Gold Hawk Resources Inc.

Consolidated Financial Statements (Unaudited)

Three Months Ended March 31, 2010 and 2009

NOTICE TO THE READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management, and they are approved by the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollar, except per share amounts)

	Three Months Ended	
	Mar 31, 2010	**Mar 31, 2009**
Operating costs		
Accretion of asset retirement obligation	$ -	$ 891
Loss before the undernoted	-	(891)
Care and maintenance	-	594
Depreciation	-	450
General and administration expenses (Note 9)	515	736
Stock-based compensation cost (Note 8 (d))	496	68
Loss from operations	(1,011)	(2,739)
Other expenses (income)		
Foreign exchange loss (gain)	255	(704)
Interest and financing charges (Note 10)	3	68
Loss (gain) on marketable securities	(2,074)	-
Net income (loss) for the period	**$ 805**	**$ (2,103)**
Basic and diluted earnings (loss) per share:	$ 0.06	$ (0.21)

Consolidated Statements of Comprehensive Income (Loss)	**Mar 31, 2010**	**Mar 31, 2009**
Net income (loss)	$ 805	$ (2,103)
Other comprehensive income:		
Foreign currency translation adjustment	-	(807)
Comprehensive income (loss)	**$ 805**	**$ (2,909)**

The accompanying notes are an integral part of these interim consolidated financial statements.

Consolidated Balance Sheets

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars)

	Mar 31, 2010	Dec 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12,726	$ 13,485
Investments (Note 4)	3,940	$ 1,866
Accounts receivable	43	$ 23
Prepaid expenses	36	$ 35
	16,745	15,409
Mineral properties, plant and equipment (Note 5)	23	27
	$ 16,768	**$ 15,436**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 555	$ 524
	555	524
Equity		
Share capital (Note 8)	60,293	60,293
Warrants	1,869	2,354
Contributed surplus	4,685	3,704
Deficit	(50,634)	(51,439)
Shareholder's Equity	16,213	14,912
	$ 16,768	**$ 15,436**

The accompanying notes are an integral part of these interim consolidated financial statements.

Approved on behalf of the Board of Directors:

("Signed") Kevin Drover, Director

("Signed") Gordon Bub, Director

Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars)

	Three Months Ended	
	Mar 31, 2010	Mar 31, 2009
Operating activities		
Net income (loss) before extraordinary items	$ 805	$ (2,103)
Asset retirement expenditures	-	(85)
Items not affecting cash:		
Accretion expense on asset retirement obligation	-	891
Depreciation and depletion	4	454
Gain on marketable securities	(2,074)	-
Stock-based compensation cost	496	68
Unrealized foreign exchange gain	254	(781)
	(515)	(1,556)
Net changes in non-cash components of working capital (Note 11)	10	168
Cash flows from operating activities	**(505)**	**(1,388)**
Financing activities		
Capital lease obligation	-	(37)
Deferred financing costs	-	(3)
Issuance of share capital	-	1,000
Loan proceeds	-	1,974
Share issue expenses	-	(16)
Cash flows from financing activities	**-**	**2,918**
Investing activities		
Additions to plant and equipment	-	(294)
Deferred exploration and development expenditures	-	(66)
Restricted cash required on investing activities	-	55
Cash flows from investing activities	**-**	**(305)**
Effect of exchange rate changes on cash and cash equivalents	**(254)**	**22**
Net change in cash and cash equivalents	**(759)**	**1,247**
Cash and cash equivalents at beginning of period	13,485	86
Cash and cash equivalents at end of period	**$ 12,726**	**$ 1,333**

The accompanying notes are an integral part of these consolidated interim financial statements

Consolidated Statements of Shareholder's Equity (Deficiency)

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars)

	Share Capital (Number of Shares)	Share Capital (Amount)	Warrants	Contributed Surplus	Other Comprehensive Income (Loss)	Deficit	**Total**
At January 01, 2009	$ 9,044,464	$ 56,767	$ 760	$ 2,643	$ (1,513)	$ (60,025)	**$ (1,368)**
Units issued upon							
Private placement	2,000,000	515	485	-	-	-	**1,000**
Payment to financial advisor	132,911	262	-	-	-	-	**262**
Share issue costs	-	-	-	-	-	(16)	**(16)**
Stock based compensation	-	-	-	68	-	-	**68**
Foreign exchange translation adjustment	-	-	-	-	(806)	-	**(806)**
Net loss for the period	-	-	-	-	-	(2,103)	**(2,103)**
At March 31, 2009	11,177,375	$ 57,544	$ 1,245	$ 2,711	$ (2,319)	$ (62,144)	**$ (2,963)**
Units issued upon							
Private placement	1,180,192	1,960	1,145	-	-	-	**3,105**
Debt reestructuring	319,403	364	-	-	-	-	**364**
Debt extinguish	340,000	425	-	-	-	-	**425**
Share issue costs	-	-	-	-	-	(1,652)	**(1,652)**
Warrants issued as a financing fee	-	-	724	-	-	-	**724**
Expired warrants	-	-	(760)	760	-	-	**-**
Stock based compensation	-	-	-	233	-	-	**233**
Foreign exchange translation adjustment	-	-	-	-	4,650	-	**4,650**
Recognition of cummulative translation adjustment	-	-	-	-	-	-	**-**
on dilution of investee	-	-	-	-	(2,331)	-	**(2,331)**
Net income for the period	-	-	-	-	-	12,357	**12,357**
At December 31, 2009	13,016,970	$ 60,293	$ 2,354	$ 3,704	$ -	$ (51,439)	**$ 14,912**
Stock based compensation	-	$ -	$ -	$ 496	$ -	$ -	**$ 496**
Expired warrants	-		(485)	485	-	-	**-**
Net income for the period	-	-	-	-	-	805	**805**
At March 31, 2010	13,016,970	$ 60,293	$ 1,869	$ 4,685	$ -	$ (50,634)	**$ 16,213**

The accompanying notes are an integral part of these consolidated interim financial statements

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

1. CONTINUING OPERATIONS

Gold Hawk Resources Inc. ("Gold Hawk" or the "Company") is a former precious and base metals producer whose principal assets include cash, marketable securities, and a 15% interest in a private Peruvian mining operation,.

These unaudited interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the first quarter of 2010, the Company recorded a net income of approximately $805 thousand and at March 31, 2010 has a cash balance of $12.7 million and working capital of $16.2 million. The continuation of the Company is dependent on its ability to generate positive cash flows, the ability to obtain necessary financing, and ultimately the achievement of profitable operations. With its strong working capital position and available credit facilities, the company is currently in the advanced stages of evaluating various business opportunities with the purpose of enhancing shareholder value and achieving profitability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of presentation*

The unaudited interim consolidated financial statements as at March 31, 2010 have been prepared by management and include the accounts of Gold Hawk and its wholly-owned subsidiary, Minas San Juan Ltd. (incorporated in the Commonwealth of the Bahamas). All significant intercompany transactions and balances have been eliminated. Accounting policies followed in the preparation of these interim financial statements are the same as those used by the Company as disclosed in the annual audited financial statements for the year ended December 31, 2009. These unaudited financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2009.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the expected results for the year.

The Company's external auditors have not reviewed these financial statements.

b) *Measurement uncertainty*

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of asset retirement obligations, guarantees and contingencies, future income taxes, stock based compensation, depletion and amortization and the related useful lives of property plant and equipment, and the recoverability of mineral properties, plant and equipment. Actual results could differ from those estimates.

c) *Cash and cash equivalents*

The Company considers cash to be cash on deposit and cash equivalents to be highly liquid short-term interest bearing securities with maturities at the date of purchase of three months or less.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

d) *Investments*

Long-term investments for which the Company does not exert significant influence are designated as available-for-sale and recorded at fair value when the fair value can be reasonably measured.

e) *Foreign currency translation*

Prior to the dilution in the Company's investment in CMSJ on November 12, 2009, the accounts of the Company's self-sustaining foreign subsidiary, CMSJ, which considers the U.S. dollar as its functional currency, were translated into Canadian dollars using the current rate method using year-end exchange rates, with revenues and expenses translated at the average exchange rate. Gains and losses arising from these translations were recorded in accumulated other comprehensive income as a foreign currency translation adjustment until the time they were realized by the reduction in the investment.
Transactions undertaken in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the time the transactions occurred. Account balances denominated in foreign currencies are translated as follows:

- Monetary assets and liabilities are translated at exchange rates in effect at the balance sheet dates and non-monetary items are translated at historical exchange rates.

- Exchange gains and losses are included in income.

f) *Revenue recognition*

Revenue from the sale of metals is recognized in the accounts when persuasive evidence of an arrangement exists, title and risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. Revenue from the sale of metals in concentrate are provisionally priced at the time of sale based on the prevailing market price as specified in the sales contracts, and may be subject to adjustment upon final settlement of estimated metal prices, weights and assays. Variations between the price recorded at the time of sale and the actual final price received from the customer are caused by changes in market prices for the metals sold and result in an embedded derivative in the accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as a component of sales. Adjustments to revenue for adjustments in weights and assays are recorded on final settlement. Refining and treatment charges are netted against revenue for sales of metal concentrate.

g) *Earnings (loss) per share*

Earnings (loss) per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the weighted average number of shares outstanding during the year based on the application of the treasury stock method for the calculation of the dilutive effect of stock options and other dilutive securities, such as warrants issued.

On December 17, 2009, the Company effected a 1:25 share consolidation of the issued and outstanding common stock. As a result, all basic and diluted earnings per share computations have been adjusted retroactively.

As at March 31, 2010, all potentially dilutive shares were excluded from the computation of earnings per share because to include them would have been anti-dilutive.

Notes to the Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

h) *Stock-base compensation plan*

The Company accounts for stock-based compensation in accordance with the fair value based method. The fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest, with a corresponding increase to contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital.

i) *Share issue costs*

Costs directly attributable to the raising of share capital are charged to deficit in the period incurred.

j) *Accounting policy changes*

The CICA has issued new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning on or after April 1, 2010. The company will adopt the requirements on the date specified in each respective section.

a) *Section 1582 Business Combinations; Section 1601, Consolidated Financial Statements; and Section 1602, Non-Controlling Interest*

These sections replace the former CICA 1581, Business combinations, and CICA 1600, Consolidated Financial Statements, and establish a new section for a non-controlling interest in a subsidiary. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

b) *EIC-175 Multiple Deliverable Revenue Agreements*

In December 2009 the CICA issued EIC-175 which addresses the determination of whether a multiple deliverable arrangement contains more than one unit of accounting and how the consideration should be measured and allocated to the separate units of accounting. The company does not expect the adoption of EIC-175 to have a material impact on the Company's consolidated financial statements

3. FUTURE ACCOUNTING CHANGES

In February 2008, the CICA confirmed that International Financial Reporting Standards ("IFRS") will be mandatory in Canada for all publicly accountable entities for fiscal periods beginning on or after January 1, 2011. The process of changing from current Canadian GAAP to IFRS could be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions. Management expect to complete the review of the impact of the new reporting standards on the financial position of the Company before the end of the third quarter.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

4. INVESTMENTS

Investments consist of the following:

	Mar 31, 2010	Dec 31, 2009
Shares classified as held-for-trading	$ 3,098	$ 1,549
Warrants classified as held-for-trading	842	317
	$ 3,940	**$ 1,866**

The Company's 15% investment in CMSJ is classified as available-for-sale and has a carrying value of $Nil at March 31, 2009. It is recorded at cost as the fair value is not readily determinable.

Based on the purchase price of the 85% interest of CMSJ, management estimates the value of its retained 15% interest as not less than $2.8 million.

5. MINERAL PROPERTIES, PLANT AND EQUIPMENT

As at March 31, 2010	Cost	Accumulated depreciation and depletion	Net book value
Office equipment	$ 69	$ 46	$ 23

As at December 31, 2009	Cost	Accumulated depreciation and depletion	Net book value
Office equipment	$ 69	$ 42	$ 27

The carrying value of the Barry-Souart mineral property, a 640 hectares mining concession located northeast of Val d'Or in the province of Quebec is $Nil.

6. CAPITAL MANAGEMENT

Management considers the capital of the Company to consist of the items included in shareholders' equity and short term credit facilities. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its minerals properties and support any expansion plans.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

7. FINANCIAL RISK AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, marketable securities, long-term investments, accounts receivable and accounts payable and accrued liabilities. The Company has exposures to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors is responsible for the establishment and oversight of the Company's risk management policies and reviews the policies on an ongoing basis.

(a) Interest rate risk

At March 31, 2010, the Company has no short or long term debt and is therefore not subject to significant interest rate risk on its liabilities. The Company does have cash and cash equivalents of $12.7 million and is subject to interest risk relating to its return from funds on deposit. The Company does not enter into derivative contracts to manage risks associated with interest rate movements.

(b) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and has a 15% interest in Compañia Minera San Juan S.A.C. ("CMSJ") for which a portion of its revenues and expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian Dollar relative to the U.S. Dolar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars:

		US Dollars
Cash and cash equivalents	$	7,136
Accounts payable and accrued liabilities		(14)
	$	**7,122**

At March 31, 2010, with other variables unchanged, a 10% change in the USD/CAD exchange rate would impact pre-tax earnings by $0.7 million.

(c) Credit risk

The Company is exposed to credit risk through its cash and cash equivalents and value added tax. The Company deposits cash and cash equivalents and restricted cash with high credit quality financial institutions. Credit risk is considered to be minimal. As at March 31, 2010, the Company's maximum exposure to credit risk is the balance of cash and accounts receivable.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

(d) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities to meet its short term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's expected source of cash flow in 2010 will be its interest or other returns on its cash and investment balances, equity financing and future loan and credit facilities.

As at March 31, 2010, the company's liabilities consists of accounts payable and accrued liabilities that have contractual maturities of less than one year.

(e) Fair value

The carrying value of accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of the instruments. Investments that are classified as held-for-trading are recorded at fair value based on quoted market prices at the balance sheet date.

During 2009, the CICA issued amendments to Section 3862, *Financial instruments – Disclosures.* The new recommendations require financial instruments to be classified according to the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs)

The company's financial assets and liabilities measured at fair value by level within the fair value hierarchy are as follows:

	Total	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**	**$**
Marketable securities - shares	3,098	3,098	0	0
Marketable securities - warrants	842	0	842	0
Total	**3,940**	**3,098**	**842**	**0**

8. SHARE CAPITAL

(a) Authorized

The Company's authorized share capital consists of an unlimited number of common shares of no par value.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

(b) Share Issuances

During the three months ended March 31, 2010, the Company has not issued shares.

(c) Stock option plan

Pursuant to the terms of the Company's stock option plan the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options may be exercisable over periods of up to five years as determined by the Board of Directors of the Company and the exercise price shall not be less than closing price of the shares on the day preceding the awarding date. Stock options granted to employees, officers and consultants vest one-third immediately, one-third after 12 months from the date of grant and one-third after 24 months from the date of grants, while stock options granted to directors vest immediately.

A summary of the Company's stock options outstanding as at March 31, 2010 and the changes for the three months then ended are as follows:

	Directors and officers	Employees and a consultant	Total Number of options		Weighted average exercise price per share
Balance, January 01, 2009	281,200	44,400	325,600	$	8.00
Granted	208,000	49,600	257,600		2.50
Forfeited	-	(16,600)	(16,600)		6.31
Expired	(27,000)	(23,200)	(50,200)		7.81
Balance, December 31, 2009	462,200	54,200	516,400	$	5.47
Granted	485,000	210,000	695,000		1.00
Expired	(16,000)	(1,400)	(17,400)		3.23
Balance, March 31, 2010	**931,200**	**262,800**	**1,194,000**	**$**	**2.90**

Notes to the Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

The following table summarizes information about common share purchase options outstanding, granted to officers, directors, employees and a consultant of the Company as at March 31, 2010:

Number of stock options outstanding	Number of stock options exercisable	Option Exercise price ($)	Expiry date (Month-Yr)
4,000	4,000	3.75	August-10
27,000	27,000	12.00	April-11
20,000	20,000	10.75	April-11
40,000	40,000	8.75	July-11
400	400	10.63	November-11
8,000	8,000	13.50	March-12
25,200	25,200	17.25	June-12
20,000	20,000	16.00	July-12
1,200	1,200	13.00	October-12
20,000	20,000	12.25	February-13
107,000	75,333	1.63	August-13
226,200	187,400	2.50	April-14
695,000	452,050	1.00	February-15
1,194,000	**880,583**		
$ 2.90	**$ 3.49**	**Weighted average exercise price**	

(d) Stock Based Compensation

During the three months ended March 31, 2010, the Company granted 695,000 options. An amount of $496,064 was charged as an expense in recognition of stock-based compensation, based on the vesting schedule for options previously granted. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model.

Option pricing models require the input of subjective assumptions including the expected price volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian dollars, except per share amounts)

(e) Share Purchase Warrants

The Company's warrants outstanding at March 31, 2010 and the change for the three months then ended are as follows:

	Number of warrants		Average price of warrants
Balance, January 01, 2009	295,282	$	6.04
Issued to private placement placees	3,002,000		1.42
Issued to lenders	800,000		1.25
Expired	(295,282)		5.92
Balance, December 31, 2009	3,802,000	$	1.39
Expired	(2,000,000)		1.25
Balance, March 31, 2010	**1,802,000**	**$**	**1.52**

During the three months ended March 31, 2010, the Company has not granted share purchase warrants. Details of outstanding warrants as at March 31, 2010 are as follows:

Number of warrants		Exercise price	Expiry date
800,000		$1.25 first year	May 8, 2011
		$2.50 second year	
1,002,000		1.75	Jun 3, 2010
1,802,000	**$**	**1.52**	

Warrant pricing models require the input of subjective assumptions including the expected price volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants.

Notes to the Consolidated Financial Statements
(Unaudited – Prepared by Management)
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9. GENERAL AND ADMINISTRATION EXPENSES

	Three Months Ended	
	Mar 31, 2010	**Mar 31, 2009**
Filing costs and shareholders' information	$ 17	$ 21
Insurance	11	10
Meals and entertainment	4	1
Miscellaneous	3	7
Office expenses	11	30
Professional and consulting fees	72	66
Rent	17	29
Salaries and benefits	346	535
Telecommunications	5	18
Travel	29	19
	$ 515	**$ 736**

10. INTEREST AND FINANCING CHARGES

	Three Months Ended	
	Mar 31, 2010	**Mar 31, 2009**
Interest and bank charges (recovery)	$ (11)	$ 17
Fees for stand-by credit facility	14	-
Fees for advisory services	-	51
Total interest and financing charges	**$ 3**	**$ 68**

11. CHANGES IN NON-CASH WORKING CAPITAL

The changes in non-cash working capital items are comprised of:

	Mar 31, 2010	**Mar 31, 2009**
Accounts receivable	$ 10	$ 701
Inventory	-	(13)
Prepaids	(31)	20
Accounts payable and accrued liabilities	31	(540)
Net change in non-cash working capital	**$ 10**	**$ 168**

12. GUARANTEES, CONTINGENCIES AND COMMITMENTS

In connection with the dilution of its investment in CMSJ, the Company has provided customary representations and warranties whose terms range in duration and may not be explicitly defined. Such representations include but are not limited to: the Company having paid all tax to which it is liable and is not liable to pay a penalty, surcharge, fine or interest in connection with tax, and is in compliance with its material legal and environmental

Notes to the Consolidated Financial Statements

(Unaudited – Prepared by Management)
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obligations, has obtained or applied for all material operational and environmental permits to operate the Coricancha Mine. In addition on payment of the purchase price the Company discharges CMSJ from all claims, causes of action, obligations, liabilities or losses whether known or unknown, in relation to events occurring before the closing date of sale. The Company is unable to estimate the maximum potential liability for these indemnifications as the underlying agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. The Company continues to monitor the conditions that are subject to guarantees and indemnifications to identify whether it is probable that a loss has occurred and would recognize any such losses under any guarantees or indemnifications when those losses are probable and estimable.

The Company is committed under the terms of an operating lease for the office premises for aggregate payments of $46,000 expiring in 2010.

13. SUBSEQUENT EVENTS

- On May 11, a dissident shareholder filed an information circular proposing changes to Gold Hawk's Board of Directors (the Board). Subsequently, on May 21, the Board announced the postponement of Gold Hawk's Special and Annual General Meeting (AGM), originally scheduled to take place on June 10, in order to allow time to fully consider the dissident circular and re-issue a Management Information Circular. The new date for the AGM is now August 17, 2010.
- On May 19, the Company announced a proposed amendment to the 1,002,000 share purchase warrants issued further to the private placement that closed on June 3, 2009. The amendment, which was approved by the TSX Venture Exchange on May 20, extends the exercise term from June 3, 2010 to June 3, 2011, and changes the exercise price from $1.75 to $1.25. The amendment intends to correct the pricing distortion caused by the 25:1 share consolidation effected in December 2009.