Redhawk Resources

Management Discussion and Analysis

Nine month period ended

December 31, 2014

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This discussion and analysis should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto for the nine month period ended December 31, 2014 and 2013 (the "Financial Statements"), which have been prepared in accordance with International Auditing Standard 34, Interim Financial Reporting. 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 February 16, 2015 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.

1. 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 mineral resources. The primary focus to date has been on the development of its Copper Creek copper-molybdenum project in San Manuel, Arizona. The Company has announced its intention to acquire an interest in precious metal projects with an emphasis on projects with a focus on gold.

COPPER CREEK PROJECT

The twenty nine square mile Copper Creek property is 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.

Effective November 25, 2014, Anglo American US Holdings Inc. ("Anglo Holdings"), a wholly owned subsidiary of Anglo American Exploration (USA) Inc. ("Anglo Exploration USA") entered into a definitive agreement among RDK Copper and Copper Creek Project LLC ("CCP" a limited liability company pursuant to the laws of Delaware) (the "Definitive Agreement") replacing a binding Letter Agreement with Anglo Exploration USA dated August 11, 2014 (the "Letter Agreement"). The Definitive Agreement provides for a joint venture between Anglo Holdings, RDK Copper, and CCP in regard to exploration and development efforts on Redhawk's Copper Creek property (the "Project", "Copper Creek Project").

Under the Definitive Agreement Redhawk has transferred into CCP the Copper Creek Project along with certain related assets and liabilities. Anglo Holdings currently has a 60% interest in the CCP and must fund expenditures of US $44 million on the Project, at their option, over a five year period with a commitment to fund at least US$3 million in the first year (paid). Should Anglo not fund the LLC on the agreed upon terms the Company will assume full ownership of the CCP. Once Anglo Holdings has funded the US$44 million and secured the initial 60% interest, Anglo Holdings may elect to acquire an additional 20% interest in the Project by funding a further US$20 million in expenditures on the Project on or before the seventh anniversary of the effective date. Redhawk will be the operator for the first three years, after which time Anglo Holdings will be then the operator.

PRECIOUS METAL PROJECTS

The Company in conjunction with third parties is currently conducting due diligence and negotiating for the acquisition of an interest in multiple mineral projects with a focus on gold. At the date of this MD&A, the Company has not entered into any definitive agreements in regard to the projects being reviewed. The Company's activity in the precious metals area is entirely independent of the activities with Anglo Holdings on the Copper Creek Project.

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.

2. 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 fiscal 2015 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 .

3. LIQUIDITY AND CAPITAL RESOURCES – FINANCIAL CONDITION OF THE COMPANY

As at December 31, 2014, the Company had current assets of $283,537 and current liabilities of $77,495 compared to current assets of $1,422,112 and current liabilities of $736,220 as at March 31, 2014. Working capital is $206,042 at December 31, 2014 compared to $685,892 at March 31, 2014.

Equity at December 31, 2014 was $22,280,090 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 March 31, 2015. The financial plan covers the expected cash requirements for all corporate activities. This financial plan is continuously being revised, as various cash conservation proposals are being considered, including deferrals of contractual obligations and consultants' remuneration.

The interim unaudited condensed 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. As at December 31, 2014, the Company's working capital was $206,042.

The Anglo American transaction provides capital needed for the property exploration and development, and for general corporate purposes.

If the going concern assumption was not appropriate then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the financial position statement classifications used, and such adjustments would be material.

4. RESULTS OF OPERATIONS

	Three month period ended December 31,		Nine month period ended December 31,	
	2014	2013	2014	2013
Expenses				
Director fees	$ 31,876	$ 32,193	$ 96,030	$ 99,400
Filing fees	4,640	20,081	28,971	54,280
Insurance	8,375	5,250	26,750	24,698
Investor relations	2,000	2,402	2,183	200,462
Management and consulting fees	98,781	157,438	287,885	524,319
Office and sundry	10,225	15,333	38,505	51,634
Professional fees	58,995	43,324	247,883	142,593
Project generation	50,401	-	50,401	-
Rent	674	4,706	5,309	17,558
Salaries	20,477	20,475	66,718	62,134
Share-based compensation	60,115	167,635	328,562	249,542
Transfer agents	7,833	10,137	14,707	14,967
Travel and accommodations	182	14,060	13,185	49,504
Total expenses	(354,574)	(493,034)	(1,207,089)	(1,491,091)
Interest income	1,277	6,454	3,488	18,052
Interest expense	6,457	(30,221)	(62,651)	(91,484)
Foreign exchange gain	3,966	(10,441)	501	(7,455)
Management income	70,063	-	70,063	-
Share of net loss of associates	(15,581)	-	(15,581)	-
Impairment	(18,124,527)	-	(18,124,527)	-
Net loss for period	**$ (18,412,919)**	**$ (527,242)**	**$(19,335,796)**	**$ (1,571,978)**

NET LOSS

The net loss for the quarter ended December 31, 2014 was $18,412,919 compared to $527,242 for the quarter ended December 31, 2013 representing an increase of $17,885,677.

The net loss for the nine month period ended December 31, 2014 was $19,335,796 compared to a net loss for the nine month period ended December 31, 2013 of $1,571,978.

EXPENSES

For the quarter ended December 31, 2014, total expenses were $354,574 compared to $493,034 recorded during the same period in 2013, representing a decrease of $138,460 or 28%. For the nine month period ended December 31, 2014 total expenses were $1,207,089 compared to $1,491,091 for the nine month period ended December 31, 2013. Included in expenses is a non-cash charge of $328,562 (December 31, 2013 - $249,542) for share-based compensation. Also included is a non-cash charge for shares issued totalling $Nil (December 31, 2013 - $93,150) included in investor relations expense. After deducting the non-cash adjustment for expenses, expenses totalled $878,527 (December 31, 2013 - $1,148,399) representing a decrease of $269,872 or 23%. Material variances over the comparable period are discussed below.

Investor relations

For the quarter ended December 31, 2014, investor relations fees were $2,000 compared to $2,402 for the quarter ended December 31, 2013. Investor relations fees were $2,183 for the nine month period ended December 31, 2014 compared to $200,462 reported over the same time period in 2013. Included in the nine month period ended December 31, 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 December 31, 2014, management and consulting fees were $98,781 compared to $157,438 for the quarter ended December 31, 2013. Management and consulting fees were $287,885 for the nine month period ended December 31, 2014 compared to $524,319 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 December 31, 2014, professional fees were $58,995 compared to $43,324 for the quarter ended December 31, 2013. Professional fees were $247,883 for the nine month period ended December 31, 2014 compared to $142,593 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.

Project generation

For the quarter ended December 31, 2014, project generation was $50,401 compared to $Nil for the quarter ended December 31, 2013. Project generation were $50,401 for the nine month period ended December 31, 2014 compared to $Nil reported over the same time period in 2013. Included in this category are costs related to evaluating potential projects for the Company. The Company's accounting policy is to expense such costs until the Company has acquired legal title to the property. These expense variances are a result of management's activity in the period toward potential new acquisitions.

Share-based payments

For the quarter ended December 31, 2014, share-based payments were $60,115 compared to $167,635 for the quarter ended December 31, 2013. Share-based payments were $328,562 for the nine month period ended December 31, 2014 compared to $249,542 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.

Impairment

The financial statements reflect the agreement between the Company and Anglo American US Holdings Inc. as of November 25, 2014. The investment in the newly formed Limited Liability Company (CCP) is accounted for under IAS 28 as it has been determined that the Company has significant influence but does not control CCP; as such the investment is treated as an equity investment.

As set out under the Definitive Agreement dated November 25, 2014 the Project, certain assets and liabilities, including long term debt related to the properties at Copper Creek owned by Redhawk Copper Inc. were transferred to CCP. This included patented mining claims, unpatented claims, other fee land and other rights. Long-term debt were permitted encumbrances totaling USD $2,636,701. The valuation of the Company's investment in CCP has been calculated in accordance with IFRS. This required significant judgment mainly related to discount rates. This property transaction has been valued and recorded at an amount that is less than the amount previously recorded by the Company. To record the fair value of this transfer, initially recorded at cost, the Company has recorded an impairment of $18,124,527.

5. 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]
	$	$		$	$
December 31, 2014	Nil	(18,412,919)	(0.12)	(17,547,538)	(0.11)
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)	320,799	(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)

(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.

6. TRANSACTIONS WITH RELATED PARTIES

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

	December 31, 2014	March 31, 2014
Directors and officers of the Company - trade	18,082	35,339
Directors and officers of the Company - long term	351,891	-
	$ 369,973	$ 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]

	Nine month period ended	
	December 31, 2014	December 31, 2013
Management fees [1]	$ 191,852	$ 171,477
Consulting	175,426	174,825
Director fees	96,030	99,401
Share-based compensation [1]	325,980	303,395
	$ 789,288	$ 749,098

(1) Management fees 2014 - $170,533 (2013 - $171,477) and certain share-based payments 2014 - $76,881 (2013 - $108,742) 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.

Copper Creek Project LLC

During the nine month period ended December 31, 2014, the Company collected CAD $116,771 (USD $100,656) (2013 - $Nil) from CCP, representing payment in full for the 7.5% management fee, of which income of CAD $70,063 (2013- $Nil) was recognized in the Company's financial statements, only to the extent to the Company's unrelated interests in the CCP (60%). Remaining amount was eliminated against investment in associate.

7. OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

8. PROPOSED TRANSACTIONS

As of the date of this document, the Company has no proposed transactions approved by the Board of Directors.

9. CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are presented in Note 3 in the notes to the annual and interim 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 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 December 31, 2014, the Company reviewed the carrying value of its remaining assets and determined that there were no indicators of impairment.

Significant estimates during the period were related to the assessment of a recoverable amount of an investment in the associate, after initial recognition at cost. The valuation of interest in CCP reflected an implied fair value, which in turn has been based on all of the related financial terms in the Definitive Agreement. The main factor in the assessment relates to a judgment by the Company for a determination of net present value(s) of future payments of Anglo American US Holdings Inc., which imply the fair value of CCP.

10. NEW ACCOUNTING POLICIES

These financial statements reflect the agreement between the Company and Anglo American US Holdings Inc. as of November 25, 2014. The investment in the newly formed Limited Liability Company (CCP) is accounted for under IAS 28; the investment is treated as an equity investment. The Company therefore adopted the following policy:

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition, if any.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of net loss of associates in the statement of loss.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognized in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Dilution gains and losses arising in investments in associates are recognized in the statement of loss.

Recent accounting standards issued and not yet applied

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

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. This standard is effective January 1, 2018.

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.

11. 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.

12. 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 December 31, 2014 was $42,870,615. 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.

Copper Creek Project LLC Risk. Under the terms of the definitive agreement among Anglo Holdings, RDK Copper and CCP, certain long-term debt obligations were transferred to the CCP on the effective date - November 25, 2014. These are identified as permitted encumbrances, disclosed in Appendix A, Section 3 of the definitive agreement, in the total amount of US $2,636,701. Should Anglo Holdings discontinue the project funding and forfeit their 60% in the LLC, the Company would become a 100% owner. In turn, the Company would then be responsible for these encumbrances.

13. 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 December 31, 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 December 31, 2014. Based on this evaluation, the management, with the participation of the CEO and CFO, has concluded that the ICFR was effective as of December 31, 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 December 31, 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 has used the COSO 1992 original framework up to December 31, 2014. The Company will change to the new Integrated Framework 2013 effective January 1, 2015.

Outstanding Share Data

As at February 16, 2015, 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 — February 16, 2015

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.