Redhawk Resources, Inc.

Condensed Consolidated Interim Financial Statements

Three Months Ended June 30, 2012

(Unaudited – prepared by Management)

(Expressed 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 June 30, 2012.

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

	Notes	June 30, 2012	March 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents		$ 113,424	$ 235,536
Short-term investments	2	6,358,892	6,672,465
Receivables and prepaid expenses	3	245,987	425,745
		6,718,303	7,333,746
Non-current assets			
Reclamation deposits	4	43,101	42,229
Property and equipment	2	308,975	308,250
Exploration and evaluation assets	5	31,557,605	28,786,258
		31,909,681	29,136,737
TOTAL ASSETS		**$ 38,627,984**	**$ 36,470,483**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	$ 584,532	$ 722,897
Current portion of long-term debt	7	118,815	116,411
		703,347	839,308
Non-Current liabilities			
Long-term debt	7	1,598,725	1,546,851
TOTAL LIABILIITES		**2,302,072**	**2,386,159**
SHAREHOLDERS' EQUITY			
Share capital	8	46,953,205	44,533,596
Reserves – other	8	9,594,914	9,714,980
Reserves – foreign currency translation	8	(185,272)	(749,285)
Deficit		(20,036,935)	(19,414,967)
TOTAL SHAREHOLDERS' EQUITY		**36,325,912**	**34,084,324**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 38,627,984**	**$ 36,470,483**

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 loss
(Expressed in Canadian dollars - unaudited)

	Three month period ended June 30, 2012	2011
Expenses		
Director fees	$ 19,375	$ 19,355
Filing fees	37,358	34,479
Insurance	8,262	3,844
Investor relations	55,698	119,579
Management and consulting fees	108,166	89,545
Office and sundry	22,076	11,884
Professional fees	37,226	66,489
Rent	6,033	8,051
Share-based payments (note 8)	307,023	200,795
Transfer agents	1,918	71,867
Travel and accommodations	13,955	26,406
	(617,090)	(652,294)
Other items		
Interest income	19,969	51,230
Interest expense	(19,775)	(21,740)
Foreign exchange gain (loss)	(5,072)	3,538
Net loss for period	**$ (621,968)**	**$ (619,266)**
Other comprehensive income (loss)		
Exchange differences on translating foreign operations	564,013	(94,953)
Total other comprehensive income (loss)	**$ (57,955)**	**$ (714,219)**
Loss per share – basic and diluted	**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstandin	**144,977,742**	**138,239,716**

See accompanying notes to the condensed consolidated interim financial statements

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

	Share capital			Reserves - other		Reserves		Deficit		Total
	Number of shares		Amount			Foreign currency transation				
Balance at March 31, 2011	137,998,287	$	43,259,520	$	8,473,525	$	(1,105,720)	$	(16,860,769)	$ 33,766,556
Share issued for cash - warrants exercised	350,000		94,000		-		-		-	94,000
Fair value of warrants exercised			23,716		(23,716)		-		-	-
Share issued for cash - options exercised	30,000		5,900		-		-		-	5,900
Fair value of options exercised			2,738		(2,738)		-		-	-
Share-based payments	-		-		220,049		-		-	220,049
Currency translation adjustment	-		-		-		(94,956)		-	(94,956)
Loss for the period	-		-		-		-		(619,266)	(619,266)
Balance at June 30, 2011	**138,378,287**	**$**	**43,385,874**	**$**	**8,667,120**	**$**	**(1,200,676)**	**$**	**(17,480,035)**	**$ 33,372,283**
Balance at March 31, 2012	**142,249,609**	**$**	**44,533,596**	**$**	**9,714,980**	**$**	**(749,285)**	**$**	**(19,414,967)**	**$ 34,084,324**
Share issued for cash - warrants exercised	3,796,429		1,898,214		-		-		-	1,898,214
Fair value of warrants exercised			521,395		(521,395)		-		-	-
Share-based payments	-		-		401,329		-		-	401,329
Currency translation adjustment	-		-		-		564,013		-	564,013
Loss for the period	-		-		-				(621,968)	(621,968)
Balance at June 30, 2012	**146,046,038**	**$**	**46,953,205**	**$**	**9,594,914**	**$**	**(185,272)**	**$**	**(20,036,935)**	**$ 36,325,912**

See accompanying notes to the condensed consolidated interim financial statements

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

	Three month period ended June 30,	
	2012	2011
Operating activities		
Loss for the period	$ (621,968)	$ (619,266)
Adjustments for non-cash items:		
Depreciation	5,585	1,136
Share-based payments	307,023	200,795
Unrealized foreign exchange (gain) loss	-	12,600
Changes in non-cash working capital items:		
Receivables and prepaid expenses	179,758	78,399
Trade payables and accrued liabilities	(19,390)	5,810
Net cash flows used in operating activities	(148,992)	(320,526)
Investing activities		
Expenditures on exploration and evaluation assets	(2,201,047)	(1,819,370)
Term deposits	313,572	682,850
Net cash flows used in investing activities	(1,887,475)	(1,136,520)
Financing activities		
Proceeds on issuance of common shares	1,898,214	99,900
Net cash flows received from investing activities	1,898,214	99,900
Currency impact on cash and cash equivalent	16,141	(10,994)
Decrease in cash and cash equivalents	(122,112)	(1,368,140)
Cash and cash equivalents, beginning	235,536	1,761,977
Cash and cash equivalents, ending	**$ 113,424**	**$ 393,837**

See accompanying notes to the condensed consolidated interim financial statements

(Expressed in Canadian dollars - unaudited)

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 properties in the U.S.

The head office and principal address of the Company is located at 1066 West Hastings Street, Suite 1220, Vancouver, British Columbia, Canada, V6E 3X1. The Company's registered and records office address is 1066 West Hastings Street, Suite 2600, Vancouver, British Columbia, Canada, V6E 3X1.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements are unaudited and prepared on a condensed basis in accordance with the International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board. These condensed 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, 2012. Accordingly, these condensed interim statements for the three month periods end June 30, 2012 and 2011 should be read together with the Annual Financial Statements as at and for the year ended March 31, 2012.

These condensed consolidated interim financial statements of the Company were approved by the Board of Directors on August 13, 2012.

3. Receivable and prepaid expenses

	June 30, 2012	March 31, 2012
Value-added tax receivables	$ 102,885	$ 212,646
Prepaids	143,102	213,099
	$ 245,987	$ 425,745

4. Reclamation deposits

The Company has posted bonds and investment certificates to provide for certain potential reclamation liabilities as agreed with the Arizona State Land Department.

	June 30, 2012	March 31, 2012
Balance, beginning of period	$ 42,229	$ 18,422
Changes in period	872	23,807
Balance, end of period	$ 43,101	$ 42,229

(Expressed 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 June 30, 2012
		Copper Creek, Arizona
Property acquisition costs		
Balance, March 31, 2012	$	6,751,319
Additions		154,601
Balance, June 30, 2012	$	6,905,920
Exploration and evaluation costs		
Balance, March 31, 2012	$	22,034,939
Costs incurred during period:		
Assaying and laboratory		157,331
Drilling		1,021,138
Engineering and consulting		512,263
Other		144,312
Permits and fees		92,707
Road development		19,649
Share-based payment		94,306
		2,041,706
Currency translation adjustment		575,040
Balance, June 30, 2012	$	24,651,685
Total at June 30, 2012	$	31,557,605

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 payment and the 2.25% Net Smelter Royalty retained by AMT as part of the original Copper Creek property acquisition. The Agreement requires a payment of $350,000, (paid September 20, 2010) and $900,000 in quarterly payments due as follows:

January 30, 2011	$	150,000	(Paid)
April 30, 2011		150,000	(Paid)
July 30, 2011		150,000	(Paid)
October 30, 2011		150,000	(Paid)
January 30, 2012		150,000	(Paid)
April 30, 2012		150,000	(Paid)
	$	900,000	

(Expressed in Canadian dollars - unaudited)

5. Exploration and evaluation assets (cont'd)

The Agreement requires payment by the Company of a further $500,000 payment should the Company enter into a major transaction during the two year period after closing the agreement. On October 10, 2010 the Company received court approval for the above agreement. In accordance with the purchase and sale agreement with AMT the property is subject to a 3% Net Smelter Return royalty.

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. 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. The additional mining claims are subject to a 1% Net Smelter Return royalty. (*See Note 7)*

6. Trade payables and accrued liabilities

	June 30, 2012	**March 31, 2012**
Trade payables	$376,418	$568,737
Amounts due to related parties (Note 9)	6,129	33,200
Accrued liabilities	201,985	120,960
	$584,532	$722,897

(Expressed in Canadian dollars - unaudited)

7. Long-term debt

	June 30, 2012		March 31, 2012	
	USD	**CAD**	USD	CAD
Long term debt	$ **1,570,302**	$ **1,598,725**	$ 1,550,727	$ 1,546,851

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.

The payment schedule as at June 30, 2012 is as follows:

Date		Principal
April 2013		116,703
April 2014		122,538
April 2015		128,664
April 2016		135,098
Balance due beyond 5 years		1,074,092
	US$	1,577,095
Accrued interest		514,877
Interest paid		(404,967)
Total debt	US$	1,687,005
Current portion of long term debt		(116,703)
Long term debt	US$	1,570,302

8. Share capital and reserves

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30 2012 there were 146,046,038 issued and fully paid common shares (March 31, 2012 – 142,249,609).

Shares issued during the period

During the three month period ended June 30, 2012 3,796,429 warrants were exercised at $0.50 and for total proceeds of $1,898,214. The share price weighted average at date of exercise was $0.50.

(Expressed in Canadian dollars - unaudited)

8. Share capital and reserves (cont'd)

Warrants

The following table summarizes information about the issued and outstanding warrants as at June 30, 2012 and March 31, 2012:

	June 30, 2012			March 31, 2012		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of period	20,938,532	$	0.82	24,840,854	$	0.77
Warrants exercised	(3,796,429)		0.50	(3,902,322)		0.24
Warrants expired	(1,208,572)		0.50	-		-
Warrants outstanding, end of period	15,933,531	$	0.97	20,938,532	$	0.82

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, in 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 vest as to 25% on date of grant and as to 12.5% on each of the three, six, nine, twelve, fifteenth and eighteen month anniversaries of the date of grant.

The changes in options during the three month period ended June 30, 2012 and the year ended March 31, 2012 are as follows:

	June 30, 2012			March 31, 2012		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	11,040,000	$	0.47	7,951,500	$	0.43
Options granted	-		-	4,525,000		0.58
Options exercised	-		-	(349,000)		0.22
Options expired	-		-	(1,087,500)		0.67
Options outstanding, end of period	11,040,000	$	0.47	11,040,000	$	0.47
Options exercisable, end of period	8,251,250	$	0.43	7,425,000	$	0.41

(Expressed in Canadian dollars - unaudited)

8. Share capital and reserves (cont'd)

The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	June 30, 2012	March 31, 2012
Expected life of warrants	-	4.25 years
Annualized volatility	-	117.39%
Risk-free interest rate	-	1.45%
Dividend rate	-	0%

Details of options outstanding as at June 30, 2012 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exerciseable
$0.17 - $0.25	1.91	3,605,000	3,605,000
$0.26 - $0.50	3.63	1,575,000	1,200,000
$0.51 - $0.74	3.67	4,325,000	2,290,625
$0.75 - $0.79	3.23	1,535,000	1,155,625
	3.03	11,040,000	8,251,250

During the three month period ended June 30, 2012 and 2011, the Company recorded share-based compensation of $307,023 (2011 - $200,795) relating to options vested during the period.

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.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of subsidiaries of the Company that have a functional currency other than the Canadian dollar.

(Expressed in Canadian dollars - unaudited)

9. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

	June 30, 2012	March 31, 2012
Directors and officers of the Company	$ 6,129	$ 33,200

These amounts, which include directors fees and expense reimbursements, are unsecured, non-interest bearing and have no fixed terms of repayment. All amounts are paid subsequent to period end.

Key management compensation

	Three month periods ended	
	June 30, 2012	June 30, 2011
Management fees (1)	$ 54,341	$ 50,636
Consulting	55,500	55,500
Director fees	19,375	19,355
Share-based payments	286,639	148,400
	$ 415,855	$ 273,891

(1) Certain of management fees are allocated to exploration and evaluation assets as warranted.

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 held in bank accounts. The majority of cash is deposited in bank accounts which 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)

Liquidity risk (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.

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.

Foreign exchange risk

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

The Company is not exposed to any significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of 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.

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 period.

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

Fair value

The Company's financial instruments consist of cash and cash equivalents, short term investments, reclamation bonds, long term debt and trade payables and accrued liabilities. The fair value of these financial instruments approximates their carrying values.

(Expressed in Canadian dollars - unaudited)

10. Financial risk management (cont'd)

Geographic segments

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

	As at June 30, 2012		
	Canada	**U.S.**	**Total**
Reclamation deposits	$ 10,181	$ 32,920	$ 43,101
Equipment	499	308,476	308,975
Exploration and evaluation assets	-	31,557,605	31,557,605
	$ 10,680	$ 31,899,001	$ 31,909,681

	As at March 31, 2012		
	Canada	**U.S.**	**Total**
Reclamation deposits	$ 9,975	$ 32,254	$ 42,229
Equipment	616	307,634	308,250
Exploration and evaluation assets	-	28,786,258	28,786,258
	$ 10,591	$ 29,126,146	$ 29,136,737

11. Segmented information

Operating segments

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

12. Supplemental disclosure with respect to cash flows

During the three month period ended June 30, 2012 and 2011, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Three month period ended	
	June 30, 2012	**June 30, 2011**
Exploration and evaluation assets included in trade accounts payable and accrued liabilities	$495,247	$620,009
Exploration and evaluation share-based payments	$94,306	$19,255

13. Subsequent events

Subsequent to June 30, 2012, 755,000 options were exercised for cash proceeds of $198,800. This exercise resulted in the issuance of 755,000 shares. As well, 600,000 options expired and were not exercised for shares of the Company.