

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Period Ended December 31, 2005**

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**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 Redhawk. 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 Redhawk’s exploration properties. Such statements reflect the current views of Redhawk 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 Redhawk to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

**The Quarter in Review (October 1, 2005 – December 31, 2005)**

**Overview**

Since announcing the closing of the Copper Creek acquisition one month into the Quarter we are pleased to report that work at the advanced Copper and Molybdenum project in Arizona has progressed on time and within budget during the quarter. Copper Creek is located in the southwest porphyry copper belt, 75 miles northeast of Tucson and 15 miles northeast of San Manuel, where Redhawk’s project office is located.

On October 28<sup>th</sup> Redhawk announced the full \$1,600,000 Copper Creek project purchase price was paid and the purchase closed. Redhawk has also agreed to pay the Vendor yearly Advance Royalty Payments (“ARP’s”) of \$125,000 commencing on closing, and to pay the Vendor a 2.5% royalty payment (“RP”) from any Commercial Production from the property until the combined total of ARP’s and RP’s equals \$25,000,000.

Also during the Quarter the Company announced a lease to purchase agreement had been signed for the acquisition of a 38 acre property lying within Redhawk’s seven square mile property on which prior drilling contains economically interesting mineralization which has the potential to add additional resources to the project.

The Copper Creek project is discussed in more detail below.

The Company was also active during the quarter at the Remac Zinc-lead-silver project in southeastern British Columbia. Remac is located 35 km southeast of TeckCominco’s Zinc-Lead smelter complex at Trail, and 15 km north of TeckCominco’s Pend’ Oreille zinc-lead mine and concentrator.

Following up on the drill program from the fall of 2004 that extended the known zinc mineralization west of its previously most westerly known location, Redhawk completed a mapping and sampling program in an attempt to locate additional areas of interest to explore in 2006. The report from the Company’s consulting geologist on this year’s program is anticipated to be ready prior to yearend on March 31, 2006.

Subsequent to the quarter, on February 13, 2006, the Company amended the Reeves letter agreement to extend the option to purchase the property for three years until on or before February 15, 2009, by paying US\$2,300,000 on or before February 15, 2007, increasing by US\$300,000 each subsequent year. The Company has the option to extend the exercise date annually by paying US\$50,000 (paid February 2006) on or before February 15th.

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Management is anticipating a drill program will be mounted at Remac in 2006 to assist in advancing this well situated zinc-lead-silver project.

Redhawk has two gold and silver projects in the Walker Lane precious metals trend in Nevada. The Alien Gold project is located 55 miles east-southeast of Tonopah and 145 miles northwest of Las Vegas; Ramona Gold is located 15 miles southeast of Hawthorne.

Work done previously at Alien, including RC (reverse-circulation) drilling by earlier explorers and core drilling and GAR/SPG geophysical surveying by Redhawk has confirmed the gold and silver mineralization is contained within zones of intense silicification within a very large, low-sulphidation epithermal system.

Following the completion of Redhawk's 2004 program Mr. Joe Sandberg, CPG, the Company's consulting geologist, recommended a \$1.6 million follow-up program of core and RC drilling and geophysical surveying to begin to determine the ultimate size of the Alien epithermal system and to follow-up existing high-grade targets and to identify new ones.

Subsequent to the receipt of Mr. Sandberg's Report, and in consultation with Mr. Sandberg, management determined that the size and potential of the Alien Gold project epithermal system had grown to the point that very substantial expenditures would be necessary to adequately test for the large low-grade mineralized bodies and high-grade deposits that work to date has suggested may be found at Alien.

Because of this, and the reasonable expectation that the next exploration programs at Alien will include much detailed geological interpretation work that may not be newsworthy from the perspective of a junior exploration company that needs continuing results from its drilling programs to fund each next program, it is the Company's current intention to bring a compatible operating mining company to the project to become the senior partner to lead the continued exploration and development at Alien Gold.

The Ramona Gold project is an early stage project adjoining and on trend of the past producing Borealis gold mine. The present owners of the project, Gryphon Gold Corp, have done considerable drilling and other work and have announced their intention to bring their Borealis project to production. Redhawk is considering the timing of returning to work at Ramona, likely later this spring or early summer, either alone or with a partner.

## **The Copper Creek Project**

### **Introduction**

The recent acquisition of this copper and molybdenum project marks a significant turning point in the Company's history.

In choosing our earlier projects management tried to remember the lessons learned from our collective previous exploration, development and mine operating experience gained mainly from working in remote areas of northern Canada and in Africa. One of the most important lessons that stood out given the Company's circumstances as a junior exploration company was that it is much easier and less costly to explore and develop and operate a mine in an area with a moderate climate and established general and mining infrastructure than in an area lacking road access, power, housing and other infrastructure.

To this Redhawk added the requirement that any project we were to explore needed to be in a country and in a location that we were reasonably confident that if we followed a respectful code of conduct towards the project's environmental consideration, including the necessary rules and regulations governing mining operations, that we would have a good likelihood of being allowed by the local authorities to proceed with exploring, developing and producing from a project that we identified as meeting these

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criteria, plus the obvious geological considerations of having a sufficient grade and tonnage combination to have a reasonable chance of economic success.

In its search for copper Redhawk took this idea several steps further and the result culminated with the acquisition of Copper Creek. The project is located at the juncture of the two most important mineralizing trends in the southwest porphyry copper belt in Arizona in an area of exceptional general and copper mining infrastructure.

Porphyry copper style mineralization was first discovered at Copper Creek in 1966. Prior to this all known mineralization was contained in outcropping breccia deposits.

### **Project Description**

The seven square mile Copper Creek property hosts multiple breccia and porphyry copper deposits. Currently the most significant of these deposits are the Childs-Aldwinkle ("CA"), Mammoth ("MAM"), Old Reliable ("OR") and American Eagle Breccias, and the Lower Mammoth/Keel and American Eagle Porphyry's.

Redhawk believes the higher-grade portions of these deposits offer an excellent opportunity for developing a low cost, long life underground mining operation.

We encourage you to download the long and plan view images showing a portion of the project area and to read this report while viewing those images. The long and plan view images show the spatial relationship between the known deposits at Copper Creek. Note the bar graphs, measured in feet, at the bottom of these images. Although all currently known deposits have had some molybdenum and gold and silver analysis, the CA Breccia deposit is the only deposit to have been fully analyzed for copper and molybdenum.

Redhawk is currently choosing from the remaining pulps from the drilling of other deposits to be assayed for molybdenum and gold and silver to confirm our expectations for these metals on a current project-wide basis.

The economic potential of the Copper Creek project builds on an established base of 407,690 feet (77 miles) of drilling which has resulted in several non-compliant resource calculations having been prepared by previous operators. The core library was for the most part properly housed from inception and remains in excellent condition. Redhawk has engaged IMC (Independent Mining Consultants) as its independent consultant to prepare current 43-101 compliant Resource calculations as the foundation resource number from which Redhawk intends to fast-track the development of additional resources at Copper Creek. In addition, Redhawk has asked IMC to prepare a resource to reserve conversion plan for the resources they define so a template exists to guide future development of these deposits.

Besides the obvious requirement of a significant initial resource and reserve base to justify opening a new mine, it is essential for a company that is looking to develop a stable, long term high-grade mining operation to be confident the project demonstrates the potential for the development of significant additional similar grade resources to that which has been initially defined.

It was this potential that was demonstrated, in the opinion of Redhawk management, by the project geology, by numerous untested showings of surface copper oxide staining, including the large number of undrilled breccia showings, and by the breccia and non-breccia mineralization evidenced in limited drilling outside the current deposit areas, that compelled Redhawk to pursue and acquire the Copper Creek project.

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**Redhawk's Copper Creek Advantages Include:**

- Complete local and regional general industry and copper mining infrastructure in a politically stable country.
- More than 407,690 feet (77 miles) of previous drilling and yet the project remains mostly under explored or unexplored. The drill core from all previous drilling remains substantially complete, giving our technical personnel at San Manuel an ability to re-examine, and re-evaluate with the benefit of past explorers experience the previous operators interpretations and conclusions drawn from the geology and mineralization in these holes.
- The largest mineralized breccia deposit identified to date, the Mammoth, does not outcrop on surface. A blind deposit, it was first discovered by a hole designed to test another deposit.
- Redhawk's preliminary data review suggests substantial zones of higher-grades are contained within the AE Porphyry deposit, and the Lower Mammoth Porphyry and Keel Deposits. All of these copper deposits contain significant molybdenum and are open to expansion.
- Preliminary modeling shows the Copper Creek deposits retain good integrity for mining purposes when the cut-off grade of copper is raised. This is demonstrated in Figure 11.1.1 (see website), entitled CA Breccia Deposit: Grade (Cu & Mo) & Tonnage vs. Continuity Response to Increase in Copper Cut-Off Grade.
- This characteristic allows an operator an opportunity to choose the cut-off grade to be mined when developing a particular deposit for mining, in response to changing economics and to desired operating cost and operating profit parameters.
- Underground operations have small surface footprints. In the case of Copper Creek, access will be developed on patented mineral and surface titles.
- There has been a significant body of baseline study and permitting work completed in the recent past by others; that data forms part of the property files. That work culminated with the timely issuance (now lapsed) of many of the permits necessary to develop a decline access into the Copper Creek project.

**Independent Technical Consultants**

Redhawk has engaged independent, well qualified technical consultants to provide assistance to our professional personnel in specific areas including resource calculations, underground mining and costing and environmental and permitting.

Environmental and permitting activities are key components to successfully completing every task along the road to preparing a project for mine development. The Company's environmental and Permitting Consultants will be working hand-in-hand with government, other project Consultants and Redhawk's personnel in preparing the Copper Creek project for development, beginning with our initial drilling program. Redhawk is very pleased to have engaged the services of Tucson based Westland Resources as its Environmental and Permitting Consultant.

As mentioned earlier in this Quarterly Report, the Company has engaged Tucson based IMC to be our independent geological consultant focusing on providing the Company with 43-101 compliant independent resource calculations for the project. In addition IMC will provide the Company with their recommendations to convert resources into reserves for banking and mining purposes.

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The Company has also engaged the Tucson based firm of Milne & Associates to provide their underground mining and costing expertise to the project. Already Mr. Milne has provided Redhawk with baseline figures that will assist us in preliminary project planning, and has been assisting in the preparation of the necessary cost information to be used by IMC in the preparation of their initial resource numbers for Copper Creek.

**Phase One Program Overview For the Period October – December, 2005**

Since prior to closing the purchase of the project in late November Redhawk has completed many of the tasks associated with taking control of an advanced project which has received the benefit of a great deal of historic work, in this case since the 1960's. In addition many other tasks have been completed to the extent necessary before the next stage of project development begins at Copper Creek. These tasks will continue to be worked on as needed over the coming months.

Some tasks, such as building a 3-D model of the deposits and the project, will commence in March and will be constantly updated as new information is understood about the project for the entire life of the project. The model will be another tool to assist our technical personnel in planning exploration, resource development drilling, and used as a mine planning and operational tool. Most tasks being undertaken are related initially to assist in drill hole placement for Redhawk's initial resource development and exploration drilling program. The Company currently expects to be ready to commence this program within the next four to five months.

**A few examples** of the tasks that have either been completed or are underway at our San Manuel project office are:

- Sorting and integrating the project geological files into a cohesive electronic and paper databases.
- Developing and prioritizing resource development and exploration surface drilling priorities, including identifying specific hole locations.
- Completing preparations for 3-D modeling of the known deposits and drill targets based on previous drilling and new ideas generated through re-examination of the project database.
- Working with the independent geological and mining consultants in preparing information for IMC to begin work on their resource and resource to reserve conversion plan reports.
- Adding geology to the drilling database to assist in future drilling, including, for example, to assist in predicting continuity in areas of higher-grade mineralization in the American Eagle and Lower Mammoth/Keel Porphyry's and in extensions of these deposits.
- Updating, testing and proofing the various databases including a complete review and revision of the assay databases. For example the copper assay database now contains over 36,000 lines of entry and every one had to be confirmed in regard to location of the sample, who took it, when, which laboratory the analysis was involved and tracing the information trail back to the original assay certificates and entering this information.
- Part of the reason to conduct this rigorous exercise was to ensure the information in the database was correct and complete since these numbers form the basis of determining resource calculations and ultimately the potential economics of the project. This exercise was also undertaken to confirm the Mo and Gold and Silver databases, and surveying.

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- A great deal of time and effort was taken to ensure that the three incompatible co-ordinate systems used over time at Copper Creek were integrated and a single system used so that a common language is used going forward for all three dimensional locations of all data.
- This project involved two separate survey groups and extensive field and office studies to satisfy our technical personnel that the choice chosen has the least opportunity going forward for mistakes to be made. Prior to implementing the survey protocol the system was tested extensively and it was confirmed that all existing data would respond to the implementation of this protocol.

### **Looking Forward in the Short Term**

Our current next work program plans for Copper Creek include an extensive ongoing surface drilling program which we are targeting to begin within the next four to five months. This program is being designed to focus on increasing the size of the 43-101 compliant resource numbers from IMC within the bounds of the areas previously drilled, and to expand the resource beyond the currently known mineralized boundaries where these boundaries are open to expansion.

In addition a moderate portion of the drill budget will be assigned to exploration drilling of untested targets indicated from existing data including areas of anomalous rock chip surface sampling, new interpretation of data, and ongoing geological mapping and sampling that continues to suggest new targets for follow-up drilling.

*Mr. R. Joe Sandberg, AIPG, Certified Professional Geologist and Qualified Person under NE 43-101 is responsible for the technical content of the Copper Creek, Alien and Ramona projects information contained within this Quarterly Report.*

### **Investor Relations**

During the Quarter investor relations activities consisted of the usual activities, including responding to calls and e-mails from shareholders, investment advisors and potential investors, a newsletter writer based in New York state, and others. Also during the Quarter Redhawk attended two conferences in October; one in Toronto and one in Kelowna. Subsequent to the Quarter in January the Company displayed at a conference in Vancouver.

For more information on Redhawk and its projects please visit the Company's website at [www.redhawkresources.com](http://www.redhawkresources.com), or call us at the phone number listed in this report. We are always pleased to hear from you and listen to your comments and suggestions and to answer your questions as best we can within the requirements for disclosure in a publicly traded company.

### **Risk Factors**

#### **Exploration and Development**

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is also no assurance that if commercial ore is discovered that the ore body would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors beyond the Company's control. Some of these factors are the attributes of the deposit, commodity prices, government policies and regulation and environmental protection.

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The Company is earning an interest in certain of its key properties through option agreements and acquisition of title in the properties is only completed when the option conditions have been met. These conditions include making property payments, incurring exploration expenditures on the properties, and satisfactory completion of certain pre-feasibility studies and third party agreements. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-down its previously capitalized costs related to that property.

**Financial Discussion and Analysis**

**Summary of Quarterly Results** (Canadian \$)

<b>Quarter/ Fiscal Year</b>	<b>Net Revenues</b>	<b>Net Loss</b>	<b>Net Loss per Share</b>	<b>Fully diluted Net Income (Loss) Per Share</b>	<b>Total Assets</b>	<b>Total Long- term Liabilities</b>
3 <sup>rd</sup> Quarter 2006	0	177,897	0.01	0.01	5,998,919	0
2 <sup>nd</sup> Quarter 2006	0	314,533	0.01	0.01	6,251,612	0
1 <sup>st</sup> Quarter 2006	0	175,310	0.01	0.01	3,819,868	0
4 <sup>th</sup> Quarter 2005	0	198,925	0.01	0.01	3,897,063	0
3 <sup>rd</sup> Quarter 2005	0	193,099	0.01	0.01	4,059,309	0
2 <sup>nd</sup> Quarter 2005	0	156,312	0.01	0.01	4,059,064	0
1 <sup>st</sup> Quarter 2005	0	137,131	0.01	0.01	4,110,319	0
4 <sup>th</sup> Quarter 2004	0	170,568	0.01	0.01	3,468,323	0
3 <sup>rd</sup> Quarter 2004	0	89,239	0.01	0.01	3,526,095	0
2 <sup>nd</sup> Quarter 2004	0	97,731	0.01	0.01	2,223,078	0

**Results of Operations**

**Nine Months ended December 31, 2005**

Administrative costs for the year to date were \$662,650 (2004- \$438,545), the third quarter costs increased to \$178,266 from \$145,327 in the comparative quarter of 2004 but down from the \$314,144 of the second quarter of this year. Legal fees for the nine months increased over the comparative period by \$84,003, relating to the recently announced acquisition and financing of Copper Creek.

Management fees and consulting for the year to date increased by \$97,000 over the prior year, \$70,000 of which was related to a finance consulting and advisory agreement at \$10,000 per month for a period of one year. Travel and accommodation, investor relations increased \$32,105 and included costs related to an investor's conference and suitable materials. In addition, as a result of the Company's recent financing, filing fees and transfer agent costs increased substantially.

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Office costs and accounting fees including services and rent increased 22% over the same period last year and they are expected to continue to rise at a faster rate as result of the additional demands of regulatory reporting and program administration. Stock based compensation expense was \$154,973 (prior year - \$167,813) which reflects the calculation of the implied value of stock options granted and vested during the period.

Other items included interest income from term deposits, and the write-down of certain resource property expenditures. In the prior year, the Company also wrote down the value of certain short-term investments.

### **Liquidity and Capital Resources**

Working capital at the end of the period was \$600,116 compared to \$1,044,323 at December 31<sup>st</sup>, 2004.

As part of the acquisition of the Copper Creek property in Arizona, the Company completed a \$2,575,050 private placement of 17,167,000 units of the Company at \$0.15 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.30 per share until September 25, 2007.

Exploration expenditures for the first nine months were \$2,319,894 of which \$7,785 in expenditures related to reconnaissance programs in the United States that were written-off at the end of the period.

#### **Copper Creek Project**

In July 2005, the Company entered into a letter agreement with a third party to acquire a 100% working interest in the Copper Creek property in Arizona. The Company paid \$300,000 on signing, and paid a further \$1.3 million in November on closing. In addition, the Company is required to pay, prior to commencement of commercial production, annual advance royalty payments in the amount of \$125,000. Upon commercial production, the Company will have to pay a 2.25% royalty payment until a total of \$25.0 million, in combined advance royalty payments and royalty payments, has been made.

In November the Company also entered into an option to purchase agreement with D&G Mining to acquire the Moose Claims, a property surrounded by the Copper Creek claims. Under the terms of the lease the Company paid US\$80,000 (CDN\$95,240) to the optionor and will make optional payments of US\$80,000 for the next two years and US\$100,000 by each of the third through the fifteenth anniversary. The Company has the right to acquire a 100% interest in the Moose claims at any time on or before the first anniversary for US\$1.2 million, the purchase price increasing by US\$200,000 per year on each subsequent anniversary until year 15. All yearly lease payments made prior to exercising the option to purchase will be applied as credits toward the purchase price.

The Company incurred total acquisition costs of \$1,820,240 on the Copper Creek project. This included the acquisition payments under the Copper Creek property and the \$95,240 related to the Moose Creek claims. The Company spent a further \$341,927 on exploration and field work.

#### **Nevada Projects**

During the same period the Company spent a further \$63,128 on exploration at the Alien project including an option payment of \$25,600 and \$50,152 including an option payment of \$24,615 on the Ramona project. Both of these properties are in Nevada.



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**Remac Project**

Over the last nine months the Company completed a number of technical studies on the Remac zinc project totalling \$33,080.

**Transactions with related parties**

During the nine months ended December 31, 2005, management and consulting fees in the amount of \$94,500 (2004 - \$67,500) were accrued or paid to two directors of the Company.

**Share Capital**

As at December 31, 2005:

Authorized:

Unlimited common shares without par value

	Number	Amount
Issued and fully paid:		
Balance, December 31, 2004 and March 31, 2005	21,058,820	6,855,980
Private placement	17,167,000	2,575,050
Finder's fee	900,000	135,000
Shares issued for resource properties	75,000	20,000
Share issue costs		(135,000)
Balance, December 31, 2005	39,200,820	\$ 9,451,030

**Share Purchase Warrants**

- i) During the year ended March 31, 2003, 390,000 warrants were issued with respect to a non-brokered private placement. One warrant entitles the holder to purchase an additional share of the Company until April 9, 2005 at a price of \$0.30 per share. These warrants expired during the period.
- ii) Under an agreement dated July 8, 2002, ZincOx Resources plc, in consideration of technical and metallurgical support, was granted an option to purchase an additional 600,000 shares in the Company at any time during the next four years, at a price of \$0.35 per share for the first two years and \$0.50 for the following two years.
- iii) On October 8, 2003, 3,429,000 warrants were issued with respect to a non-brokered private placement, including 279,000 warrants issued as a finder's fee. Each warrant entitled the holder to purchase an additional share of the Company until October 3, 2004 at a price of \$0.10 per share (as to 3,279,000 shares) and \$0.135 per share (as to 150,000 shares). A total of 3,154,000 warrants were exercised for consideration of \$320,650. The remaining 275,000 warrants expired.
- iv) On December 30, 2003, 4,762,665 warrants were issued with respect to a non-brokered private placement. Each warrant entitled the holder to purchase an additional share of the Company until December 30, 2004 at a price of \$0.35 per share. In December 2004, the Company extended the warrants until June 15, 2005, and the warrants expired without exercise.

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- v) On February 2, 2004 as part of a private placement, the Company issued 250,000 one half warrants. One full warrant entitles the holder to purchase an additional share of the Company for a period of one year at a price of \$0.50 per share. The Company paid a finder's fee of \$7,500 and issued non-transferable warrants entitling the holder to purchase an additional 37,500 common shares at an exercise price of \$0.50. These warrants expired February 2, 2005.
- vi) On April 26, 2004, 2,000,000 warrants were issued with respect to a non-brokered private placement. Each warrant entitles the holder to acquire one common share at a price of \$0.35 per share until April 14, 2005 and thereafter at a price of \$0.45 per share until October 14, 2005. The Company paid \$38,400 and issued 160,000 non-transferable warrants as a finder's fee.
- vii) On September 26, 2005 as part of a private placement, the Company issued 17,167,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.30 per share until September 26, 2007. The Company paid a finder's fee of 900,000 shares at a deemed price of \$0.15 per share, and issued 900,000 warrants under the same terms and conditions as the private placement.

**Share Purchase Options**

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant. Options shall be exercisable ("vested") as to 25% on the date of grant of the Option and 12.5% every quarter thereafter.

- a) A summary of the Company's options at December 31, 2005 and the changes for the period are as follows:

Number Outstanding December 31, 2004	Granted	Exercised	Cancelled	Expired	Number Outstanding December 31, 2005	Exercise Price Per Share	Expiry Date
1,220,000	-	-	-	-	1,220,000	\$ 0.25	March 5, 2008
1,240,000	-	-	-	-	1,240,000	\$ 0.30*	January 19, 2009
100,000	-	-	-	-	100,000	\$ 0.20	May 12, 2009
50,000	-	-	-	-	50,000	\$ 0.25	June 28, 2009
-	150,000	-	-	-	150,000	\$ 0.35	March 17, 2010
-	50,000	-	-	-	50,000	\$ 0.30	April 13, 2010
-	420,000	-	-	-	420,000	\$ 0.16	July 8, 2010
-	425,000	-	-	-	425,000	\$ 0.22	July 21, 2010
						\$0.25-	March 5, 2008
2,610,000	1,045,000	-	-	-	3,655,000	0.35	- July 21, 2009

\*The options are exercisable on or before January 19, 2009 at a price of \$0.40 per share. On October 14, 2004 the Company adjusted the exercise price of the 1,240,000 stock options from \$0.40 per share to \$0.30 per share.

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**Outstanding Share Data**

The following common shares and convertible securities of the Company were outstanding at February 20, 2006:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares at February 20, 2006	40,825,820		
Employee stock options	1,220,000	\$ 0.25	March 5, 2008
	1,240,000	\$ 0.30	January 19,2009
	100,000	\$ 0.20	May 12, 2009
	50,000	\$ 0.25	June 28, 2009
	150,000	\$ 0.35	March 17, 2010
	50,000	\$ 0.30	February 25, 2010
	420,000	\$ 0.16	July 8, 2010
	425,000	\$ 0.22	July 21, 2010
Warrants	600,000	\$ 0.50	August 28, 2006
	600,000	\$ 0.45	April 14, 2006
	160,000	\$ 0.45	April 14, 2006
	16,942,000	\$ 0.30	Sept. 26, 2007
	900,000	\$ 0.30	Sept. 26,2007
Fully Diluted at February 20, 2006	63,632,820		

**Changes in Accounting Policies**

The interim consolidated financial statements for the quarter ended December 31, 2005 followed the same accounting policies and methods of application in the most recent annual financial statements.

**Off-balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Financial Instruments and Other Instruments**

Redhawk's financial instruments consist of cash and short-term deposits, restricted cash, GST receivable and accounts payable. Unless otherwise noted, it is management's opinion that Redhawk is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

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**Subsequent Events**

- a) Subsequent to the end of the quarter, 1,400,000 warrants at a price of \$0.45 were exercised.
- b) Subsequent to the end of the quarter, 225,000 warrants at a price of \$0.30 were exercised.
- c) Subsequent to the quarter, on February 13, 2006, the Company amended the Reeves letter agreement to extend the option to purchase the property for three years until on or before February 15, 2009, by paying US\$2,300,000 on or before February 15, 2007, increasing by US\$300,000 each subsequent year. The Company has the option to extend the exercise date annually by paying US\$50,000 (paid February 2006) on or before February 15th.

**Approval**

The Board of Directors of Redhawk has approved the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.

**Additional Information**

Additional information relating to Redhawk is on SEDAR at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors,

February 20, 2006

“Kristian Ross”  
President