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Gold Hawk Resources Inc.

Management's Discussion & Analysis
For the Three Months Ended March 31, 2007

Q1 2007
CGK:TSXV

This Management's Discussion and Analysis ("MD&A") of Gold Hawk Resources Inc. ("Gold Hawk" or "the Company") and its wholly-owned subsidiaries constitutes management's review of the consolidated financial statements of the Company as at and for the three months ended March 31, 2007 and the factors that affected the Company's financial and operating performance for the period then ended.

This MD&A is dated May 25, 2007 and should be read in conjunction with the Company's Annual Consolidated Financial Statements as at and for the year ended December 31, 2006. The Annual Consolidated Financial Statements and further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Please also refer to the cautionary statement of forward-looking information on page 9 of this MD&A. The Company's unaudited interim consolidated financial statements as at and for the three months ended March 31, 2007 (the "interim consolidated financial statements") are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as fully described in Note 2 of the Company's 2006 audited consolidated financial statements and reported in Canadian dollars unless otherwise noted.

OVERVIEW

Gold Hawk is a Canadian natural resource company, based in Vancouver, B.C., and is engaged in the exploration, development and operation of precious and base metal mines. Its primary asset, the wholly owned Coricancha mine in Peru, has now commenced production. The Company purchased the Coricancha Mine in March of 2006 and has since acquired all operating permits, and has refurbished the mine and concentrator. The company, through its subsidiary, Compania Minera San Juan (Peru) S.A., currently has approximately 500 employees and contractors, and is in the process of ramping up production to designed levels.

The Company also has exploration properties in Peru and Canada (Quebec), and although these properties have been previously written off, management continues to pursue joint venture partners to continue exploration and development of the properties.

Gold Hawk Resources Inc. is listed on the TSX Venture Exchange under the symbol CGK.

Q1 2007 HIGHLIGHTS & RECENT DEVELOPMENTS

Major developments during the first quarter of 2007 included:

- Positive metallurgical testing results of the Coricancha ores from SGS Lakefield Research Limited;
- Completion of an independent National Instrument 43-101 reserve report for the Coricancha Mine;
- Establishing long-term off-take contracts for zinc and lead concentrates; and,
- Commencement of ore production and concentrator operations at the Coricancha Mine.

During the first quarter of 2007, the Company released it's technical staff's mineral reserve and mineral resource estimates as at January 31, 2007 for the Coricancha Mine. The estimates were independently reviewed and verified by Mr. John W. Rozelle, of Gustavson Associates, LLC ("Gustavson") of Boulder Colorado in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). A summary of the results are included in the following table and a copy of the full Technical Report has been filed on SEDAR (www.sedar.com).

Proven and Probable Reserves			January 31, 2007			
		Au	Ag	Pb	Zn	Cu
	Tonnes	g/t	g/t	%	%	%
Proven	152,657	4.43	166.71	2.94	2.42	0.30
Probable	283,860	5.45	158.38	2.60	2.57	0.31
Total	**436,517**	**5.09**	**161.29**	**2.72**	**2.52**	**0.31**

Measured and Indicated Resources (*)			January 31, 2007			
		Au	Ag	Pb	Zn	Cu
	Tonnes	g/t	g/t	%	%	%
Measured	112,497	6.17	231.97	4.07	3.38	0.41
Indicated	538,733	6.57	193.81	2.98	3.94	0.44
Total	**651,230**	**6.50**	**200.40**	**3.17**	**3.84**	**0.44**

(*) Includes proven and probable reserves but excludes inferred resources.

Inferred Resources (**)			January 31, 2007			
		Au	Ag	Pb	Zn	Cu
	Tonnes	g/t	g/t	%	%	%
Constancia Vein	1,447,438	6.28	185.38	3.61	3.79	0.36
Wellington Vein	744,858	6.94	228.92	2.39	3.94	0.58
Escondida	193,688	4.85	282.11	2.92	3.85	0.43
San José	63,010	3.95	139.03	11.14	0.10	0.10
Colquipallana	170,253	9.49	219.28	3.59	4.10	0.00
Animas	907,405	2.36	457.53	0.30	0.48	0.11
Rocío	384,566	3.67	174.18	2.19	4.94	0.60
Total	**3,911,218**	**5.27**	**261.23**	**2.56**	**3.12**	**0.35**

(**) Mineral resources which are not mineral reserves do not demonstrate economic viability.

Also during the first quarter of 2007, the Company announced that it had signed a five year off-take contract with BHL PERU S.A.C. of Peru for the sale of all lead and zinc concentrate production from the Coricancha mine. The Company believes that the contract has competitive terms and provides the Company with an established customer for its lead and zinc concentrates.

During the first quarter of 2007 the Company announced the start of commissioning of the Coricancha Mine and processing facility, and produced its first lead and zinc concentrates. The process of building - up the bacteria needed in the BIOX circuit for the recovery of gold was also initiated. The Company also undertook during the quarter a full scale employee recruiting campaign, and increased the on site workforce to approximately 425 people as at the end of the quarter.

Subsequent to the first quarter, the initial shipment of lead and zinc concentrates was delivered on May 4, 2007. Since the middle of May, concentrate shipments have been steadily increasing. The BIOX circuit is in operation with BIOX product now flowing to the cyanidation circuit, where gold and silver is being adsorbed onto carbon. Preliminary operating results are that performance is meeting the expected gold recovery. A gold bar has been poured as a test of the systems and it is anticipated that carbon loading will be sufficiently advanced so that the first full gold pour will occur in early June, 2007.

RESULTS FROM OPERATIONS

Summary of Quarterly Results

	Mar 31, 2007	Dec 31, 2006	Sep 30, 2006	Jun 30, 2006
Revenue	$ 99,073	$ 16,609	$ 23,704	$ 39,682
Net loss	$ (699,969)	$ (2,296,531)	$ (449,475)	$ (5,583,085)
Basic and diluted net loss per share	$ -	$ (0.02)	$ -	$ (0.05)

	Mar 31, 2006	Dec 31, 2005	Sep 30, 2005	Jun 30, 2005
Revenue	$ -	$ 632	$ 1,262	$ 2,799
Net loss for the period	$ (88,321)	$ (78,661)	$ (131,345)	$ (337,449)
Basic and diluted net loss per share	$ -	$ -	$ -	$ (0.01)

Revenue of $99,073 in the quarter ended March 31, 2007 (Nil Q1, 2006) was from interest earned on proceeds deposited in December 2006 from the exercise of 32,500,000 warrants.

In the first quarter of 2007, the Company recorded a net loss of $699,969 ($0.00 basic and diluted loss per share) as compared with a net loss of $88,321 ($0.00 basic and diluted loss per share) for the same period in 2006. The increased loss was primarily due to increased general and administration expenses $474,641 ($20,644 Q1, 2006), and to accretion expense $289,385 (Nil Q1, 2006) on asset retirement obligations.

General and administration expenses for the period have increased significantly (see below) as the Company strengthened its management team and incurred additional expenditures while actively pursuing its growth strategy.

An analysis of general and administration expenses is as follows:

	For the Three Months Ended	
	Mar 31, 2007	Mar 31, 2006
Filing fees and mailings	$ 5,384	$ 4,000
Insurance	37,824	4,633
Meals and entertainment	2,250	-
Miscellaneous	6,682	-
Office expenses	25,857	9,446
Rent	18,554	2,565
Salaries and benefits	220,118	-
Security	57,588	-
Telecommunications	5,186	-
Travel	95,198	-
	$ 474,641	**$ 20,644**

Insurance expense for the quarter of $37,824 ($4,633 Q1, 2006) includes a comprehensive policy on the Coricancha mine facility, which was not applicable in the comparable 2006 period. Office expenses for the quarter of $25,857 ($9,446 Q1, 2006) and rent of $18,554 ($2,565 Q1, 2006) have increased over the comparable 2006 period as the

Company established a fully functioning and staffed office in both Vancouver and Peru. The Company had no salaried staff in the first quarter of 2006, and now maintains an experienced management team hired to oversee the Coricancha project and as well to focus on additional growth. Salaries and benefits increased accordingly to $220,118 for the current quarter (Nil Q1, 2006). Security expenses of $57,588 (Nil Q1, 2006) relate to the mine security and surveillance in Peru, and were not applicable in the comparable 2006 period. Travel expenses of $95,198 (Nil Q1, 2006) increased because of various site visits to Peru by management.

The net loss for the quarter was reduced by an unrealized gain on zinc and lead derivative instruments of $327,361 (Nil Q1, 2006). This gain is a result of a mark to market adjustment as at March 31, 2007, as the Company's derivative undertakings do not qualify for 'hedge accounting' treatment under Canadian GAAP. The Company has entered into these derivatives with the intent of minimizing price risks associated with fluctuating metal commodity prices.

The company is reporting a comprehensive loss for the first time, having adopted the new accounting standards for financial instruments which were effective for Canadian companies on January 1, 2007. The only component of the other comprehensive loss was $7,630 relating to the Company's currency translation adjustment of its self sustaining foreign operation (Nil Q1, 2006).

Investing activities

Peru – Coricancha Mine

The 2006 purchase price for the Coricancha Mine was US$12.0 million ($14,083,125) and an additional $170,346 direct acquisition costs. The final purchase price payment of US$1,500,000 ($1,731,900) was paid on March 29, 2007.

During the first quarter of 2007, the Company acquired plant and equipment in the amount of $1,442,453 ($3,691 Q1, 2006) and incurred pre-production cost capitalized under deferred exploration and development expenses in the amount of $1,078,954 ($3,788 Q1, 2006).

Concentrator modifications to date include the installation of additional conditioning tanks, thickeners, flotation capacity, and a fines handling system has been installed in the underground ore handling system which will result in a significant reduction in metal losses. Other modifications include the installation of a heating system to raise the pulp temperature of the pyrite/arsenopyrite concentrate which test-work has shown, will significantly improve gold recoveries.

Currently the installation of a lead flash flotation cell is underway and should be completed at the end of June. The flash cell facilitates the removal of coarse lead particles before they have an opportunity to be over-ground in the grinding circuit. This improves the subsequent differential flotation of other concentrates and results in an overall improvement in concentrate grades. The installation of the Dense Media Separator ("DMS") originally scheduled to be completed at the end of June, will be delayed to September due to the delayed delivery of the two main pumps and magnetic separator. When fully operational, the DMS plant will separate the non mineral bearing rock from the ore feed, and will result in higher grade ore reporting to the mill and lower operating costs. However, the greatest benefit from the DMS plant will be that the non mineral bearing rock rejected by the DMS can be replaced with ore, thereby increasing processing ability without increasing the capacity of the mill.

Financing activities

The Company has in place a US$10 million loan facility with Natixis and Auramet Trading, LLC (collectively, "the lenders"). The loan facility is structured in two tranches: Tranche A and Tranche B.

Tranche A is for US$5 million and is to fund a portion of Gold Hawk's capital requirements for the Coricancha Mine. The balance of the Tranche A facility of $1,731,900 (US$1,500,000) was drawn down in the first quarter, leaving Tranche A fully utilized as at March 31, 2007.

Tranche B is for a non-revolving term credit facility of US$5 million, and had not been drawn on as at March 31, 2007. It is available to the Company either on an uncommitted basis until September 7, 2007 for the purpose of mining property acquisitions planned by the Company (subject to lender approval), or on a committed basis until June 30, 2007 for the purpose of financing additional requirements for the Coricancha Mine ($US2 Million of which is only available after the Company achieves certain levels of commercial production). A standby fee of 1% is charged on any undrawn portion of the available revolving loan facility, and any drawdowns are subject to a 1.125% drawdown fee.

During the current quarter, 500,000 Broker's warrants were exercised for proceeds of $125,000 (Nil Q1, 2006), and $56,250 was received from the exercise of 225,000 stock options (Nil Q1, 2006). Subsequent to the quarter end, 560,000 Broker's warrants were exercised for proceeds of $140,000 and $36,250 was received from the exercise of 175,000 stock options.

Liquidity

As at March 31, 2007 the Company had working capital of $6,358,663 compared to working capital of $1,376,414 as at March 31, 2006. The increase in the working capital was primarily due to the exercise of 32,500,000 warrants in December 2006 for proceeds of $11,375,000.

The Company has in place a US$10 million loan facility (see Financing Activities above), and has borrowed US$5 million as of March 31, 2007 against the facility to fund acquisition and development costs of the Coricancha mine. An additional US$3 million of the loan facility is currently available to the Company for additional development costs of the Coricancha mine and a further US$2 million is available after the Company achieves certain levels of commercial production.

With the working capital on hand as at quarter end and the remaining capacity under the Company's credit facility, the Company has sufficient funds to complete the development of the Coricancha mine required to achieve commercial production.

Future liquidity will depend upon the Company's ability to generate future positive operating cash flow, or upon its ability to arrange debt or equity financing. While the Company has been successful in raising funds in the past, there is no assurance that it will continue to do so in the future.

Commitments and Contingencies

The Company has commitments under various office, vehicle and equipment lease agreements, with minimum future payments as follows:

	Amount
2007	$ 151,404
2008	201,178
2009	101,925
2010	19,005
2011	-
Total	**$ 473,512**

Financial commitments specific to the Coricancha mine and mining in Peru include the following:

- A royalty of US$1 per ounce exists for gold processed by the Biox® plant.
- Net smelter return taxes are paid on a sliding scale based on the size of the mine. Small mines pay a lower tax rate than large mines. The Coricancha Mine will pay a 1% tax on its gross revenue, which is the income from the smelter after deducting smelter treatment charges and freight.
- Eight percent (8%) of pre-tax operating profit must, by law, be paid into a workers participation or profit sharing plan which is to be paid out on an annual basis. The operating profit is the gross revenue (net smelter return) minus site operating costs, net smelter return tax, mine closure account funding, loan amortization, and interest charges.
- The corporate tax rate in Peru is 30% on operating profit after deduction of the 8% workers participation tax.
- As at March 31, 2007, the Company has made deposits of $664,567 (December 31, 2006 - $667,072) on certain mining equipment yet to be delivered by suppliers and the Company's remaining obligation in relation to the purchase of this equipment is approximately $543,000.

In March of 2007, the Company signed a ten year electricity supply agreement, effective April 1, 2007 and a two year term gold stripping contract.

In the normal course of business the Company enters into transactions for the purchase of supplies and services denominated in Peruvian New Soles. The Company also has cash and certain liabilities denominated in Peruvian New Soles. As a result the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates.

Asset Retirement Obligations

The Company has prepared a site reclamation and closure cost estimate and has engaged an independent engineering firm to assess available alternative methods of restoration and assist in the preparation and implementation of an environmental management plan. The Corporation has estimated and recorded a liability for asset retirement obligations of $13,186,003 as at March 31, 2007. The estimated future cash flows have been discounted using a credit-adjusted risk-free rate of 9.0%. 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 Coricancha Mine in Peru.

The mine closure obligation has been calculated on the basis of an estimated life of mine of six years. Like most narrow vein underground mines, the proven and probable reserves are limited, not because of a lack of resources, but rather because of the cost of converting 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 33% conversion of these resources into proven and probable reserves.

Financial Instruments and Other Instruments

The Company is exposed to price risk due to changes in commodity prices related to its production. To mitigate this risk, the Company uses derivative instruments including forward sales contracts and call options. As at March 31, 2007, the derivative instruments cover approximately 25% and 35% of expected 2007 and 2008 lead and zinc sales, respectively. The Company has not designated these derivative instruments as hedges and, accordingly, changes in fair value are recognized in the statement of operations under the caption "unrealized loss (gain) on derivative instruments".

Details of the Company's derivative instruments outstanding at March 31, 2007 are included as Note 6 to the unaudited interim consolidated financial statements. During the first quarter of 2007 the Company recognized an unrealized gain on derivative instruments of $327,361 (Nil Q1, 2006).

Transactions with Related Parties

Management salaries and consulting fees of $77,138 ($15,000 Q1, 2006) were charged by directors during the quarter. These transactions are in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the noted parties.

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Outstanding Share Data

As at May 25, 2007, the Company had the following issued and outstanding common shares and unexercised stock options and warrants:

	Shares and Potential Shares
Common shares outstanding	149,381,044
Stock options (average exercise price $0.40)	5,235,000
Warrants (average exercise price $0.325)	6,080,000
Total common shares and potential common shares	160,696,044

Critical Accounting Policies and Estimates

These unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited annual consolidated financial statements as at and for the year ended December 31, 2006, except as described in Note 2 to our interim consolidated financial statements. Certain of our accounting policies are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Our critical accounting policies and estimates relate to:

- Recoverability of long-lived assets including mineral properties and deferred exploration expenditures;
- Fair value of net assets acquired in a business combination;

- Environmental and post-closure obligations;
- Stock based compensation and other stock-based payments; and,
- Accrued and contingent liabilities.

Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

Internal Controls over Financial Reporting

Internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance in the reliability of the Company's financial information and the preparation of the financial statements. The design includes policies and procedures that amongst other objectives: pertains to the maintenance of proper records; provides reasonable assurance that transactions are recorded accurately and that receipts and expenditures are made in accordance with the authorizations of management and directors; and, provides reasonable assurance in the prevention and timely detection of material unauthorized acquisition, use or disposal of the Company's assets. With the acquisition and development of the Coricancha mine in 2006, management is concurrently in the process of establishing an appropriate infrastructure to support its internal control over financial reporting objectives.

New Accounting Standards

On January 1, 2007, the company adopted the revised CICA Section 1506 "Accounting Changes", which requires that: (a) a voluntary change in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (b) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change, and (c) for changes in estimates, the nature and amount of the change should be disclosed. The company has not made any voluntary change in accounting principles since the adoption of the revised standard.

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation, and Section 3865, Hedges. These new accounting standards, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Section 1530 establishes standards for reporting and presenting comprehensive income or loss, which is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income calculated in accordance with generally accepted accounting principles such as unrealized gains or losses on available-for-sale investments. Amounts initially recorded to other comprehensive income or loss are reclassified to earnings when the financial instrument is derecognized or impaired.

Under these new standards, financial instruments are classified as one of the following: loans and receivables, held-to-maturity, held-for-trading, available-for-sale and other financial liabilities. Financial instruments will be measured on the balance sheet at amortized cost or fair value depending on the classification. Loans and receivables, held-to-maturity and other financial liabilities are accounted for at amortized cost. Held for trading and available-for-sale financial instruments are recorded at fair value on the balance sheet. Changes in fair value of held-for-trading financial instruments are recognized in earnings while changes in fair value of available-for-sale financial instruments are initially recorded in other comprehensive income or loss.

Effective January 1, 2007, the Company classified its cash equivalents as held-for-trading, which are measured at fair value with changes in fair value recognized in earnings. Accounts payable and accrued liabilities and loan payable are classified as other financial liabilities and are accounted for at amortized cost. Derivative instruments, including embedded derivatives, are classified as held-for-trading and recorded on the balance sheet at fair value unless exempted as a contract related to the Company's expected purchase, sale or usage requirements. Changes in the fair value of recognized derivative instruments are recorded in earnings unless the instruments are designated as cash flow hedges. As at March 31, 2007, the Company has not designated any derivative instruments as hedging instruments.

These standards have been adopted beginning January 1, 2007.

Industry and economic factors affecting the Company's performance

Details of risk factors are outlined in the Company's MD&A included in the 2006 annual report.

Outlook

The Coricancha mine is expected to attain its rated capacity of 600 tpd during the month of June 2007 as compared to the previous target of May 2007. The delay in achieving rated capacity is due primarily to the late delivery of mining equipment. Rental mining equipment was sourced and is currently in operation at the mine site while awaiting the delivery of the new equipment, now scheduled to arrive in early July. In addition, the installation and more specifically, the commissioning of the underground ore handling system required more time to complete than originally planned. Due to the delays, the company now expects to produce approximately 11,000 ounces of payable gold, 400,000 ounces of payable silver, 4.8 million pounds of payable zinc, and 4.3 million pounds of payable lead in 2007.

Looking beyond 2007, Gold Hawk has significant organic growth opportunities. In 2008, the Company will benefit by a full year of production as compared to a partial year in 2007. In addition, with minimal modifications to the concentrator and with the DMS plant operational, management plans to increase the mining rate from 600 tpd in 2007 to 900 tpd by 2009. In view of the large resource base and excellent exploration potential, management will undertake a scoping study to evaluate the feasibility of further increasing the mining rate to 1500 tpd. In addition to organic growth, it is managements' objective to grow the company and build value for shareholders by aggressively pursuing external growth opportunities.

Forward-looking information

Information contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements. The Company believes that it has a reasonable basis for making such forward-looking statements, which may include estimates, plans, expectations, opinions, forecasts, projections, guidance, or other statements. However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Undue reliance should not be placed on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes anticipated in forward-looking statements may not occur and we do not undertake to update forward-looking statements. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

("Signed") Gordon Bub
Gordon F. Bub
Chairman and C.E.O.

("Signed") Larry Taddei
Larry Taddei, CA
Chief Financial Officer