term investments	8,866	8,866	8,866
Accounts receivable and prepaid expenses	183,919	64,445	80,441
	6,030,172	699,699	3,600,142
Reclamation Bond	11,640	-	11,640
Property and Equipment	86,401	32,978	80,277
Resource Properties- Schedule (Note 3)	7,365,342	5,266,242	5,546,565
	\$ 13,493,555	\$ 5,998,919	\$ 9,238,624
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 707,708	\$ 99,583	\$ 342,380
SHAREHOLDERS' EQUITY			
Share Capital (Note 4)	14,963,564	9,451,030	12,742,021
Flow-through Warrants (Note 8)	2,770,618	-	-
Contributed Surplus (Note 4(b))	1,124,601	526,350	668,937
Deficit – Statement 2	(6,072,936)	(4,078,044)	(4,514,714)
	12,785,847	5,899,336	8,896,244
	\$ 13,493,555	\$ 5,998,919	\$ 9,238,624

ON BEHALF OF THE BOARD:

Director: “Frederick W. Davidson”

Director: “Bruce M. Briggs”

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 2

(An Exploration Stage Company)

Interim Consolidated Statements of Operations and Deficit

Canadian Funds

Unaudited

	Three Months ended December 31		Nine Months Ended December 31	
	2006	2005	2006	2005
Administrative Costs				
Audit and accounting	\$ 57,818	\$ 3,000	\$ 103,829	\$ 8,000
Amortization	4,999	2,048	14,728	4,104
Filing fees	500	(12,547)	39,819	16,349
Insurance	6,971	5,959	22,553	13,480
Investor relations	58,043	32,592	122,337	70,774
Legal	42,122	30,000	184,684	155,240
Management fees and consulting	173,264	61,500	356,437	164,500
Office and sundry	15,939	3,871	52,635	16,484
Office services	17,653	8,393	48,138	22,447
Rent	21,729	3,795	70,874	11,385
Stock based compensation expense - (Note4(b) and 5)	165,644	24,212	552,207	154,973
Transfer agent	5,808	2,484	13,687	9,033
Travel and accommodation	8,985	12,959	43,955	15,881
Loss Before the Following	579,475	178,266	1,625,883	662,650
Other Expenses (Income)				
Interest income	(22,240)	(446)	(72,679)	(3,007)
Income and other taxes	-	-	-	312
Loss on disposal of capital assets	-	-	5,018	-
Write-off of resource properties	-	77	-	7,785
	(22,240)	(369)	(67,661)	5,090
Loss for the Period	557,235	177,897	1,558,222	667,740
Deficit - Beginning of Period	5,515,701	3,900,147	4,514,714	3,410,304
Deficit - End of Period	\$ 6,072,936	\$ 4,078,044	\$ 6,072,936	\$ 4,078,044
Loss per Share – Basic and diluted	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.03

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Statement 3

(An Exploration Stage Company)

Interim Consolidated Statements of Cash Flows For the Nine Months Ended December 31

Canadian Funds

Unaudited

Cash Resources Provided by (Used in)	Three Months ended December 31		Nine Months Ended December 31	
	2006	2005	2006	2005
Operating Activities				
Loss for the period	\$ (557,235)	\$ (177,897)	\$ (1,558,222)	\$ (667,740)
Items not affected by cash				
Amortization	4,999	2,048	14,728	4,104
Stock-based compensation expense	165,644	24,212	552,207	154,973
Loss on disposal of capital assets	-	-	5,018	-
Write-off of resource properties	-	77	-	7,785
Changes in non-cash working capital	249,434	48,822	261,851	(396)
	(137,158)	(102,738)	(724,418)	(501,274)
Investing Activities				
Property, plant and equipment	(24,585)	(13,278)	(25,870)	(31,240)
Resource property expenditures	(829,045)	(1,751,632)	(1,786,777)	(2,299,894)
	(853,630)	(1,764,910)	(1,812,647)	(2,331,134)
Financing Activities				
Share capital	1,433,999	-	2,092,999	2,575,050
Flow-through warrants	2,770,618	-	2,770,618	-
	4,204,617	-	4,863,617	2,575,050
Net Increase (Decrease) in Cash	3,213,829	(1,867,648)	2,326,552	(257,358)
Cash position - Beginning of Period	2,623,558	2,494,036	3,510,835	883,746
Cash Position - End of Period	\$ 5,837,387	\$ 626,388	\$ 5,837,387	\$ 626,388
Cash composed of				
Term deposit in trust	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Funds in trust	25	-	25	-
Cash	2,837,362	626,388	2,837,362	626,388
	\$ 5,837,387	\$ 626,388	\$ 5,837,387	\$ 626,388
Non-Cash Financing/Investing Activities				
Stock-based compensation included in contributed surplus	\$ 165,644	\$ 24,212	\$ 552,207	\$ 154,973
Transfer from contributed surplus to share capital	\$ (4,119)	\$ -	\$ (96,544)	\$ -
Shares issued for finder's fee	\$ -	\$ -	\$ -	\$ 135,000
Shares issued for resource properties	\$ 32,000	\$ 14,000	\$ 38,000	\$ 20,000

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Schedule

(An Exploration Stage Company)

Interim Consolidated Schedule of Resource Properties

For the Nine Months Ended December 31

Canadian Funds

Unaudited

	Three months ended December 31		Nine months ended December 31	
	2006	2005	2006	2005
Red Bird, Kootenay Land District, B.C. - (Note 3 (a & b))				
Deferred Expenditures				
Assaying	\$ 7,076	\$ -	\$ 7,076	\$ -
Camp and general	-	-	332	-
Engineering and consulting	173,712	15,378	221,731	16,363
Field costs	-	13,040	344	14,913
Permits and fees	500	-	1,544	1,804
Travel and accommodation	-	-	540	-
	<u>181,288</u>	<u>28,418</u>	<u>231,527</u>	<u>33,080</u>
Reeves, Kootenay Land District, B.C. - (Note 3 (c))				
Deferred Expenditures				
Assaying	-	-	3,104	-
Engineering and consulting	-	653	675	763
Field costs	-	1,539	960	2,819
	<u>-</u>	<u>2,192</u>	<u>4,739</u>	<u>3,582</u>
Ramona, Nevada, USA - (Note 3 (e))				
Acquisition costs	-	-	28,146	24,615
Deferred Expenditures				
Engineering and consulting	-	7,682	-	18,230
Field costs	-	-	-	6,327
Permits and fees	-	-	5,755	-
Vehicles	-	-	-	980
	<u>-</u>	<u>7,682</u>	<u>5,755</u>	<u>25,537</u>
	<u>-</u>	<u>7,682</u>	<u>33,901</u>	<u>50,152</u>
Alien, Nevada, USA - (Note 3 (d))				
Acquisition Costs	<u>49,019</u>	<u>25,600</u>	<u>49,019</u>	<u>25,600</u>
Deferred Expenditures				
Camp and general	-	-	-	654
Engineering and consulting	-	-	1,500	3,150
Field costs	-	-	-	2,236
Permits and fees	-	383	28,609	30,351
Vehicles	-	-	-	1,137
	<u>-</u>	<u>-</u>	<u>30,109</u>	<u>37,528</u>
	<u>49,019</u>	<u>25,983</u>	<u>79,128</u>	<u>63,128</u>
Subtotal	<u>\$ 230,307</u>	<u>\$ 64,275</u>	<u>\$ 349,295</u>	<u>\$ 149,942</u>

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

Schedule

(An Exploration Stage Company)

Interim Consolidated Schedule of Resource Properties

Canadian Funds

Unaudited

	Three months ended December 31		Nine months ended December 31	
	2006 (Unaudited)	2005 (Unaudited)	2006 (Unaudited)	2005 (Unaudited)
Balance forward	\$ 230,307	\$ 64,275	\$ 349,295	\$ 149,942
Copper Creek, Arizona, USA - (Note 3 (f & g))				
Acquisition costs	214,296	1,520,240	259,164	1,820,240
Deferred Expenditures				
Assaying	4,027	-	52,364	-
Camp and general	683	1,835	1,824	8,339
Drilling	146,862		146,862	
Engineering and consulting	232,321	117,571	893,930	213,184
Field costs	17,752	41,883	56,648	69,455
Permits and fees	9,005	3,214	39,848	28,016
Travel and accommodation	-	-	-	1,457
Vehicles	5,795	16,537	18,842	21,476
	416,445	181,040	1,210,318	341,927
	630,741	1,701,820	1,469,482	2,162,167
Other Properties				
Deferred Expenditures				
Assaying and laboratory	-	77	-	3,319
Engineering and consulting	-	-	-	3,139
Field costs	-	-	-	1,327
	-	77	-	7,785
Write-off of resource properties	-	(77)	-	(7,785)
	-	-	-	-
Deferred Exploration Costs for the Period	861,048	1,765,632	1,818,777	2,319,894
Write-off of Resource Properties for the Period	-	(77)	-	(7,785)
	861,048	1,765,555	1,818,777	2,312,109
Balance – Beginning of Period	6,504,294	3,500,687	5,546,565	2,954,133
Balance – End of Period	\$ 7,365,342	\$ 5,266,242	\$ 7,365,342	\$ 5,266,242

The accompanying notes form an integral part of these financial statements

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

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 interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods of their application as the most recent annual consolidated financial statements. These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements and accordingly, the interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at March 31, 2006

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Redhawk Resources (USA) Inc., located in Nevada, USA, Redhawk Copper, Inc., located in Arizona, USA and ReMac Zinc Corp. located in B.C., Canada. These subsidiaries have been accounted for using the purchase method. All inter-company transactions and balances have been eliminated.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

Canadian Funds

Unaudited

3. Resource Properties

	December 31 2006	December 31 2005
Red Bird – Kootenay Land District, B.C.		
Acquisition	\$ 90,151	\$ 90,151
Exploration and development	2,335,095	2,094,683
Recoveries	(223,151)	(223,151)
	<hr/> 2,202,095	<hr/> 1,961,683
Red Bird Extension – Kootenay Land District, B.C.		
Acquisition	<hr/> 58,476	<hr/> 58,476
Reeves – Kootenay Land District, B.C.		
Acquisition	323,851	266,356
Exploration and development	338,662	331,572
Recoveries	(257,690)	(257,690)
	<hr/> 404,823	<hr/> 342,238
Ramona – Nevada, USA		
Acquisition	73,367	45,221
Exploration and development	71,608	65,854
	<hr/> 144,975	<hr/> 111,075
Alien - Nevada, USA		
Acquisition	109,624	67,806
Exploration and development	600,604	562,797
	<hr/> 710,228	<hr/> 630,603
Copper Creek – Arizona, USA		
Acquisition	2,080,225	1,820,240
Exploration and development	1,764,520	341,927
	<hr/> 3,844,745	<hr/> 2,162,167
Other Properties		
Exploration and development	269,378	270,209
Write-off of resource properties	(223,614)	(224,445)
Recoveries	(45,764)	(45,764)
	<hr/> -	<hr/> -
Total	<hr/> \$ 7,365,342	<hr/> \$ 5,266,242

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

Canadian Funds

Unaudited

3. Resource Properties - *continued*

a) Red Bird - Kootenay Land District

The May 25, 1985 mineral lease granting the rights to explore and develop the Diem claims has been superseded by a purchase and sales agreement dated April 22, 1993. Under this Agreement, the Company purchased 100% of the Diem claims for US\$30,000 (paid) subject only to a 2 1/2% net smelter return royalty with a cumulative maximum of US\$1,000,000.

b) Red Bird Extension - Kootenay Land District

On January 31, 1996, the Company acquired a 100% interest in a 32-unit property, adjacent to its Red Bird property, from G. Klein for the payment of \$15,000 cash, the issuance of 100,000 shares at fair value of \$65,000 and the granting of a 2% net smelter return royalty to the vendor. The Company, at any time, can purchase 75% of that net smelter royalty for \$1,500,000, which would result in a remaining net smelter royalty of 0.5%.

c) Redhawk-Reeves Agreement

Under the Reeves agreement, as amended February 27, 2002, the Company has an option to purchase the Reeves property, on or before February 15, 2009, by paying US\$2,300,000 on or before February 15, 2007, increasing by US\$300,000 each subsequent year. The Company has the option to extend the exercise date annually by paying US\$50,000 on or before February 15th. To date, the Company has paid a total of US \$295,000 to keep the option in good standing. As part of this agreement Reeves subscribed for a \$100,000 private placement of 250,000 common shares of the Company at \$0.40 per share (*Note 7*).

d) 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\$38,500 paid), incur exploration expenditures of US\$725,000 (US\$436,600 completed) and issue 500,000 shares (150,000 shares issued). Thereafter, the Company shall make a series of minimum advance royalty payments on an annual basis.

e) 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 (US\$59,855 spent), 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.

f) Copper Creek Agreement

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 (paid) and annual advance royalty payments of \$125,000 per year while the Company retains interest in the property, the first of which has been paid during the year. 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.

g) 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 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 increases by US\$200,000 per year each subsequent anniversary 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 purchase option.

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

Canadian Funds

Unaudited

4. Share Capital

a) Details are as follows:

Authorized: Unlimited common shares without par value

	Number	Amount
Balance, March 31, 2005	21,058,820	\$ 6,855,980
Shares issued for resource properties	75,000	20,000
Share purchase warrants exercised	1,725,000	727,500
Private placements	23,167,000	5,275,050
Finder's fee	1,140,000	243,000
Share issue costs	-	(379,509)
Balance, March 31, 2006	47,165,820	12,742,021
Shares issued for resource properties	25,000	6,000
Share purchase warrants exercised	1,125,000	427,500
Stock options exercised	875,000	317,925
Balance, September 30, 2006	49,190,820	13,493,446
Shares issued for resource properties	50,000	32,000
Share purchase warrants exercised	4,750,000	1,425,000
Stock options exercised	30,000	13,118
Balance, December 31, 2006	54,020,820	\$ 14,963,564

- i. For the nine months ended December 31, 2006 share capital was increased by \$92,425 and \$4,119 from a transfer of contributed surplus resulting from the exercise of 385,000 and 30,000 options previously calculated for the Black-Scholes rule on stock options.
- ii. During the three month period ended December 31, 2006, 4,750,000 shares were issued for proceeds of \$1,425,000 on the exercise of 4,750,000 warrants at \$0.30.
- iii. During the three month period ended December 31, 2006, 30,000 shares were issued for proceeds of \$9,000 on the exercise of 30,000 warrants at \$0.30.
- iv. During the three month period ended December 31, 2006, 50,000 shares were issued at a deemed price of \$0.64/share for a value of \$32,000 as a payment under the Alien property agreement.

b) Contributed Surplus

Balance, March 31, 2005	\$ 371,376
Fair value of stock options issued	297,561
Balance, March 31, 2006	668,937
Fair value of stock options issued	86,147
Balance, June 30, 2006	755,084
Fair value of stock options issued	300,417
Transferred to share capital on options exercised	(92,425)
Balance, September 30, 2006	\$ 963,076
Fair value of stock options issued	165,644
Transferred to share capital on options exercised	(4,119)
Balance, December 31, 2006	\$ 1,124,601

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

Canadian Funds

Unaudited

4. Share Capital – *continued*

c) Share Purchase Warrants

Number Outstanding March 31, 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2006	Exercise Price Per Share	Expiry Date
600,000	-	-	-	600,000	-	\$ 0.50	July 8, 2006
600,000	-	600,000	-	-	-	\$0.45	April 14, 2006
17,742,000	-	5,275,000	-	-	12,467,000	\$0.30	Sept 26, 2007
6,000,000	-	-	-	-	6,000,000	\$ 0.65 to Mar 24, 07 \$0.85 to Mar 24, 08	Mar 30, 2008
24,942,000	-	5,875,000	-	600,000	18,467,000	\$ 0.30-\$0.85	Sept 26, 2007 – March 30, 2008

5. Share Purchase Options

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 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 December 31, 2006 and the changes for the period are as follows:

Number Outstanding March 31, 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2006	Exercise Price Per Share	Expiry Date
1,220,000	-	540,000	-	-	680,000	\$ 0.25	March 5, 2008
1,240,000	-	265,000	-	-	975,000	\$ 0.30	January 19, 2009
100,000	-	100,000	-	-	-	\$ 0.20	May 12, 2009
50,000	-	-	-	-	50,000	\$ 0.25	June 28, 2009
150,000	-	-	-	-	150,000	\$ 0.35	March 17, 2010
50,000	-	-	-	-	50,000	\$ 0.30	April 13, 2010
420,000	-	-	-	-	420,000	\$ 0.16	July 8, 2010
425,000	-	-	-	-	425,000	\$ 0.22	July 21, 2010
1,250,000	-	-	-	-	1,250,000	\$ 0.60	February 27, 2011
-	1,335,000	-	-	-	1,335,000	\$0.60	August 1, 2011
-	250,000	-	-	-	250,000	\$0.48	October 1, 2011
4,905,000	1,585,000	905,000	-	-	5,585,000	\$ 0.16-\$0.60	March 5, 2008 – October 1, 2011

Redhawk Resources, Inc.

(An Exploration Stage Company)

Notes to Interim Consolidated Financial Statements December 31, 2006 and 2005

Canadian Funds

Unaudited

6. Related Party Transactions

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

- a) During the nine months ended December 31, 2006, fees in the amount of \$143,133 (2005 - \$94,500) were paid to three directors (and one former director) of the Company, which are shown as management fees on the consolidated statement of operations.

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.

7. Sale of ReMac Zinc Project to ReMac Zinc Corp.

The ReMac Zinc project which includes the Red Bird, Red Bird Extension and the Reeves Property (Note 3 a,b,c) was sold by the Company on December 15, 2006 to its wholly owned subsidiary ReMac Zinc Corp. for 100 common shares of ReMac Zinc Corp. The value assigned to the transaction was \$ 2,645,990 which was the carrying cost of the ReMac Zinc project on the books of the Company.

The Company entered into a definitive arrangement agreement dated December 15, 2006 with OMC Capital Corporation ("OMC"), a Capital Pool Company whereby OMC plans to acquire ReMac Zinc Corp. ("ReMac"), a wholly-owned subsidiary of the Company in exchange for the issuance to the Company of 15 million shares of OMC, which transaction shares would subsequently be distributed to the Company shareholders (the "Transaction"). At a shareholders' meeting OMC shareholders will be asked to approve, among other things, the Transaction, and the change of its OMC's name to ReMac Zinc Corp.

In December 2006, ReMac completed a non-brokered private placement of 4,000,001 flow-through warrants at a price of \$0.75 per warrant for total proceeds of \$3,000,000 (net \$2,770,618) which funds will be available for a 2007 exploration program on the ReMac Zinc Project. Upon closing of the Transaction, the flow-through warrants will be converted into 4,000,001 post-consolidated shares of OMC.

8. Subsequent Events

The Company has 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 February, 2007. The purchase price for the property is US \$3.2 million, payable by a deposit of US \$500,000 (paid) , and delivery of a promissory note for US \$2.7 million which is payable over 12 years. The property is subject to a 1% net smelter return royalty in favour of Phelps Dodge
