Gold Hawk Resources Inc.

Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(In Canadian Dollars, unless otherwise noted)

The attached interim consolidated financial statements have been prepared by the Management of Gold Hawk Resources Inc. and have not been reviewed by our auditor.

Gold Hawk Resources Inc.

Consolidated Balance Sheets *(Unaudited)*

		As at September 30, 2009		As at December 31, 2008
ASSETS				
Current Assets				
Cash and cash equivalents	$	211,478	$	85,718
Restricted cash (Note 3)		-		57,897
Accounts receivable (Note 4)		478,835		1,190,959
Inventory (Note 5)		567,343		672,901
Prepaid expenses		34,234		91,096
	$	1,291,890	$	2,098,571
Non-current assets				
Mineral properties, plant and equipment (Note 6)		35,670,736		41,631,185
Total Assets	**$**	**36,962,626**	**$**	**43,729,756**
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	3,286,472	$	4,186,422
Capital lease obligation		-		36,412
Short-term debt (Note 9)		13,874,963		11,799,375
Current portion of asset retirement obligation (Note 10)		12,669,743		7,577,929
	$	29,831,178	$	23,600,138
Non-current liabilities				
Royalty commitment (Note 9)		1,242,012		-
Asset retirement obligation (Note 10)		14,765,523		21,497,915
	$	45,838,713	$	45,098,053
SHAREHOLDERS EQUITY (DEFICIENCY)				
Share capital (Note 11)		58,015,924		56,766,531
Warrants		2,573,785		760,212
Contributed surplus		3,763,722		2,642,227
Accumulated other comprehensive income		1,844,177		(1,512,416)
Deficit		(75,073,695)		(60,024,851)
Total shareholders Equity (Deficiency)		(8,876,087)		(1,368,297)
Total liabilities and shareholders equity	**$**	**36,962,626**	**$**	**43,729,756**

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

Gold Hawk Resources Inc.

Consolidated Statements of Loss and Comprehensive Loss *(Unaudited)*
For the three and nine months ended September 30, 2009 and 2008

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Revenue				
Sales	$ -	$ -	$ -	$ 5,993,331
Operating costs				
Cost of sales	-	-	-	9,207,399
Depreciation and depletion	-	-	-	1,710,257
Accretion of asset retirement obligation (Note 10)	785,907	242,597	2,512,912	761,033
Loss from mining operations	(785,907)	(242,597)	(2,512,912)	(5,685,358)
Care and maintenance	461,198	382,681	1,617,833	382,681
Depreciation	401,188	369,561	1,276,655	369,561
General and administration expenses (Note 12)	622,474	824,332	2,260,153	2,934,130
Stock-based compensation cost (Note 11)	117,030	253,090	361,283	378,927
General exploration	780	625	780	29,012
Accretion of asset retirement obligation (Note 12)	-	-	-	-
Loss from operations	(2,388,577)	(2,072,886)	(8,029,616)	(9,779,669)
Other expenses (income)				
Foreign exchange loss (gain)	1,632,925	(696,701)	2,551,175	(1,052,465)
Interest and financing charges (Note 14)	627,895	419,329	4,434,733	1,614,387
Loss on derivative instruments (Note 7)	-	(3,609)	-	(19,988)
Net loss before extraordinary loss	**$ (4,649,397)**	**$ (1,791,905)**	**$ (15,015,524)**	**$ (10,321,603)**
Extraordinary loss (Note 17)	$ -	$ 2,084,263	$ -	$ (14,457,752)
Net loss for the period	**$ (4,649,397)**	**$ 292,358**	**$ (15,015,524)**	**$ (24,779,355)**
Basic and diluted loss per share:				
Before extraordinary gains and losses	$ (0.02)	$ (0.01)	$ (0.06)	$ (0.06)
For extraordinary gains and losses	$ -	$ 0.01	$ -	$ (0.08)
For the period	$ (0.02)	$ -	$ (0.06)	$ (0.13)
Weighted average number of shares outstanding	268,824,249	217,154,753	268,824,249	186,139,727

Consolidated Statements of Comprehensive Loss	**2009**	**2008**	**2009**	**2008**
Net loss	$ (4,649,397)	$ 292,358	$ (15,015,524)	$ (24,779,355)
Other comprehensive income:				
Foreign currency translation adjustment	4,496,168	(580,483)	3,356,593	(487,842)
Comprehensive loss	**$ (153,229)**	**$ (288,125)**	**$ (11,658,931)**	**$ (25,267,197)**

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

Gold Hawk Resources Inc.

Consolidated Statements of Cash Flows *(Unaudited)*

For the three and nine months ended September 30, 2009 and 2008

	Three months ended September 30,		Nine months ended September 30,	
	2009	**2008**	**2009**	**2008**
Operating activities				
Net loss before extraordinary items	$ (4,649,397)	$ (1,791,905)	$ (15,015,524)	$ (10,321,603)
Asset retirement expenditures	(24,563)	(1,355,286)	(129,815)	(1,544,558)
Extraordinary loss	-	2,084,263	-	2,084,263
Items not affecting cash:				
Accretion expense on asset retirement obligation	785,908	242,598	2,512,913	761,033
Depreciation and depletion	405,527	377,361	1,289,673	2,091,195
Net financing costs	636,138	-	4,145,630	-
Unrealized loss on derivative instruments	-	(351,822)		14,804
Stock-based compensation cost	117,030	253,090	361,283	378,927
Unrealized foreign exchange gain	1,738,289	(627,203)	2,731,891	(1,157,492)
	(991,068)	(1,168,904)	(4,103,949)	(7,693,431)
Net changes in non-cash working capital (Note 15)	129,523	(1,638,473)	115,369	(536,681)
Cash flows from operating activities	**(861,545)**	**(2,807,377)**	**(3,988,580)**	**(8,230,112)**
Financing activities				
Capital lease obligation	-	(25,842)	(37,198)	(75,450)
Issuance of share capital	-	3,300,000	2,252,500	3,300,000
Loan proceeds net of financing fees	548,537	244,033	2,473,817	5,264,954
Cash flows from financing activities	**548,537**	**3,230,550**	**4,655,799**	**8,721,863**
Investing activities				
Additions to plant and equipment	(53,097)	(247,761)	(395,501)	(1,763,359)
Additions to mining properties	-	(9,350)	-	1,032
Deferred exploration expenditures	(42,607)	(3,851)	(164,098)	(265,946)
Cash flows from investing activities	**(95,704)**	**(183,747)**	**(501,702)**	**(2,028,849)**
Effect of exchange rate changes on cash equivalen	**(21,324)**	**220**	**(39,757)**	**88,756**
Net change in cash and cash equivalents	**(430,036)**	**239,646**	**125,760**	**(1,448,342)**
Cash and cash equivalents at beginning of period	641,514	574,907	85,718	2,262,895
Cash and cash equivalents at end of period	**$ 211,478**	**$ 814,553**	**$ 211,478**	**$ 814,553**
Interest paid	$ -	$ 288,794	$ 1,925,196	$ 545,742
Non-cash investing and financing activities				
Lender warrants recorded as financing costs	$ 178,050	$ -	$ 178,050	$ -

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

Gold Hawk Resources Inc.

Consolidated Statements of Shareholders' Equity (Deficiency) *(unaudited)*

For the three and nine months ended September 30, 2009 and 2008

	Share Capital (Number of Shares)	Share Capital (Amount)	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	**Total**
At January 01, 2008	169,042,144	52,509,731	898,330	2,075,337	907,882	(30,183,238)	**26,208,042**
Share issue costs	-	-	-	-	-	(7,049)	**(7,049)**
Units issued upon exercise of warrants	2,080,000	956,800	(436,800)	-	-	-	**520,000**
Warrants issued as a financing fee	-	-	315,533	-	-	-	**315,533**
Stock based compensation	-	-	-	125,837	-	-	**125,837**
Foreign exchange translation adjustment	-	-	-	-	92,641	-	**92,641**
Net loss for the period	-	-	-	-	-	(25,071,713)	**(25,071,713)**
At June 30, 2008	171,122,144	$ 53,466,531	$ 777,063	$ 2,201,174	$ 1,000,523	$ (55,262,000)	**$ 2,183,291**
Private placement	55,000,000	3,300,000	173,149	-	-	-	**3,473,149**
Share issue costs	-	-	-	-	-	(453,741)	**(453,741)**
Expired warrants	-	-	(190,000)	190,000	-	-	**-**
Stock based compensation	-	-	-	251,053	-	-	**251,053**
Foreign exchange translation adjustment	-	-	-	-	(2,512,939)	(4,601,468)	**(7,114,407)**
Net loss for the period	-	-	-	-	-	292,358	**292,358**
At December 31, 2008	226,122,144	$ 56,766,531	$ 760,212	$ 2,642,227	$ (1,512,416)	$ (60,024,851)	**$ (1,368,297)**
Private placements	75,050,000	622,715	1,629,785	-	-	-	**2,252,500**
Share issue costs	-	-	-	-	-	(33,320)	**(33,320)**
Shares issued as payment to financial advisor	3,322,785	262,500	-	-	-	-	**262,500**
Shares issued upon debt restructure	7,985,067	364,178	-	-	-	-	**364,178**
Warrants issued as a financing fee	-	-	944,000	-	-	-	**944,000**
Expired warrants	-	-	(760,212)	760,212	-	-	**-**
Stock based compensation	-	-	-	361,283	-	-	**361,283**
Foreign exchange translation adjustment	-	-	-	-	3,356,593	-	**3,356,593**
Net loss for the period	-	-	-	-	-	(15,015,524)	**(15,015,524)**
At September 30, 2009	312,479,996	$ 58,015,924	$ 2,573,785	$ 3,763,722	$ 1,844,177	$ (75,073,695)	**$ (8,876,087)**

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

1. NATURE OF OPERATIONS

Gold Hawk Resources Inc. ("Gold Hawk" or the "Company") is a mining company with a 15% interest in its former Peruvian subsidiary, which owns and operates the Coricancha Mine. The Company is also engaged in the acquisition, exploration and development of mineral properties.

The Company has incurred losses from inception, including a net loss of $15,015,524 for the nine months ended September 30, 2009, and has a working capital deficiency of $28,539,288 as at September 30, 2009.

On November 9, 2009, subsequent to a non-binding heads of agreement signed during the quarter, a special meeting of shareholders approved the sale of an 85% interest on the Peruvian subsidiary, which owns and operates the Coricancha Mine, for a total consideration of USD15 million. The transaction closed on November 12 and the proceeds of the sale were received on the same date. As a result of this transaction, the Company has a strong cash position, no liabilities, and keeps a 15% interest in the former Peruvian subsidiary.

Based on a strong working capital position, Management is currently evaluating various business opportunities with the purpose of enhancing shareholder value. Future financial needs will be determined by the outcome of this evaluation.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

b) Use of estimates

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, future income taxes, recoverability of mineral properties, plant and equipment and the fair values of net assets acquired in business combinations. Actual results could differ from those estimates.

c) Changes in accounting policies

Accounting policies implemented effective January 1, 2009

The Company adopted Section 3064, Goodwill and Intangible Assets, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Upon adoption of this standard there were no resulting material changes to the Company's financial position or results of operations.

The Company adopted EIC-173, Credit Risk and the Fair Value of Financial Assets and Liabilities, which provides guidance on how to take into account an entity's own credit risk and that of the counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. Upon adoption of this EIC there were no resulting material changes to the Company's financial position or results of operations.

The Company adopted EIC-174, Mining Exploration Costs, which provides guidance on how to account for mineral exploration costs as well as when and how to assess for impairment when such exploration costs are capitalized. Upon adoption of this EIC there were no resulting material changes to the Company's financial position or results of operations.

International Financial Reporting Standards

The Canadian Accounting Standards Board recently confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions.

The Company has not yet completed a full evaluation of the adoption of IFRS and its impact on its financial position and results of operations. The full evaluation and an implementation plan will be completed during 2010. The evaluation and implementation plan will address the impact of IFRS on:

- Accounting policies, including choices among policies permitted under IFRS and implementation decisions such as whether changes will be applied on a retrospective or a prospective basis;
- Information technology and data systems;
- Internal control over financial reporting;
- Disclosure controls and procedures, including investor relations and external communications plans;
- Financial reporting expertise, training requirements and the need for assistance from outside expertise;
- Post implementation monitoring to access any future developments of IFRS.

Recent Accounting Pronouncements Issued But Not Yet Implemented

The CICA issued the new Handbook Section 1582, "Business Combinations", Section 1601 "Consolidations" and Section 1602 "Non-controlling Interests" to harmonize with International Financial Reporting Standards ("IFRS"). Section 1582 specifies a number of changes including: an expanded definition of a business, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These new standards become effective beginning on or after January 1, 2011, but early adoption is permitted.

3. RESTRICTED CASH

The Company's subsidiary entered into a capital lease for mining equipment for its Coricancha Mine. The outstanding balance of restricted cash relating to this transaction (December 31, 2008 $55,455) was released in full in the quarter ended June 30, 2009.

4. ACCOUNTS RECEIVABLE

	September 30, 2009	Dec 31, 2008
Value added tax receivable	$ 3,628,060	$ 4,808,295
Other receivables	77,959	53,824
Less: allowance for value added tax receivable	(3,227,184)	(3,671,160)
	$ 478,835	**$ 1,190,959**

5. INVENTORY

Inventory consists of consumable parts and supplies and is valued at the lower of cost and net realizable value.

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

As at September 30, 2009	**Cost**	**Accumulated depreciation, depletion and write-downs**	**Net book value**
Land	$ 121,406	$ -	$ 121,406
Plant and equipment	12,893,159	(6,112,986)	6,780,173
	$ 13,014,565	$ (6,112,986)	$ 6,901,579
Mineral properties and concessions	$ 33,224,531	$ (14,482,787)	$ 18,741,744
Deferred exploration and development cost	10,526,086	(498,673)	10,027,413
	$ 43,750,617	$ (14,981,460)	$ 28,769,157
Total	**$ 56,765,182**	**$ (21,094,446)**	**$ 35,670,736**

As at December 31, 2008	**Cost**	**Accumulated depreciation, depletion and write-downs**	**Net book value**
Land	$ 138,109	$ -	$ 138,109
Plant and equipment **(a)**	14,734,287	(5,721,233)	9,013,054
	$ 14,872,396	$ (5,721,233)	$ 9,151,163
Mineral properties and concessions **(b)**	$ 35,934,718	$ (14,614,606)	$ 21,320,112
Deferred exploration and development cost	11,721,939	(562,029)	11,159,910
	$ 47,656,657	$ (15,176,635)	$ 32,480,022
Total	**$ 62,529,053**	**$ (20,897,868)**	**$ 41,631,185**

Coricancha Mine (Peru)

The Company's wholly owned Coricancha Mine is located on a paved highway approximately 90 kilometres due east of Lima, the capital city of Peru. The mine includes a 600 tonne per day concentrator and a BIOX® circuit for the recovery of gold and silver from the refractory ore. The Company purchased 100% of the Coricancha Mine in March 2006, refurbished it and declared commercial production on October 1, 2007.

Coricancha (Peru)	Interest (%)	Dec 31, 2008 (a)	Additions	Write-down	Depletion	Translation adjustment (c)	September 30, 2009
Mineral properties and concessions **(b)**	100	$ 21,320,112	$ -	$ -	$ -	$ (2,578,368)	**$ 18,741,744**
Deferred exploration costs	100	11,159,910	164,098	-	-	(1,296,595)	**10,027,413**
		$ 32,480,022	**$ 164,098**	**-**	**-**	**$ (3,874,963)**	**$ 28,769,157**

a) The cost of plant and equipment for the year ended December 31, 2008 includes a write-down due to the ground displacement in the tailings area (see Note 17).

b) During the year ended December 31, 2008, the Company wrote off the capitalized costs and related additional reclamation obligations due to the incremental effect of the ground displacement and resulting temporary suspension of mine operations (Notes 10 and 17).

c) The September 30, 2009 balance has been adjusted to reflect the current rate translation of the Company's self-sustaining foreign operation.

For the nine months ended September 30, 2009, capitalized interest was $Nil (2008, $Nil).

7. DERIVATIVE INSTRUMENTS

During the year ended December 31, 2008, the Company settled all of its outstanding derivative instruments for proceeds of $361,315.

8. CAPITAL LEASE OBLIGATIONS

	September 30, 2009	Dec 31, 2008
Total capital lease obligations	$ -	$ 36,412
Less: current portion of capital lease obligations	-	36,412
Total long-term capital lease obligations	$ -	$ -

Capital lease obligation relates to passenger vehicles and mining equipment for the Coricancha Mine.

9. LOAN PAYABLE AND ROYALTY COMMITMENT

Loan Facilities and Royalty Commitment	September 30, 2009	Dec 31, 2008
Loan Payable	$ 13,919,100	$ 11,799,375
Less: Deferred financial costs	(742,573)	-
Net loan payable	$ 13,176,527	$ 11,799,375
Bridge Loan	$ 548,538	$ -
Current portion of the smelter return royalty	149,898	-
Total short-term debt	**$ 13,874,963**	**$ 11,799,375**
Smelter return royalty	$ 1,391,910	-
Less: Current portion	(149,898)	-
Total long-term debt	**$ 1,242,012**	**$ -**

On May 8, 2009, the Company completed the documentation on a new loan facility to repay the previous bank debt and restructure all of the loans under one new USD13.0 million loan facility. The loan was subject to USD980,000 in upfront fees and USD1,560,000 in prepaid interest calculated at a rate of 12.0% per annum. All fees and interest associated with the new loan agreement are capitalized as part of the new loan. Full repayment of the loan facility is due February 13, 2010.

In addition to the above financing costs, the Company issued the lenders 7,985,067 shares, 20,000,000 share purchase warrants and granted a 2.5% Net Smelter Return Royalty for the Coricancha Mine production. The Company has the option to reduce the royalty rate to 1.5% in consideration for a payment of USD1.0 million. The present value of the royalty commitment was calculated using estimated future cash flows discounted at a rate of 25.5%. All warrants were valued using the Black-Scholes model (see Note 13e). Deferred financing costs consisting of prepaid interest, legal fees and withholding taxes, will be amortized evenly throughout the life of the loan.

As at September 30, 2009, $742,573 in deferred financing fees and interest remains to be amortized over the life of the loan.

10. ASSET RETIREMENT OBLIGATION

The asset retirement obligation represents the legal and contractual obligations associated with the reclamation and monitoring activities and the removal of tangible assets at the Company's Coricancha Mine. The Company has recorded the following asset retirement obligations:

	Amount
Balance, December 31, 2008	$ 29,075,844
Accretion expense	2,512,912
Cash payments	(466,621)
Effect of translation of foreign currencies	(3,686,869)
Balance, September 30, 2009	**$ 27,435,266**
Less: current portion	12,669,743
	$ 14,765,523

The estimated future cash flows have been discounted using a credit-adjusted risk-free rate of 12.0%. As the liability is initially recorded on a discounted basis, it is increased each period until the estimated date of settlement. The resulting expense is referred to as accretion expense and is included in the results from operations.

The estimated future cash flows for the mine closure obligation, on an undiscounted basis, are expected to be paid in various stages over the life of the mine through 2013 and beyond:

Period	Undiscounted cash flows for mine closure
2009 – 2014	\$25,165,049 (USD23,503,361)
2015 – 2016	\$7,924,197 (USD7,400,950)
2017 – 2032	\$12,353,535 (USD11,537,812)

The mine closure obligation, on an undiscounted basis, has been calculated on the basis of an estimated remaining life of mine of six years. Like most underground mines, the proven and probable reserves are limited, not because of a lack of resources, but due to the cost of proving up large quantities of resources to reserves. There are considerable measured, indicated, and inferred resources available at the Coricancha Mine at this time, and it is Managements' opinion that a significant portion of these resources will be converted into the proven and probable categories as the mine's development progresses. The six year life of mine used for estimating the asset retirement obligations is based on an estimated conversion of 33% of these resources into proven and probable reserves.

11. SHARE CAPITAL

a) Authorized

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

b) Share Issuances

On January 7, 2009, the Company issued 3,322,785 shares as compensation for an amount outstanding to a third party. As a result of this issuance, \$262,500 was transferred from current liabilities to share capital.

On March 5, 2009, the Company completed a non-brokered private placement of 50,000,000 Units at a price of \$0.02 per Unit for aggregate proceeds of \$1,000,000. Each Unit is comprised of one common share and one 12-month share purchase warrant at \$0.05 (see section (e) of this note). Fees associated with the closing of the private placement include \$5,250 in Finder's Fees and \$10,479 in other legal and regulatory expenses. Net proceeds of the private placement were used to finance expenditures related to its Coricancha Mine, including moving old tailings to the long-term Chinchan facility, and for general corporate purposes.

On May 8, 2009, the Company issued 7,985,067 shares and 20,000,000 two-year common share purchase warrants exercisable at a price of \$0.05 per share for the first year \$0.10 per share for the second year, in connection with the restructured loan facility as described in Note 9.

On June 3, 2009, the Company completed a non-brokered private placement of 25,050,000 Units at a price of \$0.05 per Unit for aggregate proceeds of \$1,252,500. Each Unit is comprised of one common share and one 12-month share purchase warrant at \$0.07 (see section (e) of this note). Fees associated with the closing of the private placement include \$11,000 in Finder's Fees and \$6,591 in other legal and regulatory expenses. Net proceeds of the private placement were used to finance expenditures related to its Coricancha Mine and for general corporate purposes.

c) Stock option plan

During the nine months ended September 30, 2009, the Board of Directors approved an amendment to the Company's Stock Option Plan increasing the number of shares reserved for issuance under the plan. The amendment includes an increase in the maximum number of shares reserved for issuance under the plan to 20,000,000 (7.0% of the issued and outstanding common shares of the Company), including a transfer of 7,460,000 unexercised options previously granted.

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 the closing price of the shares on the day preceding the award 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 grant, while stock options granted to directors vest immediately.

A summary of the Company's stock options outstanding as at September 30, 2009 and the changes for the nine months then ended are as follows:

	Directors and officers	Employees and consultants	Number of options		average exercise price per share
Balance, January 1, 2008	7,910,000	370,000	8,280,000	$	0.48
Granted	2,975,000	770,000	3,745,000		0.12
Forfeited	-	(303,334)	(303,334)		0.50
Expired	(3,571,666)	(10,000)	(3,581,666)		0.45
Balance, December 31, 2008	7,313,334	826,666	8,140,000	$	0.32
Granted	5,200,000	1,240,000	6,440,000		0.10
Forfeited	-	(143,334)	(143,334)		0.31
Expired	(675,000)	(91,666)	(766,666)		0.35
Balance, September 30, 2009	**11,838,334**	**1,831,666**	**13,670,000**	**$**	**0.22**

The following table summarizes information about common share purchase options outstanding, granted to officers, directors, employees and a consultant of the Company as at September 30, 2009:

Number of stock options outstanding	Number of stock options exercisable	Option Exercise price ($)	Expiry date (Month-Yr)
100,000	100,000	0.15	August-10
675,000	675,000	0.48	April-11
500,000	500,000	0.43	April-11
1,000,000	1,000,000	0.35	July-11
10,000	10,000	0.43	November-11
200,000	200,000	0.54	March-12
630,000	630,000	0.69	June-12
530,000	520,000	0.64	July-12
165,000	110,000	0.52	October-12
500,000	333,333	0.49	February-13
2,790,000	930,000	0.07	August-13
130,000	110,000	0.08	August-13
6,440,000	4,846,667	0.10	April-14
13,670,000	**9,965,000**		
0.22	**0.21**	**Weighted average exercise price**	

d) Stock Based Compensation

During the nine months ended September 30, 2009, the Company granted 6,440,000 stock options to directors, officers and employees. An amount of $361,283 was charged as an expense in recognition of stock-based compensation, based on the vesting schedule for options granted.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions and resulting values for grants as follows:

Number of Options Granted	**6,440,000**
Weighted average:	
Risk-free interest rate (%)	1.20%
Expected life (years)	2.9
Expected volatility (%)	236%
Expected dividend (%)	- %
Results:	
Weighted average fair value (per option)	$ 0.037

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.

e) Share Purchase Warrants

The Company's warrants outstanding at September 30, 2009 and the changes for the nine months then ended are as follows:

	Number of warrants		Average price of warrants
Balance, January 1, 2008	4,688,499	$	0.42
Issued to agents on non-brokered financing	2,473,562		0.06
Issued to lender on debt financing	3,400,000		0.21
Exercised and converted to Common shares	(2,080,000)		0.25
Expired	(1,100,000)		0.48
Balance, December 31, 2008	7,382,061	$	0.24
Issued to private placement placees	75,050,000		0.06
Issued to lenders	20,000,000		0.05
Expired and converted to debt	(2,000,000)		0.20
Expired	(5,382,061)		0.23
Balance, September 30, 2009	**95,050,000**	**$**	**0.06**

On March 5, 2009, the Company issued 50,000,000 warrants exercisable at a price of $0.05 per share exercisable for a period of one year. The warrants were issued in connection with the private placement described in section (b) of this note and had a fair value at the date of grant of $0.01 per warrant. The Company determined the fair value of the warrants based upon a Black-Scholes model using the following assumptions: expected life of eight months, expected volatility 229.38%, risk free interest rate 1.0%, dividend yield of 0%.

On March 12, 2009, 1,400,000 warrants previously issued in connection with the Company's previous bridge loan expired. The fair value of $193,808 calculated on these warrants was transferred to contributed surplus.

On May 9, 2009, the Company issued 20,000,000 warrants exercisable at a price of $0.05 per share exercisable for a period of two years. After the first year, the exercise price of the warrants increases to $0.10 per share. The warrants were issued in connection with the restructured loan facility described in Note 9 and had a fair value at the date of grant of $0.047 per warrant. The Company determined the fair value of the warrants based upon a Black-Scholes model using the following assumptions: expected life of 12 months, expected volatility 237.36%, risk free interest rate 1.1%, dividend yield of 0%.

On June 3, 2009, the Company issued 25,050,000 warrants exercisable at a price of $0.07 per share exercisable for a period of one year. The warrants were issued in connection with the private placement described in section (b) of this note and had a fair value at the date of grant of $0.046 per warrant. The Company determined the fair value of the warrants based upon a Black-Scholes model using the following assumptions: expected life of 8 months, expected volatility 228.75%, risk free interest rate 1.15%, dividend yield of 0%.

On June 6, 2009, a put option was exercised on 2,000,000 warrants previously issued in connection with the Company's previous bridge loan. The exercise value of the put option totals $425,000 and is payable to the lender.

On July 16, 2009, 1,508,499 warrants previously issued in connection with 2007 Company's brokered financing expired. The fair value of $271,530 calculated on these warrants was transferred to contributed surplus.

On August 16, 2009, 2,473,562 warrants previously issued in connection with 2007 Company's brokered financing expired. The fair value of $173,149 calculated on these warrants was transferred to contributed surplus.

Details of outstanding warrants as at September 30, 2009 are as follows:

Number of warrants	Exercise price	Expiry date
50,000,000	0.05	Mar 5, 2010
25,050,000	0.07	Jun 3, 2010
20,000,000	0.05 first year/0.10 second year	May 8, 2011
95,050,000		

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.

12. GENERAL AND ADMINISTRATION EXPENSES

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Capital tax	$ 40,852	$ 5,843	$ 122,556	$ 267,630
Filing costs	8,038	33,373	77,646	125,430
Insurance	12,134	12,188	31,919	32,181
Meals and entertainment	1,190	8,376	5,774	20,541
Miscellaneous	5,911	6,510	20,817	73,082
Office expenses	11,572	37,070	54,918	86,927
Professional and consulting fees	88,030	110,758	314,376	550,740
Rent	27,330	23,406	84,860	70,893
Salaries and benefits	395,039	480,928	1,418,705	1,392,198
Telecommunications	12,654	25,364	46,693	67,998
Travel	19,724	80,516	81,889	246,510
	$ 622,474	**$ 824,332**	**$ 2,260,153**	**$ 2,934,130**

13. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2009 the Company repaid a balance of $75,000 related to a short-term loan due to a director of the Company.

14. INTEREST AND FINANCING CHARGES

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Interest and bank charges	$ 5,445	$ 20,331	$ 35,227	$ 35,448
Financing fees on outstanding debt	17,743	21,232	3,090,370	512,196
Interest expense on outstanding debt	496,669	377,766	1,185,785	1,066,743
Fees for advisory services	108,038	-	123,351	-
Total interest and financing charges	**$ 627,895**	**$ 419,329**	**$ 4,434,733**	**$ 1,614,387**

Financing fees and interest expense on outstanding debt relate to the loan facility described in Note 9.

15. CHANGES IN NON-CASH WORKING CAPITAL

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

	Three Months Ended		Nine Months Ended	
	Sep 30, 2009	Sep 30, 2008	Sep 30, 2009	Sep 30, 2008
Accounts receivable	$ (5,201)	$ (213,071)	$ 712,124	$ 1,696,090
Inventory	60,260	52,200	105,558	1,126,945
Prepaids	30,337	20,542	56,862	80,685
Accounts payable and accrued liabilities	44,127	(1,498,144)	(759,175)	(3,440,401)
Net change in non-cash working capital	**$ 129,523**	**$ (1,638,473)**	**$ 115,369**	**$ (536,681)**

16. COMMITMENTS

The Company has signed a ten year electricity contract for power supply to its Coricancha Mine. The contract includes a minimum monthly demand of 3,500KW or $21,000 approximately.

17. EXTRAORDINARY LOSS IN THE YEAR ENDED DECEMBER 31, 2008

In May 9, 2008 the Company suspended operations at its Coricancha Mine in Peru due to an unexpected ground displacement in and around its tailings area caused by the saturation irrigation of the Tamboraque hillside by a third-party irrigation system. Ongoing mitigation work has stabilized the hillside and significantly reduced the risk of a landslide occurring. To account for these measures the Company has written-down some of its related assets and recognized a current liability related to the mitigation efforts at December 31, 2008. The future income tax recovery in the amount of approximately $4,871,000 resulting from these losses has been fully offset by a valuation allowance.

Details are summarized as follows:

		Amount
Property, plant and equipment		
Tailings extension **(a)**	$	394,901
Plant **(b)**		2,497,884
Asset retirement obligation		
Relocation of tailings and remediation of plant, tailings and surrounding area **(c)**		14,607,487
Proceeds from insurance claim **(d)**		(2,084,263)
Income tax recovery		-
Extraordinary loss	**$**	**15,416,010**

a) The planned southern extension to the current tailings facility became unusable due to the risks related to the ground displacement in the area. All related capitalized construction costs incurred relating to the extension have been written off.

b) Due to the ground displacement of the tailings area and the related risks it poses to the processing plant located downhill, mitigation efforts were initially believed to require the dismantling of all or part of the processing plant resulting in a write-down of its value (Note 6). The write-down represents the cost of those parts of the processing plant which were determined to have no future use.

c) The Company recorded a current liability to account for the estimated mitigation costs related to ground displacement in the tailings area and also recorded an extraordinary loss of an equivalent amount.

d) The Company intends to claim all expenses incurred due to the ground displacement. All funds received from insurance claims will be offset against the losses resulting from these write-downs. During the year ended December 31, 2008, the Company received a USD2.0 million advance on its insurance claims. Further insurance proceeds will be recorded when the amounts and ultimate collectability are more readily determinable.

The third-party irrigation system responsible for the ground displacement, declaration of a state of emergency by the Government in the affected area and temporary suspension of mining operations has been classified as an extraordinary event during the year ended December 31, 2008, as it is not expected to occur frequently, it does not typify the Company's normal business activities, and it does not depend primarily on decisions made by management.

18. SUBSEQUENT EVENTS

a) Sale of 85% interest in subsidiary

On November 9, 2009, Gold Hawk's shareholders approved the sale of 85% of the Company's Peruvian subsidiary which owns and operates the Coricancha mine to Nyrstar Netherlands BV. The transaction involved USD15 million in cash in return for an 85% interest in Compañía Minera San Juan (Peru) S.A. ("CMSJ"). Nyrstar also assumed Gold Hawk's guarantee in respect of CMSJ's existing USD13 million senior debt facility and agreed to loan up to an additional USD20 million to fund infrastructure and start-up costs for the Coricancha Mine, including the new Chinchan tailings facility. The transaction closed on

November 12, with the proceeds of USD15,000,000 being received on the same date. The transaction will result in an estimated $26 million accounting gain.

b) Reverse stock split

On the same date, shareholders approved a stock consolidation on the basis of 25 common shares to one.

c) Stock option plan

Shareholders also approved an amendment to the Stock Option Plan, to create a rolling plan, on the same date.

d) Advance of funds

After the closing of the third quarter, Nyrstar advanced an additional USD1,250,000 to finance care and maintenance and start construction of the new tailing facilities in Peru.

e) Private Placement

On October 19, the Company completed a non-brokered private placement of 4,454,800 common shares at a price of $0.05 per share for aggregate proceeds of $222,740. The funds raised were used for general corporate purposes.

f) Shares for Debt transaction

On November 4, the Company completed a shares for debt settlement with one of its lenders. In connection with the settlement, Gold Hawk issued 8,500,000 shares at a deemed price of $0.05 per share in return for the elimination of the $425,000 debt. The shares are subject to a hold period of four months plus one day that expires on March 5, 2010.