



**REDHAWK RESOURCES, INC.**

**Management Discussion & Analysis**

**March 31, 2007**

**Dated July 30, 2007**

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

### **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 Year in Review**

The past year has seen a significant change in the structure and management of the company, coupled with a rapid advancement in the development of Redhawk's major assets. The early part of the year marked a period of transformation from a gold exploration focus to a more development oriented company with high profile base metal projects in Arizona and British Columbia.

Bruce Briggs was appointed president of Redhawk in June 2006, taking over from company founder Kristian Ross, who had been responsible for the acquisition of the ReMac and Copper Creek properties. Additionally, a revamped board of directors provided a broader level of technical and corporate finance expertise for moving the company forward in these exciting and challenging times.

The year has been marked by notable achievements and changes at both of our base metal projects, Copper Creek in Arizona and ReMac in B.C., while our Nevada gold projects have been given little attention.

At Copper Creek significant events and milestones have included the following:

- Completion of an independent resource estimation and filing of a 43-101 report
- The commencement of a 20,000 ft diamond drilling program to expand the breccia resources
- Acquisition of 27 mineral claims from Phelps Dodge Corporation covering 520 acres of land within Redhawk's claim holdings subsequent to the year end
- Completion of an internal scoping study on the breccia resources

At ReMac the most significant event was the spin out of the project into a separate company. This was accomplished through a plan of arrangement with OMC Capital Corporation. ("OMC"), which acquired the property from Redhawk for shares in its capital. OMC subsequently changed its name to ReMac Zinc Corp.

The gold, Copper Creek and ReMac projects are discussed in more detail below:

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

### **Gold Projects**

Since the company's focus has been on its base metal projects in the past year, the emphasis has shifted temporarily away from Redhawk's epithermal gold deposits, Alien Gold and Ramona Gold.

The Alien Gold Project is located along the Walker Lane Trend in Nevada and is considered by Redhawk to be a property of significant merit based on previous work by both Redhawk and other operators, which includes core drilling, RC drilling and geophysical surveys. Redhawk will be seeking third party participation in the future exploration and development of Alien.

Ramona Gold, also along the Walker Lane Trend, is an early stage exploration project adjacent to the Borealis gold project owned by Gryphon Gold Corporation. As with Alien, the Company has no immediate plans for development of this property and will seek opportunities to fund further exploration work through a joint venture partnership.

More information on the Alien and Ramona Projects can be found on the Company's website at [www.redhawkresources.com](http://www.redhawkresources.com).

### **Copper Creek Project**

The seven square mile Copper Creek project is located in Pinal County, Arizona, 75 road miles northeast of Tucson and 15 miles northeast of San Manuel. Copper Creek is situated in the southwest copper porphyry belt in an area of exceptionally well-developed general and copper mining infrastructure. The property is a Laramide age "porphyry copper" system and hosts numerous copper mineralized breccia pipes and deep "porphyry copper style" copper and molybdenum mineralization. Several of the deposits have been extensively explored by previous operators. 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.

The most significant of these deposits are the Mammoth, Childs-Aldwinkle(CA), Old Reliable(OR) and American Eagle breccias, plus the Keel zone and American Eagle and Lower Mammoth porphyrys. Since acquiring the Copper Creek property Redhawk has re-organized the historic data, conducted review and analysis of the Mammoth, CA and OR breccias and the Keel zone, developed new geological models and completed a new resource estimate. The work has included logging and re-logging of core from previous drilling campaigns and check assaying of historic pulp samples. By year end, March 31, 2007, almost 100,000 feet of core and RC chip logging had been completed in 69 drill holes, with further re-logging planned to continue in areas of interest and/or areas of poor initial logging.

During the second quarter of the year Independent Mining Consultants Inc. (IMC) completed a new NI 43-101 compliant resource estimate for the Mammoth, CA and OR breccias and the Keel zone (a porphyry like deposit). In summary, the total measured and indicated resource estimated by IMC for these four zones, at a 0.75% copper cut-off, was 6.387 million tons at an average grade of 1.75% copper equivalent. In addition an inferred resource totaling 3.57 million tons at a copper equivalent grade of 1.76% was also estimated. The resource estimate was announced in a press release dated September 19, 2006 and was followed up by a technical report completed by IMC on November 3, 2006 and filed on SEDAR. The report can be found on the Company's website.

The resource estimate was very encouraging in that it generally validated the historical resources estimated by previous operators and indicated that all the deposits were open to expansion. Subsequently a drilling program was planned, which was aimed at increasing the boundaries of the Mammoth deposit, testing the deeper Keel zone for resource expansion and exploring other favourable breccia targets. Since there are over 300 breccia showings on the property, there is a considerable potential for resource expansion.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

Redhawk's first drilling campaign on the property commenced in November 2006, with an initial 10,000 ft surface contract being awarded to Frontier Drilling at an estimated cost of US\$650,000. The first phase of the program targeted the Mammoth Breccia and by the end of the period eight holes had been completed (and a ninth in progress) for an aggregate drilled length of 6,980 ft. Drilling progress by the contractor has been slower than forecast, as operations were restricted due to shortage of drill personnel and the mechanical problems with the drill equipment. A second diamond drill, expected to be operating during the final quarter of the year, did not arrive on site until the following quarter, which also affected overall performance and efficiency of the drill program. Despite the lower than expected drill performance, the results of the initial drilling in the Mammoth breccia have been very encouraging, with the tenure of the mineralization exhibited in the new drill holes being as good as, if not better than, the previous drilling has indicated.

All new drill holes are geologically and geotechnically logged before the core is split and sent for assay. The samples are sent to ALS Chemex in Nevada for sample preparation and then on to Chemex in Vancouver, or Reno, NV for assaying. Initial guidance on geotechnical logging was provided by geotechnical consultants Call and Nicholas, who are also conducting mechanical tests on a selection of core samples.

Subsequent to the year end, the first phase drilling of the Mammoth breccia was completed, with nine core holes being drilled for a total of 8,555 ft. The next phase of drilling is planned to target expanding the Keel zone below the Mammoth breccia, as well as testing several other breccia bodies on the claims acquired from Phelps Dodge. This will extend the drilling program to approximately 24,000 ft. When all the assay data are received from the new Mammoth drilling, Redhawk's staff will re-evaluate the geological model and the resource estimate will be updated by IMC. This is expected to be completed by September 2007.

Redhawk's geology staff also began to evaluate other near surface breccia targets, particularly in the American Eagle area, that are potential targets for building mineral resources with surface drilling. The work was based on existing geology, geochemistry and geophysics with new sampling, mapping and ground evaluation. At least six breccias were initially identified as prime targets for future drilling.

Another major achievement for Redhawk subsequent to the current year end was the acquisition of 27 mining claims in the Copper Creek District from Phelps Dodge Corporation. The purchase price for the property was US \$3.2 million, payable by a deposit of US \$500,000, and delivery of a promissory note for US \$2.7 million which is payable over 12 years. The property is subject to a 1% net smelter return royalty in favour of Phelps Dodge.

The twenty-seven claims consist of twenty-six patented claims totaling 504 acres and one internal unpatented mining claim of 16 acres for a total of 520 acres. The claims acquired adjoin patented claim groups currently owned by Redhawk on the northwest and are internal to Redhawk's land holdings in the district. With this acquisition Redhawk now controls more than 5,100 acres in the district.

The Phelps Dodge property has had limited deeper level exploration and potential exists for deeper level mineralization similar to that currently identified on Redhawk's property to the south. The acquired property straddles the two major breccia body trends of the district and hosts at least 55 breccia bodies identified from surface exploration. Three breccia clusters have been previously explored through underground workings, underground sampling, surface drilling, and one by underground drilling. Two of the breccia clusters have had minor historical production of copper and molybdenum. Drilling data are available for 55 drill holes totaling 50,830 ft. Core is available for 20,100 ft of the drilling total. Additionally, there are considerable surface data in the form of rock sampling, geophysical surveys, and geologic mapping.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

In June 2006 an independent scoping study on the Copper Creek Project was initiated, utilizing a team of engineering consultants based in Tucson. The purpose of the scoping study was to assess the economic viability of an underground mining operation within the main three breccia pipes, based on the resources estimated by IMC. The study was also to evaluate the potential for development and mining of the less well defined, Lower Mammoth/ Keel zones. In addition to IMC, the consulting firms engaged by Redhawk to carry out the scoping study consisted of Milne & Associates (mining plan), KD Engineering (metallurgy & process engineering), Call & Nicholas (mine geotechnical) and Golder Associates (waste management). These firms were selected because of their world-wide experience in evaluation of underground mining projects and specifically their first hand experience in the Arizona copper belt. The study was coordinated and managed by Joe Sandberg, Redhawk's Vice President, Development in San Manuel.

The basic concept developed in the study was a 3,000 tons per day underground mine with an on-site concentrator producing copper and moly concentrates which would be shipped off site for further treatment. Options such as contractor mining and off-site custom milling were also reviewed. The mining plan envisaged driving an initial exploration decline to further define the breccia deposits by underground drilling prior to pre production development. The mining evaluation concluded that a selective mining method was most appropriate for the majority of the resource in order to maximize extraction while controlling the ground conditions and minimizing the dilution. The results of the study provided management with guidance on the level of resources necessary to achieve an economic project and determine where to focus the future exploration program to upgrade and expand the current resources.

Redhawk's environmental consultant, Westland Resources Inc., continued to work on the APP (Aquifer Protection Permit) requirements for the proposed underground exploration program and completed their cultural inventories and biology base line data collection. In collaboration with Golder Associates, monitoring well sites were established at locations approved by the regulatory authorities and baseline water sampling begun. Waste characterization studies for the decline and development are completed, as a prerequisite of the APP application. The application is expected to take 12-15 months to be approved and should be submitted around mid August.

### **ReMac**

The ReMac Zinc project comprises 80 contiguous mineral claims covering some 4200 ha, located in southeastern British Columbia 25 km southeast of Teck Cominco's zinc-lead smelter complex at Trail, and 16 km north of Teck Cominco's Pend Oreille zinc sulphide mine and concentrator. Redhawk holds an option to acquire the past producing Reeves MacDonald zinc-lead-silver sulphide mine and owns the mineral rights to approximately 30 square km in the adjoining property to the west, which hosts the continuation of the favourable zinc-lead-silver mineralized Reeves Limestone unit stratigraphy.

The area is marked by very good infrastructure including a good transportation network, local heavy industry services, two major electrical power dams just south and west of the property, the Teck Cominco zinc smelter at Trail, and the Pend Oreille mine and concentrator in Washington State. The former Reeves-MacDonald Mine operated between 1949 and 1975 and processed 7,254,000 tons with recovered grades of 3.50% zinc, 1.39% lead and 8 g/t silver. Many other zones of zinc mineralization were tested by underground and surface workings since the 1920s.

The most recent work by Redhawk on the property was in late 2004 and 2005. It included a drill program which discovered mineralization west of the previously known westward extent, and surface mapping and sampling in favourable stratigraphy five km west of the newly drilled area. This work was to be followed up in 2006 with additional mapping and sampling, however in view of increased strength in world commodity markets it was decided to conduct a complete

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

evaluation of the project and assess the economic potential of the property before embarking on a more aggressive exploration program.

Consequently a conceptual mining plan and internal scoping study was prepared by Wardrop Engineering to evaluate the project for both the oxide and the sulphide mineralized zones. This study indicated a significant potential exists to develop both oxide and sulphide resources and recommended a program of field investigations be carried out to confirm that potential and provide additional data for developing geological and mining models. In conjunction with the scoping study Wardrop also prepared a 43-101 technical report on the ReMac property which included a proposed work program of surface mapping, sampling and diamond drilling. The proposed program was designed to follow up on the work carried out in 2005 by testing known zones of mineralization, with the objective of establishing mineral resources and identifying new target areas for future exploration and development.

In parallel with the scoping study preliminary metallurgical testing on samples of oxide mineralization was carried out at SGS Lakefield in order to evaluate the feasibility of producing an oxide concentrate of high enough grade and quality that could be treated at Teck Cominco's Trail smelter. If successful, this could add significant value to the overall resource potential of the property since previously the technology to recover zinc in its oxide form had not been available. Preliminary results of the test work were encouraging and follow up confirmatory tests are planned.

In order to realize the potential value of ReMac, and provide a structure to access financing for advancing the project without additional dilution to shareholders, Redhawk developed a plan to spin off the ReMac project into a separate company. To this end Redhawk announced on December 15, 2006 that it had entered into a definitive Arrangement Agreement with OMC Capital Corporation whereby OMC would acquire the ReMac project from Redhawk in exchange for the issuance to Redhawk of 15,000,000 post consolidated common shares in its capital. These shares would be distributed on a pro rata basis to Redhawk's shareholders (the "Transaction").

The ReMac project, including its interest in the 80 mineral claims and the Reeves-MacDonald mining leases and surface rights, were transferred by Redhawk to its wholly-owned subsidiary, ReMac Zinc Corp. ("RMZ") in contemplation of the sale of RMZ to OMC. The Arrangement Agreement was approved by the Redhawk Board of Directors after receiving an independent report indicating the transaction was fair to Redhawk shareholders. Subsequent to the year end an Amended Arrangement was approved by shareholders and, effective June 4, 2007 ReMac Zinc Corp. changed its name to ReMac Zinc Development Corp. (RMDC) and became a wholly owned subsidiary of OMC. OMC changed its name to ReMac Zinc Corp.

As part of the transaction, RMZ completed, in December 2006, a non-brokered private placement of an aggregate of 4,000,001 "flow-through" warrants at a price of \$0.75 per warrant for gross aggregate proceeds of \$3,000,000.

The funds raised are to be used to advance the exploration and development program at ReMac in 2007, as recommended in the Wardrop studies. During the first quarter of 2007 a drilling plan was developed for the exploration program and drill contractor proposals were obtained and reviewed. Subsequently a contract for approximately 13,000 m of surface diamond drilling was awarded to Midpoint Drilling Ltd, who commenced drilling in early June 2007.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

**Qualified Persons**

Qualified Persons under the meaning of Canadian National Instrument 43-101 responsible for the technical content of this Management Discussion & Analysis are R. Joe Sandberg, CPG for the Copper Creek, Alien and Ramona Properties, and Gerald Klein, P. Eng. for the ReMac Zinc Property.

**Investor Relations**

During the past year Investor Relations activities followed their normal course of attending Investor and Mining Industry Conferences. These have included the Global Chinese Financial Forum in Toronto in September, the Toronto Resource Investment Conference, also in September, and the PDAC convention in March 2007. These gatherings provided a great opportunity for shareholders, members of the public and financial industry representatives to meet Redhawk's representatives and discuss the Company's projects. It also provides opportunities for Company personnel to meet and exchange ideas with other industry representatives. All the conferences were very well attended and much interest was shown in Redhawk's activities and in the project displays.

On June 21, 2006 Redhawk reported its shares had been listed for trading on the Frankfurt Stock Exchange under the symbol "QF7". The Company anticipates this listing will provide greater visibility and allow easier access for interested European investors who wish to participate in trading the Company's shares.

Effective October 1, 2006 the Company engaged 314 Finance Corp. and its principal Tasso Baras of Vancouver, B.C. to assist in providing investor relations and communication services to Redhawk. The agreement expires on September 30, 2007, and thereafter is renewable upon mutual agreement of the parties.

Further information on Redhawk and its projects, including project photos, detailed technical reports and executive summaries, etc., is available on the Company's website at [www.redhawkresources.com](http://www.redhawkresources.com) or by calling Bruce Briggs, President or Charles Pitcher, Chairman at 604.633.5088 or by contacting Robert McAllister, the Company's Investor Relations Consultant at 250.870.2219.

**In Appreciation**

In closing this portion of the MD&A to Shareholders, I would like to express my appreciation to the Board and other key members of our management team for their efforts and for their support they have provided to the President over the past year. The technical, financial and corporate management expertise of the new Board has proven to be an invaluable assistance in establishing corporate policy and objectives, while our very capable project and administrative personnel have helped to carry out those objectives in a very efficient and effective manner.

The Company has experienced a significant growth in the past year with the commencement of major exploration activity, and I look forward to a very exciting year ahead as we realize the results of this work and the changes it will have on the Company's fortunes.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

**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.

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**

**Selected Annual Information**

Description	2007	2006	2005
Net revenues	0	0	0
Net loss	1,191,433	1,104,410	685,467
Net loss per share	0.02	0.04	0.04
Dividends	0	0	0
Total assets	13,502,283	9,238,624	3,897,063
Total long-term financial liabilities	0	0	0
Cash dividend	0	0	0

**Summary of Quarterly Results (Canadian \$) (un-audited)**

Quarter/ Fiscal Year ending in	Net Revenues	Net Loss (Income)	Net Loss (Income) per Share	Fully diluted Net Loss (Income) per Share	Total Assets	Total Long-term Liabilities
4 <sup>th</sup> Quarter 2007	0	(366,789)	(0.01)	(0.01)	13,502,283	0
3 <sup>rd</sup> Quarter 2007	0	557,235	0.01	0.01	13,493,555	0
2 <sup>nd</sup> Quarter 2007	0	569,673	0.01	0.01	9,292,476	0
1 <sup>st</sup> Quarter 2007	0	431,314	0.01	0.01	9,302,092	0
4 <sup>th</sup> Quarter 2006	0	436,670	0.01	0.01	9,238,624	0
3 <sup>rd</sup> Quarter 2006	0	177,897	0.01	0.01	5,988,919	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

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

**Year ended March 31, 2007**

Administrative costs for the year were \$2,322,679 up from \$1,100,811 for 2006. The largest increase, was related to stock based compensation, and represents the "value" ascribed to stock options granted and vested during the period. Stock based compensation expense was \$708,682 for the year, compared to \$297,561 for 2006.

The approximate \$219,356 increase in management fees and consulting reflects the fees related to services provided by WestPoint Merchant Ventures Inc. and services provided by certain management personnel.

Audit and accounting fees increased \$195,374 with the additional regulatory requirements, and the increased of activity of the Company, including certain advice related to the reorganization of the Company. We expect continued upward pressure on these fees over the next year.

Investor relations has increased by \$55,685 reflecting the current consulting contracts that the company has entered into including 314 Finance Corp. of Vancouver, B.C. to assist in providing investor relations and communication services to Redhawk. The agreement is effective October 1, 2006, and expires on September 30, 2007, and thereafter is renewable upon mutual agreement of the parties. The agreement can be terminated by either party after Dec. 31, 2006 upon 30 days notice. In consideration 314 Finance is paid \$5,000 per month plus pre-approved expenses. In addition the Company granted 314 Finance an option to acquire up to 250,000 common shares at an exercise price of \$0.48 per share exercisable up to October 1, 2011.

Investor relations expenses are expected to continue at this level for the balance of the 2007 calendar year as part of the Company's ongoing program to educate the investment community about the Copper Creek project and the reorganization of the Company.

Legal fees for the year were substantial, totalling \$339,275 compared to \$227,788 last year. While regulatory requirements are creating higher costs these fees were primarily related to the corporate restructuring and management reorganization completed during the period. Transfer agent fees increased from \$10,486 for 2006 to \$27,020 for 2007 and filing fees increased from \$11,360 for 2006 to \$47,049 for 2007 due to the number of share issues during the year.

Office and sundry, office services and rent increased by \$129,211 a reflection of the increased activity of the company over the last year and the subsequent requirements for additional staff and space.

Travel and accommodation increased to a total of \$44,578, of which \$25,506 was incurred in the second quarter. This related to familiarization of the board and new management with the ongoing activities of the company.

Other items included interest income of \$126,312 (2006-\$4,498) and a write-down on the disposal of certain furniture and equipment in the move to the new facilities.

**Liquidity and Capital Resources:**

Working capital at the end of the year was \$3,619,245 compared to \$3,257,762 at March 31<sup>st</sup>, 2006.

During the year the Company issued 75,000 shares at an ascribed value of \$38,000 for property option payments and recorded the issuance of a further 6,625,000 shares for \$2,077,500 with the exercise of certain outstanding warrants and a further 1,295,000 shares for \$357,251 with the exercise of certain stock options.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

Total resource property expenditures for the year were \$3,458,171 (2006-\$2,592,432), the majority of which, \$2,890,493 (2006 - \$2,375,263), was related to the Copper Creek project in Arizona.

**Sale of ReMac Zinc Project to OMC**

The ReMac Zinc project which includes the Red Bird, Red Bird Extension and the Reeves Property was sold by the Company on December 15, 2006 to its wholly owned subsidiary RMZ for 100 common shares. The value assigned to the transaction was \$ 2,645,990 which was the carrying cost of the ReMac Zinc project on the books of the Company.

The Company entered into a definitive arrangement agreement dated December 15, 2006 with OMC, a Capital Pool Company whereby OMC acquired RMZ, in exchange for the issuance to the Company of 15 million shares of OMC, which transaction shares were subsequently be distributed to the Company shareholders (the "Transaction").

In December 2006, RMZ completed a non-brokered private placement of 4,000,001 flow-through warrants at a price of \$0.75 per warrant for total proceeds of \$3,000,000 (net \$2,770,618) which funds are available for a 2007 exploration program on the ReMac Zinc Project. Upon closing of the Transaction, the flow-through warrants were converted into 4,000,001 post-consolidated shares of OMC.

**Transactions with related parties**

During the year ended March 31, 2007, fees in the amount of \$156,000 (2006 -\$126,070) were paid to three directors (and one former director) of the Company, which are shown as management fees on the statement of operations. During the same period legal fees of \$94,658 (2006-\$18,957) were paid to a director of the Company.

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.

**Share Capital**

Authorized:

Unlimited common shares without par value

	Number		Amount
Balance, March 31, 2005	21,058,820	\$	6,855,980
Shares issued for resource properties	75,000		20,000
Share purchase warrants exercised	1,725,000		727,500
Private placements	23,167,000		5,275,050
Finder's fee	1,140,000		243,000
Share issue costs	-		(379,509)
Balance, March 31, 2006	47,165,820		12,742,021
Shares issued for resource properties	75,000		38,000
Share purchase warrants exercised	6,625,000		2,077,500
Stock options exercised	1,295,000		357,251
Fair value of stock options exercised	-		147,815
Balance, March 31, 2007	55,160,820	\$	15,362,587

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

**Share Purchase Warrants**

The summary of the Company's share purchase warrants outstanding as at March 31, 2007

Number Outstanding March 31, 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding March 31, 2007	Exercise Price Per Share	Expiry Date
600,000	-	-	-	600,000	-	\$ 0.50	July 8, 2006
600,000	-	600,000	-	-	-	\$0.45	April 14, 2006
17,742,000	-	6,025,000	-	-	11,717,000	\$0.30	Sept 26, 2007
6,000,000	-	-	-	-	6,000,000	\$0.85	Mar 30, 2008
24,942,000	-	6,625,000	-	600,000	17,717,000	\$ 0.30-\$0.85	Sept 26, 2007 – March 30, 2008

**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 March 31, 2007 and the changes for the period are as follows:

Number Outstanding March 31, 2006	Granted	Exercised	Cancelled	Expired	Number Outstanding March 31, 2007	Exercise Price Per Share	Expiry Date
1,220,000	-	680,000	-	-	540,000	\$ 0.25	March 5, 2008
1,240,000	-	265,000	-	-	975,000	\$ 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	-	75,000	-	-	75,000	\$ 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	-	75,000	-	-	350,000	\$ 0.22	July 21, 2010
1,250,000	-	-	-	-	1,250,000	\$ 0.60	February 27, 2011
-	1,335,000	50,000	100,000	-	1,185,000	\$0.60	August 1, 2011
-	250,000	-	-	-	250,000	\$0.48	October 1, 2011
-	250,000	-	-	-	250,000	\$0.65	February 22, 2012
4,905,000	1,835,000	1,295,000	100,000	-	5,345,000	\$ 0.16-\$0.65	March 5, 2008 – February 22, 2012

As at March 31, 2007 4,096,250 options have vested.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

### **Outstanding Share Data**

The following common shares and convertible securities of the Company were outstanding at July 24, 2007:

	Number of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares at July 24, 2007	66,516,820		
Stock options	540,000	\$ 0.25	March 5, 2008
	850,000	\$0.30	January 19,2009
	50,000	\$0.25	June 28, 2009
	75,000	\$ 0.35	March 17, 2010
	420,000	\$0.16	July 8, 2010
	350,000	\$ 0.22	July 21, 2010
	1,250,000	\$ 0.60	February 27, 2011
	1,185,000	\$ 0.60	August 1, 2011
	250,000	\$ 0.48	October 1, 2011
	250,000	\$ 0.65	February 22, 2012
Warrants	511,000	\$0.30	Sept. 26, 2007
	6,000,000	\$0.85	Mar.30, 2008
Fully Diluted at July 24, 2007	78,247,820		

### **Off-balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2007. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules

### **Significant accounting estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes. Significant areas where management's judgment is applied include the assessment of impairment to the carrying value of mineral properties, the determination of the likelihood that future income tax benefits can be realized, and the allocation methodologies used to determine results of operations. Actual results could differ from those reported by a material amount.

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

### **Mineral Operations**

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs, including indirect costs relating to the exploration program's field office, are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history.

### **Stock-based Compensation and Warrant Valuation**

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

### **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.

### **Subsequent Events**

a) On June 4<sup>th</sup>, 2006 the TSX Venture Exchange (the "Exchange") provided its final acceptance of the Qualifying Transaction and the plan of arrangement (the "Arrangement") involving Redhawk, Redhawk's shareholders, OMC and ReMac Zinc Development Corp. (RMDC), formerly ReMac Zinc Corp. As a result, RMDC, which owns the ReMac Zinc Project, has become a wholly-owned subsidiary of OMC. In addition, OMC has ceased being a Capital Pool Company, and has become a Tier 2 Issuer, as such terms are defined in the policies of the Exchange. OMC started trading on the Exchange on June 5, 2007, on a post-consolidated basis, under the new trading symbol "RMZ".

Pursuant to the Arrangement and effective as of June 4, 2007 (the "Share Distribution Record Date"), in exchange for the transfer of all of the issued and outstanding shares of RMDC from Redhawk to OMC, OMC issued to Redhawk 15,000,000 post-consolidation shares in the capital

**Redhawk Resources, Inc.**  
**Form 51-102F1**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2007**  
**Dated as of July 30, 2007**

---

of OMC ("OMC Shares"). The OMC Shares have been distributed on a pro rata basis to Redhawk shareholders as at the Share Distribution Record Date. An aggregate of 2,048,550 OMC Shares distributed to certain principals of OMC are subject to an 18 month escrow agreement pursuant to the policies of the Exchange, under which 25% of these shares will be released from escrow as of June 5, 2007, and an additional 25% of these shares will be released from escrow every six months thereafter.

b) Redhawk and OMC also closed a non-brokered private placement of 3,846,154 Class B warrants of RMDC at \$0.65 per warrant and an aggregate of \$2,500,000 was raised ("RMDC Warrant"). Pursuant to the terms of the Amended Arrangement, the RMDC Warrants were exchanged for warrants of OMC (the "OMC Warrants") on June 4, 2007, which date was set as the record date for the Amended Arrangement (the "Share Distribution Record Date"). Each OMC Warrant was exercised for no additional consideration into one unit of OMC (the "OMC Units"). The OMC Units are comprised of one post-consolidation common share of OMC and one-half of one underlying share purchase warrant of OMC. Each whole underlying warrant of OMC will entitle the holder to acquire one additional post-consolidation common share of OMC at a price of \$0.75 for a period of 12 months.

c) The Company entered into a purchase agreement to acquire mineral claims in the Copper Creek District, from Phelps Dodge Corporation. The agreement was finalized in April, 2007. The purchase price for the property is US \$3.2 million, payable by a deposit of US \$500,000 (paid) in the current fiscal year, and delivery of a promissory note for US \$2.7 million with interest at 5% which is payable over 12 years. The property is subject to a 1% net smelter return royalty in favour of Phelps Dodge

**Approval**

The Board of Directors of Redhawk has approved the disclosure contained in this MD&A. A copy of this 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,

July 30, 2007

**" Bruce Briggs "**  
President