REDHAWK RESOURCES, INC.

Management Discussion & Analysis

March 31, 2010

Dated June 25, 2010

This discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes thereto for the years ended March 31, 2010 and 2009 (the "Financial Statements"), which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

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. 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. The Company also has a gold/silver property of merit in Nevada.

The Company trades on the TSX Venture Exchange ("TSXV") under the symbol "RDK" and the Frankfurt Stock Exchange Open Market under the trading Symbol "QF7".

DIRECTOR APPOINTMENT

On November 26, 2009 the Company announced the appointment of Gregory E. McKelvey to the Board of Directors of the Company.

RESULTS OF OPERATIONS - RESOURCE PROPERTIES

Resource property expenditures during the year ended March 31, 2010 as compared to March 31, 2009 are as set out below.

	Year ended March 31, 2010	Year ended March 31, 2009
Alien, Nevada, USA		
Acquisition	$ -	$ **6,500**
Permits and fees	-	**27,706**
	$ -	$ **34,206**
Ramona, Nevada, USA		
Acquisition	$ **36,250**	$ **42,039**

Other	5,935	5,442
	$ 42,185	$ 47,481
Copper Creek, Arizona, USA		
Acquisition	$ 403,039	$ 259,952
Assaying and laboratory	-	72,067
Drilling	-	500,335
Engineering and consulting	195,105	728,247
Field Costs	2,395	-
Permits and fees	87,604	78,798
Stock based compensation	36,250	63,947
Other	101,272	96,634
	$ 825,665	$ 1,799,980
Total deferred exploration cost for the year	867,850	1,881,667
Impairment loss	(42,185)	(1,035,754)
Balance - beginning of year	13,183,751	12,337,838
Balance - end of year	$ 14,009,416	$ 13,183,751

COPPER CREEK

Redhawk's principal property is its seven 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. Both deposit types include historical copper resources. 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. Gold and silver are also present in both deposit types and are expected to provide credits during mining.

The most significant of these deposits identified to date on the Copper Creek property are the Mammoth, Childs-Aldwinkle, Old Reliable, Copper Prince, and Globe breccias, plus the Keel zone and American Eagle porphyry. Prior to Redhawk's acquisition of the property there had been more than 407,000 feet (77 miles) of rotary and diamond drilling completed on the property. Since acquiring the Copper Creek property Redhawk has re-organized the historic data; conducted a review and analysis of the breccias; the Keel zone; and the American Eagle porphyry; developed new geological models; completed an additional 51,000 feet of diamond and reverse circulation drilling; completed new NI 43-101 compliant resource estimates; completed environmental studies and applied for permits to allow for underground access; and commissioned and completed a detailed scoping study on the economic viability of the Copper Creek property.

On September 9, 2008 the results from the two completed drill programs were released in an updated NI 43-101 compliant mineral resources estimate authored by Independent Mining Consultants (IMC). The new estimate increased the total pounds of copper equivalents to 0.652 billion pounds in the combined measured and indicated categories and 2.745 billion pounds in the inferred category representing a significant increase from previous resource estimates which had totalled approximately 2.1 billion pounds of copper equivalents.

This increase is attributable to increased resources in the Keel deposit and two new breccia deposits known as the Globe and the Copper Prince which contributed to additional high grade near surface resources. The increase in the Keel zone does not include gold and silver credits as previous operators did composite assays over intervals conservatively considered too long to be included in the current resource calculations. The full resource report is posted on the Company's website as well as on www.sedar.com.

Redhawk believes that a combination of the higher-grade breccia deposits and the much larger porphyry deposits represented by the Keel and American Eagle deposits offer an opportunity for developing a large long life underground mining operation. Redhawk, through its consultants, completed the ground water monitoring, waste rock characterization studies, environmental and cultural studies required to submit an Aquifer Protection Permit (APP) with the Arizona Department of Environmental Quality being the principal permit required to allow an exploration decline to be driven. That permit application was submitted in October 2007 and approval was received in August 2009.

KD Engineering of Tucson, AZ completed a detailed scoping study report examining the economic viability of underground mining using various extraction techniques for the Copper Creek project with contribution from Redhawk's other consultants, IMC (resources), Milne & Associates (mining costs and engineering), Golder Associates (hydrology and engineering), METCON (metallurgy), and WestLand Resources (permitting and environmental). The study was released in February, 2009, and updated March 12, 2010.

The base case used in the scoping study is to begin production at a rate of 2,500 short tons per day (tpd) from the near surface breccia resources and increase the production rate to 10,000 tpd when the deeper Keel and American Eagle resources are accessed and developed. A two product (copper concentrate and molybdenum concentrate) conventional mill would be built on site beginning at 2,500 tpd and enlarging to 10,000 tpd as the mining rate is increased. Mining is anticipated to be blasthole stope and fill, with potentially some cut and fill, in the breccia deposits and room and pillar/post and pillar with engineered fill in the Keel and American Eagle deposits. Total mine, mill, and development capital costs are estimated at US$393 million. Mine and mill operating costs were also estimated. Mine operating costs, direct and indirect, in the breccia deposits are estimated at $US31.06/short ton to $US35.32/short ton depending upon the particular deposit and mining method and $US18.02/short ton for the bulk deposits mined with the room and pillar/post and pillar method. All mining methods include backfilling costs. Mill operating costs are estimated at $US14.31/short ton at 2,500 short tons per day throughput and $US9.15/short ton at 10,000 short tons per day throughput.

The pre-tax cash flow analysis over a 20 year operating period uses a copper price of $2.75/pound, molybdenum price of $15.00/pound, silver price of $12.00/troy ounce, and gold price of $750/troy ounce. The pre-tax economic analysis results indicate that an IRR of 20.4 percent is achievable. The corresponding pre-tax NPV is US$539.1 million at a 5 percent discount rate, US$222.7 million at a 10 percent discount rate. Payback of capital invested is achieved after 6.9 years of operation. The breakeven copper price at a zero percent discount rate is $1.77 per pound. With a discount rate of 7.5 percent, a NPV of zero is produced at a copper price of $2.05 per pound. Sensitivity analysis shows a 10 percent increase in copper price, $3.025 per pound, results in an indicated IRR of 24.8 percent and a NPV of US$487.8 million using a 7.5 percent discount rate. Over the 20 year production life of the study more than 1.3 billion pounds of copper, 26.6 million pounds of molybdenum, and 528,900 troy ounces of silver are produced and recovered. Considerable resources not mined remain after the 20 year production period covered by the study and could be minable depending upon costs and metal prices at that time.

Redhawk is planning to drill several deep exploration holes on the Copper Creek beginning in July 2010. The holes have been permitted and reclamation bonded with the BLM and drilling contracts have been let. The holes will test up to five target areas of coincident geological, geochemical, and geophysical anomalies with mapped mafic host rocks in areas with little to no prior drilling. Mafic host rocks (andesites and diabases) are present at Copper Creek. Similar mafic host rocks (andesites, diabases, basalts, etc.) are known to have considerably higher grades than their non-mafic host rocks in other porphyry copper deposits in Arizona, South America, and Mongolia. Redhawk believes there is good potential to find higher grade areas of mafic rock hosted porphyry style mineralization on the Copper Creek property.

ALIEN AND RAMONA PROJECTS

The ***Alien Gold project*** consists of approximately five square miles located 55 miles southeast of Tonopah, Nevada, along the Walker Lane Trend. On May 27, 2009, the Company cancelled its option to acquire a 100% interest in the Alien Gold project. The Company determined to focus its financial resources on the Copper Creek project due to the current economic downturn.

The Ramona ***Gold project*** is also located along the Walker Lane Trend about 12 miles southwest of Hawthorne, Nevada, and immediately west of the Borealis Freedom Flats open pit deposit which is being developed by Gryphon Gold Corp. Historic drill results from the Borealis include 180 ft of 0.66 oz/ton gold including 25ft of 2.03 oz/ton gold from hole FF-229 in the Graben area, and drill hole FF-125 which returned 50ft of 0.83 oz/ton gold from beneath the Freedom Flats pit. The Company has an option to acquire a 100% interest in the Ramona project.

The Company has not been actively developing the forenamed Nevada properties during the years ending March 31, 2010 and March 31, 2009. An impairment loss of $42,185 and $1,035,754 for the year ended March 31, 2010 and the year ended March 31, 2009, respectively.

The Qualified Person, under the meaning of Canadian National Instrument 43-101, responsible for the technical content of this Management Discussion & Analysis is R. Joe Sandberg, CPG, the president of the Company.

SELECTED ANNUAL FINANCIAL RESULTS

Fiscal years ended March 31, 2010, 2009 and 2008, in $000's except per share amounts:

	2010	2009	2008
Financial results			
Total revenue	**Nil**	Nil	Nil
Net loss for year	**351**	2,556	2,093
Basic and diluted loss per share	**($0.004)**	($0.03)	($0.03)
Expenditures on resource properties	**868**	1,882	6,217
Balance sheet data			
Cash and cash equivalents	**109**	12	158
Short-term investment	**604**	221	9
Resource properties	**14,009**	13,184	12,338
Total assets	**14,820**	13,504	12,696
Long term liabilities	**1,921**	2,714	1,719
Shareholders' equity	**12,831**	10,569	9,874

	Year Ended March 31, **2010**	2009
Expenses		
Audit and accounting	$ **99,454**	$ 95,065
Amortization	**2,062**	15,084
Filing fees	**12,421**	8,020
Insurance	**20,278**	33,210
Investor relations	**85,084**	84,777
Legal	**32,503**	53,622
Management fees and consulting	**252,860**	187,520
Office and sundry	**15,295**	25,859
Salaries and benefits	**-**	108,435
Rent	**10,460**	35,849
Stock based compensation expense	**331,930**	252,954
Transfer agent	**9,060**	6,854

Travel and accommodation		**30,538**		37,859
Operating Loss	**$**	**901,945**	$	945,108
Other Income (Expenses)				
Foreign exchange (gain) loss		**(509,184)**		530,897
Interest (income)		**(5,820)**		(18,773)
Interest expense		**-**		5,792
Loss on securities held for resale		**830**		8,036
Loss on write down of property and equipment		**8,589**		49,158
Impairment loss		**42,185**		1,035,754
Mining exploration tax credit		**(87,361)**		-
	$	**351,184**	$	2,555,972

As an exploration company, there are no revenues being generated from operations. The Company incurred an operating loss of $901,945 for the year ended March 31, 2010 as compared to an operating loss of $945,108 for the prior fiscal year. Overall there has been a slight decrease in the operating loss from the prior year end which is a result of continued cost saving overhead reductions and reduced activity in administration. The elimination of salaries and benefits is partly offset by the increase in management and consulting fees. The Company sublet its premises in November 2008 and this resulted in significant savings in rent. Stock based compensation of $331,930 in 2010 was $78,976 higher than in 2009 due to differences in stock option grants and vesting amounts from year to year.

The significant decrease in net loss for the year ended March 31, 2010 compared to March 31, 2009 was impacted by the write down of equipment, the receipt of mining exploration tax credits, and the recognition of foreign exchange gains or losses, which reflects the effect that the fluctuations in foreign currency exchange rates have on the carrying value of foreign assets and liabilities held by the Company. An impairment loss on the Ramona property of $42,185 was recognized during the year, compared to the Alien and Ramona impairment loss of $1,035,754 recognized in the previous year. *(See Results of Operations -Resource Properties*).

SELECTED QUARTERLY FINANCIAL RESULTS

In $000's except per share amounts, for the last eight fiscal quarters ended:

	March 31, 2010	Dec 31, 2009	Sept 30, 2009	June 30, 2009	March 31, 2009	Dec 31, 2008	Sept 30, 2008	June 30, 2008
Financial results								
Net Revenue	**Nil**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (income) loss for period, excluding impairment loss	**232**	188	(47)	(65)	241	587	384	308
Impairment loss	**-**	-	31	12	1,036	-	-	-
339Basic and diluted (income) loss per share	**(0.005)**	0.002	(0.000)	(0.001)	0.017	0.008	0.005	0.004
Expenditures on Resources properties	**280**	182	224	182	242	255	468	917
Balance sheet data								
Cash and cash equivalents	**109**	1,056	291	562	12	329	835	1,403
Short- term investments	**604**	-	-	-	221	1	1	9
Resource properties	**14,009**	13,729	13,547	13,354	13,184	13,978	13,723	13,255

Total assets	**14,820**	14,862	13,891	13,974	13,504	14,424	14,711	14,814
Long term liabilities	**1,921**	1,951	1,960	2,094	2,714	2,566	1,838	1,734
Shareholders' equity	**12,831**	12,405	11,299	11,218	10,569	11.475	11,992	12,277

Fourth Quarter Results

The 2010 fourth quarter loss of $231,579 compared to $1,276,842 for the 2009 fourth quarter was affected by the timing of the write off of resource properties, the changes in stock option grants and vesting amounts from period to period, and the recognition of foreign exchange gains and losses. General and administrative expenses have decreased due to the reduction in overheads and administrative activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and working capital position as at March 31, 2010 compared to March 31, 2009 is as follows:

		March 31, 2010		March 31, 2009
Cash and cash equivalents and short-term investment	$	**713,419**	$	232,751
Working capital		**703,830**		70,970

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going-concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company for the year ended March 31, 2010 incurred a loss of $351,184, had working capital of $703,830 and an accumulated shareholders' deficit of $14,429,692 at year end.

On April 30, 2010 the Company completed a non-brokered private placement for gross proceeds of $4,012,001 and net proceeds of $3,893,621. In addition share purchase warrants and stock options were exercised for proceeds of $413,675 subsequent to the year end. As a result the Company's current financial position and forecast cash flow requirements for the next year are expected to be sufficient to meet its resource property requirements and corporate requirements.

CONTRACTUAL OBLIGATIONS

The Company entered into a purchase agreement to acquire mining claims in the Copper Creek District from Freeport-McMoRan. On October 17, 2008 an amended agreement was executed by the parties to reduce the US$500,000 promissory note payment due October 1, 2008 to US$125,000 paid on January 14, 2009 with the balance of US$375,000 added as payments on the back end of the promissory note. The US$500,000 promissory note payment due April 1, 2010 has been reduced to US$375,000 with the balance of US$125,000 also added as payments at the back end of the promissory note. All of the conditions subsequent to the amending agreement have been fulfilled.

Additional property payments are payable in fiscal 2011 to third parties, Cdn$125,000 for advance royalties and US$100,000 for a lease to purchase agreement.

RELATED PARTY TRANSACTIONS

During the year ended March 31, 2010, the Company incurred:

a) Consulting fees totalling $28,000 (2009- $31,000) for services provided by the Chief Financial Officer of the Company. The balance owing at March 31, 2010 is nil.
b) Consulting fees totalling $82,500 (2009 - $32,500) were paid to a Company controlled by the managing director of the Company. The balance owing at March 31, 2010 is nil.
c) Management fees totalling $90,000 (2009-$120,000) were accrued to a Company controlled by two directors of the Company. The balance owing at March 31, 2010 is nil.
d) Consulting fees totalling US$82,500 (2009- US$120,750) were paid to the president and director of the Company. The balance owing at March 31, 2010 is nil. An option payment for the Ramona property in the amount of US nil (2009-US$15,000) and 125,000 (2009-12,500) shares were paid and issued to the president and director of the Company.
e) Salaries, rent and office supplies totalling $9,536 (2009- $73,157) was charged to a company with common management. The amount receivable at March 31, 2010 is $4,553, with no specific terms or conditions.

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.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors.

CRITICAL ACCOUNTING ESTIMATES

The Company is a venture issuer and is not required to provide critical accounting estimates.

CHANGES IN ACCOUNTING POLICIES

New Accounting Policies

The CICA issued the new Handbook Section 3064, “Goodwill and Intangible Assets” which replaces Section 3062, “Goodwill and Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred if the costs do not meet the definition of property, plant and equipment. On April 1, 2009, the Company adopted these changes, with no impact on the consolidated financial statements.

During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures (“Section 3862”), was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - Observable inputs other than quoted prices that are observable for the asset or liability either directly or indirectly: and
Level 3 - Inputs that are not based on observable market data.

The Company adopted the new recommendations in fiscal 2010.

EIC – 173, Credit Risk and the Fair Value of Financial Assets and Liabilities

In January 2009, the Emerging Issues Committee ("EIC") issued EIC -173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company's annual consolidated financial statements for the year ended March 31, 2010 and did not have an impact on the Company's financial statements.

EIC – 174, Mining Exploration Costs
On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This new standard is effective for the Company's annual consolidated financial statements for the year ended March 31, 2010. The accounting treatment provided for in EIC-174 has been applied in the preparation of these financial statements.

Future Accounting Policies

The CICA issued three new accounting standards in January 2009: Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-Controlling Interests, these sections are harmonized with International Financial Reporting Standards. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These Standards will be applicable to the Company for annual and interim accounting periods beginning on April 1, 2011.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2010. The Company's material assets are cash and mineral property interests. Under IFRS, there is not expected to be a significant change from the current disclosure and financial reporting of these assets. Exploration expenses will continue to be capitalized and will be subject to ongoing tests for impairment. Future income tax liabilities will have expanded disclosure, and some measurement changes, but the substance of the accounting for the transactions is expected to be similar. Share based payments will also have certain differences in terms of recognition and measurement.

International Financial Reporting Standards ("IFRS") Implementation Plan

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures
- Property and equipment (measurement and valuation);
- Stock-based compensation;
- Accounting for income taxes
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes and financial statement note disclosure. The table below summarizes the expected timing of activities related to the Company's transition to IFRS:

Initial analysis of key areas for which changes to accounting policies may be required	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	By June 30, 2010
Assessment of first-time adoption (IFRS 1) requirements and alternatives	By June 30, 2010
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	By July 31, 2010
Resolution of the accounting policy change implications on the accounting processes	By July 31, 2o1o
Quantification of the Financial Statement impact of changes in accounting policies	Throughout 2010

RISKS RELATED TO THE COMPANY'S BUSINESS OVERVIEW

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.

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, Mr. J. Stephen Barley and Mr. Joe Sandberg. 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 March 31, 2010 was $14,429,692. 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.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, reclamation bond, and accounts payable and accrued liabilities, and long term debt. The estimated fair values of cash and cash equivalents, short term investments, accounts receivable, reclamation bond, and accounts payable and accrued liabilities, and long term debt, approximate their respective carrying values. The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in CICA Handbook section 3862 – Financial Instruments – Disclosures:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

Management of Financial Risk:

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and copper price risk).

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and short term investments which are held in large Canadian financial institution. The carrying value of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk as at March 31, 2010.

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 manages liquidity risk through the management of its capital structure. As at March 31, 2010, the Company had cash and short-term investment of $713,419 (2009 - $232,751) to settle current liabilities of $67,715 (2009 - $220,470). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and foreign exchange rates.

(a) 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 has cash balances and fixed interest-bearing debt. The Company believes it has no significant interest rate risk.

(b) Foreign currency risk

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.

SUBSEQUENT EVENTS

On April 30, 2010 the Company closed a non-brokered private placement for 11,462,860 units at a price of $0.35 per unit for gross proceeds of $4,012,001 and net proceeds of $3,893,621. Each unit consists of one common share and one-half of a transferable common share purchase warrant. Each whole share purchase warrant will be exercisable into one additional common share at an exercise price of $0.50 per common share for a period of two years, subject to accelerated expiry if the volume weighted average trading price of the Company's common shares is equal to or greater than $1.00 for 20 consecutive trading days. If at any time after the date that is 4 months and one day after the closing date the volume weighted average trading price for the Company's common shares on the TSX Venture Exchange (the "Exchange") (or such other stock exchange on which such shares are listed) is equal to or greater than $1.00 for 20 consecutive trading days, the Company may, within five days after such an event, provide notice (by issuing a news release) to the holders of warrants of early expiry and thereafter, the warrants will expire on the date which is 30 days after the date of the notice to such holders of warrants.

Subsequent to the year end 272,500 share purchase warrants were exercised at $0.23 for total proceeds of $62,675.

Subsequent to the year end 2,000,000 share purchase warrants were exercised at $0.15 for total proceeds of $300,000.

Subsequent to the year end, 300,000 stock options were exercised at $0.17 for total proceeds of $51,000.

On May 26, 2010, 5,733,000 share purchase warrants exercisable at $0.65 expired.

Subsequent to the year end, the US$50,000 advance royalty payment due June 15, 2010 for the Ramona property was not made, as a result the Company is currently in default with the Ramona option to purchase agreement.

LEGAL CLAIMS AND CONTINGENT LIABILITIES

At June 25, 2010, there were no material legal claims or contingent liabilities outstanding.

INVESTOR RELATIONS

Information on Redhawk and its projects, including project photos, detailed technical reports and executive summaries is available on the Company's website at www.redhawkresources.com or by calling J. Stephen Barley, managing director at 604-633-5088.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As at June 25, 2010, the Company had 108,953,055 common shares outstanding. As at the same date there were 10,146,430 warrants outstanding of which 4,415,000 are exercisable at $0.23 and expire on December 22, 2011 and 5,731,430 warrants exercisable at$0.50 and expiring on April 30, 2012. In addition 6,980,625 stock options were outstanding at exercise prices ranging from $0.16 to $0.65 per share.

Information Available on SEDAR

Additional information relating to the Company is available on the SEDAR website at www.sedar.com

On behalf of the Board of Directors,

June 25, 2010

"R. Joe Sandberg"
President