Redhawk Resources

Management Discussion and Analysis

Six month period ended

September 30, 2014

TABLE OF CONTENTS

This discussion and analysis should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto for the six month period ended September 30, 2014 and 2013 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards. All amounts in the financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated November 10, 2014 and discloses specified information up to that date.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Redhawk Resources, Inc. ("Redhawk" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

DESCRIPTION OF BUSINESS

The Company and its wholly-owned subsidiaries, Redhawk Copper, Inc. ("RDK Copper") and Redhawk Resources (USA), Inc., are engaged in the acquisition, exploration and development of resources with a primary focus on the accelerated development of its advanced stage Copper Creek copper-molybdenum project in San Manuel, Arizona.

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.

The Company is listed and trades on the Toronto Stock Exchange ("TSX") under the symbol "RDK"; and the Frankfurt Stock Exchange Open Market under the trading Symbol "QF7". As of December 31, 2013 the Company discontinued trading on the OTCQX.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS - MINERAL PROPERTIES

To best understand our financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which occurred during and subsequent to the reporting period, and these are summarized below.

The following comments relate principally to those events, transactions and activities since the fiscal year end of March 31 2014, and in 2014 up to the date of this document. Previously completed Management Discussion and Analysis documents covering comments for earlier periods have been prepared and filed accordingly on www.sedar.com .

COPPER CREEK

Redhawk's principal property is its approximately twenty-nine square mile Copper Creek property located in the southwest porphyry copper belt in the State of Arizona, 75 miles northeast of Tucson and 15 miles northeast of San Manuel, in an area well situated in regard to existing general and copper mining infrastructure. Copper Creek hosts multiple breccia and porphyry copper deposits. Molybdenum is present in varying amounts in both the breccia and porphyry copper deposits and is expected to provide substantial credits to both deposit types. Silver is also present in both deposit types and are expected to provide a credit during mining.

The most significant of these deposits identified to date on the Copper Creek property are the porphyry deposit of the Keel and American Eagle plus the Mammoth, Childs-Aldwinkle, Old Reliable, Copper Prince, and Globe breccias. Prior to Redhawk's acquisition of the property there had been more than 461,575 feet (87 miles) of rotary and diamond drilling, with verifiable data, completed on the property. Since acquiring the Copper Creek property Redhawk has re-organized the historic data; conducted a review and analysis of the breccia's; the Keel zone; and the American Eagle porphyry; developed new geological models; completed an additional 186,086 feet of diamond and rotary drilling as of September 30, 2012 when drilling was ended; completed multiple resource estimates in accordance with CIM guidelines; completed environmental studies and obtained permits to allow for underground access; and commissioned and completed a scoping study (2009) and Preliminary Economic Assessment (PEA) (2013) on the Copper Creek property.

The Company is working with its environmental consultants Westland Resources, Inc. ("Westland") to review the requirements for the additional permits required to allow the commencement of the development decline approved in the Aquifer Protection Permit ("APP"). In addition the Company has completed the field environmental review of the balance of the original 7 square mile Copper Creek property not currently covered by previous permits. This review was focused on the current resource area. These reports are completed and suggestions for additional detailed studies of a few areas are currently being drafted. The Arizona State Lands Rights of Way ("ROW") to allow commercial access to Copper Creek have been obtained.

LIQUIDITY AND CAPITAL RESOURCES – FINANCIAL CONDITION OF THE COMPANY

As at September 30, 2014, the Company had current assets of $487,019 and current liabilities of $501,602 compared to current assets of $1,422,112 and current liabilities of $736,220 as at March 31, 2014. Working capital is negative $14,583 at September 30, 2014 compared to a positive $685,892 at March 31, 2014.

Equity at September 30, 2014 was $39,767,512 compared to $39,620,529 as at March 31, 2014.

Management has prepared, and the Board of Directors have reviewed a financial plan for the fiscal period ending December 31, 2014. The financial plan covers the expected cash requirements for all corporate activities .This financial plan is still being revised, as various cash conservation proposals are being considered, including deferrals of contractual obligations and consultants' remuneration.

These consolidated 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 proposed Anglo American transaction will provide capital needed for the property exploration and development, and for general corporate purposes.

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.

Results of Operations

	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)**

NET LOSS

The net loss for the quarter ended September 30, 2014 was $459,228 compared to $478,049 for the quarter ended September 30, 2013 representing a decrease of $18,821.

The net loss for the six month period ended September 30, 2014 was $922,877 compared to a net loss for the six month period ended September 30, 2013 of $1,044,736.

EXPENSES

For the quarter ended September 30, 2014, total expenses were $423,947 compared to $447,811 recorded during the same period in 2013, representing a decrease of $23,864 or 5%. For the six month period ended September 30, 2014 total expenses were $852,515 compared to $998,057 for the six month period ended September 30, 2013. Included in expenses is a non-cash charge of $268,447 (September 30, 2013 - $81,907) for share-based compensation. Also included is a non-cash charge for shares issued totalling $Nil (September 30, 2013 - $93,150) included in investor relations expense. After deducting the non-cash adjustment for expenses, expenses totalled $584,068 (September 30, 2013 - $823,000) representing a decrease of $238,932 or 29%. Material variances over the comparable period are discussed below.

Investor relations

For the quarter ended September 30, 2014, investor relations fees were $108 compared to $53,190 for the quarter ended September 30, 2013. Investor relations fees were $183 for the six month period ended September 30, 2014 compared to $198,060 reported over the same time period in 2013. Included in the six month period ended September 30, 2013 is a non-cash expense of $93,150 for the estimated fair value of common shares issued to an advisor. Expenses include all related travel and accommodation costs. Also included in this category are the fees paid for services provided under investor relations contracts. Investor relation activities have been substantially reduced due to the current equity market conditions.

Management and consulting

For the quarter ended September 30, 2014, management and consulting fees were $97,906 compared to $211,928 for the quarter ended September 30, 2013. Management and consulting fees were $189,104 for the six month period ended September 30, 2014 compared to $366,881 reported over the same time period in 2013. Included in this category is the fee paid in 2013 to CIBC World Markets Inc. as strategic financial advisor and services provided under various consulting contracts by the corporate officers and other consultants.

Professional fees

For the quarter ended September 30, 2014, professional fees were $153,727 compared to $40,365 for the quarter ended September 30, 2013. Professional fees were $188,888 for the six month period ended September 30, 2014 compared to $99,269 reported over the same time period in 2013. The largest increase relates to fees paid to legal counsel in the course of completing the Anglo Holdings agreement.

Share-based payments

For the quarter ended September 30, 2014, share-based payments were $54,767 compared to $25,072 for the quarter ended September 30, 2013. Share-based payments were $268,447 for the six month period ended September 30, 2014 compared to $81,907 reported over the same time period in 2013. These non-cash expenditures are a function of the implementation of the methodology used for calculating share based payment values, and a direct result of stock options vested.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Fiscal quarter ended	Revenues[1]	Net loss – total (unaudited)	Loss from continuing operations – per share [1, 2]	Net comprehensive income/(loss) (unaudited) – total [3]	Net income/ (loss) - per share [2]
		$	$	$	$
September 30, 2014	Nil	(459,228)	(0.00)	1,322,822	(0.00)
June 30, 2014	Nil	(463,649)	(0.00)	(1,588,490)	(0.01)
March 31, 2014	Nil	(342,944)	(0.00)	848,220	(0.00)
December 31, 2013	Nil	(527,242)	(0.00)	546,717	(0.00)
September 30, 2013	Nil	(478,049)	(0.00)	(1,160,656)	(0.01)
June 30, 2013	Nil	(566,687)	(0.00)	548,449	(0.00)
March 31, 2013	Nil	(498,448)	(0.00)	136,759	(0.00)
December 31, 2012	Nil	(485,009)	(0.00)	(124,837)	(0.00)

(1) Revenues exclude interest income. Fully diluted per share amounts are not presented as they would be anti-dilutive.
(2) Loss per share is rounded to the nearest whole cent
(3) Net comprehensive income/(loss) will have differences from quarter to quarter due to the expenses including exchange differences on translating foreign operations.

TRANSACTIONS WITH RELATED PARTIES

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	230,873	-
	$ 241,961	$ 35,339

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; and

(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

Key management compensation [2]

		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.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Board of Directors has approved entering into an agreement with Anglo American Exploration (USA) Inc., as disclosed elsewhere in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are presented in Note 3 in the notes to the annual financial statements. The preparation of these audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented, and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The audited financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.
Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made include, but are not limited to, the following:

Impairment analysis

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss for the period.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective assets.

Changes in any of the assumptions used in impairment testing could materially affect the result of the analysis.

As at September 30, 2014, the Company reviewed the carrying value of its assets and determined that there were no indicators of impairment.

Share–based payments

From time to time, the Company, through its Board of Directors, grants share purchase options to directors, employees, and service providers. The Company uses the Black –Scholes option pricing model to estimate the value for these options .This model requires inputs such as expected volatility, expected life to exercise, and interest rates.

NEW ACCOUNTING STANDARDS

Recent accounting standards issued and not yet applied

Financial instruments

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.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments in the following categories: loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost.

The Company has classified its cash and cash equivalents, short term investments and reclamation bonds as loans and receivables. Long term debt, trade payables and accrued liabilities are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

Other financial liabilities are initially recognized at fair value adjusted for directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

RISKS RELATED TO THE COMPANY'S BUSINESS

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek copper, molybdenum, silver and gold in the United States. While each of these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Currency risks. The Company's exploration expenditures are predominately in US dollars and equity raised is predominately in Canadian dollars. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company is subject to fluctuations in foreign currency at the time payments are due on the US dollar promissory note. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Foreign Countries and Regulatory Requirements. Currently, the Company's principal properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of September 30 2014 was $24,457,696. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

As specified by National Instrument 51-102, Redhawk advisers readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure Controls and Procedures

The Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for the establishing and maintaining the Company’s disclosure controls and procedures (as defined by NI 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”)). The CEO and CFO, after having caused an evaluation to be performed of the effectiveness of the design and operation of the Company’s disclosure controls and procedures, have concluded that as of September 30, 2014, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries required to be disclosed in the Company's reports filed or submitted under the NI 52-109 would have been known to them.

Internal Controls Over Financial Reporting

NI 52-109 requires Canadian public companies to submit an annual certificate relating to the design and operating effectiveness of internal control over financial reporting ("ICFR") ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Management is responsible for establishing and maintaining ICFR and management, including the CEO and the CFO, have evaluated the design and caused testing of the effectiveness of the ICFR at September 30, 2014. Based on this evaluation, the management, with the participation of the CEO and CFO, has concluded that the ICFR was effective as of September 30, 2014. The Company has used the Guidance for Smaller Public Companies published by the Committee of Sponsoring Organizations of the Treadway Commission internal control framework to design ICFR.

Due to its inherit limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis as such systems can only be designed to provide reasonable as opposed to absolute assurance. Also, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. There has been no change in the Company's internal control over financial reporting that occurred during the period ended September 30, 2014, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

However, in May 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) released an updated Internal Control – Integrated Framework: 2013. The Company currently uses the COSO 1992 original framework, and will transition to the updated framework during the transition period which extends to December 15, 2014, after which the 1992 framework will be considered superseded by the 2013 framework. Management is currently assessing the impact of this transition and will report any significant changes to the Company's internal controls over financial reporting that may result.

Outstanding Share Data

As at November 10, 2014, the Company had 157,698,138 common shares outstanding. As at the same date there were 420,000 warrants outstanding with an exercise price of $0.35. In addition, 12,410,000 stock options were outstanding at exercise prices from $0.25 to $0.79 per share.

	Number of shares	Number of options	Exercise price	Expiry date
Issued and outstanding	157,698,138	775,000	$0.42	Jul 9, 2015
		1,135,000	$0.79	Feb 11, 2016
		550,000	$0.59	Jul 7, 2016
		250,000	$0.42	Oct 3,2016
		500,000	$0.43	Oct 17, 2016
		2,925,000	$0.60	Feb 17, 2017
		750,000	$0.50	Aug 20, 2017
		350,000	$0.60	Jan 22, 2018
		200,000	$0.60	Feb 15, 2018
		2,875,000	$0.35	Nov 1, 2018
		2,100,000	$0.25	May 1, 2019
		12,410,000		

Number of warrants	Exercise price	Expiry date
420,000	$0.35	Oct 16, 2015

Vancouver, British Columbia November 10, 2014

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.