NIGHTHAWK™

GOLD CORP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

JANUARY 31, 2016

Unaudited

Presented in Canadian Dollars

March 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Nighthawk Gold Corp. (“**Nighthawk**”) are the responsibility of the Board of Directors and executive management. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements and therefore should be read in conjunction with Nighthawk’s audited annual consolidated financial statements and notes thereto for the year ended July 31, 2015. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Nighthawk’s most recent audited annual consolidated financial statements, except as described in note 3. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to Nighthawk's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Nighthawk, as of the date of and for the period presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. The Audit Committee also reviews Nighthawk's Management’s Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Nighthawk's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) *"Dr. Michael Byron"*
Dr. Michael Byron
President & Chief Executive Officer

(Signed) *"Michael Leskovec"*
Michael Leskovec
Chief Financial Officer

NIGHTHAWK GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Presented in Canadian Dollars

As at		January 31, 2016		July 31, 2015
		(Unaudited)		*(Audited)*
ASSETS				
Current Assets				
Cash	$	**837,415**	$	1,502,002
Amounts receivable		**90,828**		245,184
Prepaid expenses and supplies		**45,683**		273,451
		973,926		2,020,637
Non-current Assets				
Restricted cash *(note 5)*		**4,479,000**		4,479,000
Exploration and evaluation assets *(note 6)*		**37,910,061**		37,755,094
		42,389,061		42,234,094
	$	**43,362,987**	$	44,254,731
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	**352,887**	$	131,675
Non-current Liabilities				
Secured notes *(note 7)*		**797,563**		-
Provision for service obligation *(note 8)*		**3,012,314**		3,012,314
Reclamation provision *(note 9)*		**401,150**		401,150
Deferred income tax liability		**511,928**		1,039,010
		4,722,955		4,452,474
SHAREHOLDERS' EQUITY				
Share capital *(note 10(a))*		**39,255,662**		39,255,662
Warrants and broker warrants *(note 10(b))*		**33,117**		1,496,523
Share-based payment reserve *(note 10(c))*		**9,213,114**		7,649,204
Accumulated deficit		**(10,214,748)**		(8,730,807)
		38,287,145		39,670,582
	$	**43,362,987**	$	44,254,731

Going Concern *(note 1)*
Subsequent Event *(note 15)*

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

NIGHTHAWK GOLD CORP

NIGHTHAWK GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Presented in Canadian Dollars
Unaudited

	Three months ended January 31, **2016**	Three months ended January 31, 2015	Six months ended January 31, **2016**	Six months ended January 31, 2015
Expenses				
Salaries, director and consulting fees	**$ 355,421**	$ 130,214	**$ 456,679**	$ 241,565
Professional fees	**11,744**	23,995	**31,155**	33,209
Office and administration	**15,638**	42,994	**26,099**	85,360
Regulatory and shareholder information	**11,550**	27,962	**12,455**	35,049
Travel	**4,683**	1,740	**6,973**	29,760
Stock-based compensation *(note 10(c))*	**48,218**	521,134	**48,218**	521,134
Write-down of exploration and evaluation assets *(note 6)*	**1,449,279**	-	**1,449,279**	-
	1,896,533	748,039	**2,030,858**	946,077
Other income				
Interest income	**8,083**	24,124	**44,243**	57,614
Interest and accretion expense *(note 7)*	**(24,408)**	-	**(24,408)**	-
Gain on settlement of mineral property option payments *(note 6)*	**-**	11,282	**-**	11,282
	(16,325)	35,406	**19,835**	68,896
Loss before income taxes	**(1,912,858)**	(712,633)	**(2,011,023)**	(877,181)
Deferred income tax recovery	**527,082**	-	**527,082**	-
Net loss and comprehensive loss	**$ (1,385,776)**	$ (712,633)	**$ (1,483,941)**	$ (877,181)
Net loss per share *(note 11)*:				
Basic and fully diluted	**$ (0.03)**	$ (0.01)	**$ (0.03)**	$ (0.02)

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

NIGHTHAWK GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Presented in Canadian Dollars

Unaudited

	Share capital	Warrants and broker warrants	Share-based payment reserve	Accumulated deficit	Total equity
Balance at July 31, 2014	**$ 39,116,944**	**$ 1,496,523**	**$ 6,903,035**	**$ (7,661,923)**	**$ 39,854,579**
Issuance of common shares for mineral property options *(note 6)*	138,718	-	-	-	138,718
Stock-based compensation	-	-	746,169	-	746,169
Net loss for the period	-	-	-	(877,181)	(877,181)
Balance at January 31, 2015	**39,255,662**	**1,496,523**	**7,649,204**	**(8,539,104)**	**39,862,285**
Net loss for the period	-	-	-	(191,703)	(191,703)
Balance at July 31, 2015	**39,255,662**	**1,496,523**	**7,649,204**	**(8,730,807)**	**39,670,582**
Fair value of warrants issued	-	33,117	-	-	33,117
Expiry of warrants and broker warrants	-	(1,496,523)	1,496,523	-	-
Stock-based compensation *(note 10(c))*	-	-	67,387	-	67,387
Net loss for the period	-	-	-	(1,483,941)	(1,483,941)
Balance at January 31, 2016	**$ 39,255,662**	**$ 33,117**	**$ 9,213,114**	**$ (10,214,748)**	**$ 38,287,145**

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

NIGHTHAWK GOLD CORP

NIGHTHAWK GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Presented in Canadian Dollars

Unaudited

For the six months ended January 31,	**2016**	2015
Cash provided by (used in)		
Operations		
Net loss for the period	**$ (1,483,941)**	$ (877,181)
Items not involving cash:		
Write-down of exploration and evaluation assets	**1,449,279**	-
Stock-based compensation	**48,218**	521,134
Gain on settlement of mineral property option payments	**-**	(11,282)
Interest income receivable on restricted cash	**-**	(27,687)
Interest and accretion expense	**24,408**	-
Deferred income tax recovery	**(527,082)**	-
Change in non-cash working capital:		
Amounts receivable	**154,356**	93,264
Prepaid expenses and supplies	**227,768**	543,318
Accounts payable and accrued liabilities	**221,212**	(1,526,921)
	114,218	(1,285,355)
Financing		
Proceeds from secured notes	**806,272**	-
Investing		
Exploration and evaluation costs	**(1,485,202)**	(3,887,072)
Option payments and acquisition costs	**(99,875)**	(186,728)
Expenditures incurred under service obligation	**-**	(11,337)
	(1,585,077)	(4,085,137)
Decrease in cash	**(664,587)**	(5,370,492)
Cash, beginning of period	**1,502,002**	7,821,278
Cash, end of period	**$ 837,415**	$ 2,450,786

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

1. NATURE OF OPERATIONS

Nighthawk Gold Corp. ("**Nighthawk**" or the "**Company**") was incorporated on January 8, 2004 under the Business Corporations Act (Ontario) and is a publicly listed Canadian junior resource company with exploration and evaluation assets in Canada. Nighthawk is engaged in the identification, acquisition, exploration and evaluation of gold properties, is listed on the TSX Venture Exchange ("**TSXV**"), and trades under the symbol NHK. To date, Nighthawk has not earned any revenue from operations. The Company's registered office is located at Suite 301, 141 Adelaide Street West, Toronto, Ontario, Canada, M5H 3L5.

The unaudited condensed interim consolidated financial statements for the six months ended January 31, 2016 have been approved for issue by the Board of Directors on March 31, 2016.

During the six months ended January 31, 2016, Nighthawk incurred a loss of $1,483,941 (January 31, 2015 - $877,181) and as at that date, Nighthawk had accumulated a deficit of $10,214,748 (July 31, 2015 - $8,730,807), working capital of $621,039 (July 31, 2015 - $1,888,962) and cash flows from operations of $114,218 (January 31, 2015 - negative cash flows of $1,285,355).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from January 31, 2016. However, Nighthawk is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively Nighthawk's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that Nighthawk's funding initiatives will continue to be successful and these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. Changes in future conditions could require material writedowns of the carrying value of exploration and evaluation assets.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Nighthawk's audited annual consolidated financial statements and notes thereto for the year ended July 31, 2015. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Nighthawk's most recent audited annual consolidated financial statements.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting on the basis of International Financial Reporting Standards ("**IFRS**") and interpretations as approved by the International Accounting Standards Board ("**IASB**") and are presented in Canadian dollars.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information.

The unaudited condensed interim consolidated statement of cash flows shows the changes in cash arising during the year from operating activities, investing activities and financing activities.

2. BASIS OF PRESENTATION (continued)

The cash flows from operating activities are determined by using the indirect method. Net loss is therefore adjusted by non-cash items, such as deferred tax expenses (recoveries), stock-based compensation, write-down of exploration and evaluation assets, flow-through share premium, accretion expense, as well as changes from amounts receivable, prepaid expenses and supplies, and accounts payable and accrued liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. The cash flows from investing and financing activities are determined by using the direct method.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations as issued by the International Accounting Standards Board ("**IASB**") and have been consistently applied to all the years presented. The principal accounting policies applied in the preparation of these audited consolidated financial statements are set out below.

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated statement of cash flows shows the changes in cash arising during the year from operating activities, investing activities and financing activities.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended July 31, 2015.

(a) Changes in Accounting Policies

The Company did not adopt any new accounting policies during the six months ended January 31, 2016.

(b) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB are mandatory for accounting periods after January 31, 2016 or later periods. Many are not applicable or do not have a significant impact to Nighthawk and have been excluded from the discussion below. The following have not yet been adopted and are being evaluated to determine their impact on Nighthawk.

(i) IFRS 9, *Financial Instruments*, ("**IFRS 9**") was issued by the IASB in October 2010 and will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Nighthawk will evaluate the impact of adopting IFRS 9 on its consolidated financial statements, including the possibility of early adoption in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Recent Accounting Pronouncements (continued)

(ii) IFRS 15, issued in May 2014, will specify how and when entities recognize, measure, and disclose revenue. The standard will supersede all current standards dealing with revenue recognition, including IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation and judgemental uncertainty that management has made at the consolidated statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Nighthawk assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists. When an impairment exists, the calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;

(ii) the calculation of the fair value of warrants, broker warrants and stock options issued by Nighthawk requires the use of estimates of inputs in the Black-Scholes option pricing valuation model;

(iii) the calculation of the reclamation liability and provision for service obligation, being the present value of the estimated costs to restore the properties is discounted at rates which reflect current market assessments and the risks specific to the liability. The calculation requires management to estimate the total restoration costs, timing of remediation and an appropriate discount rate; and

(iv) valuation of deferred income taxes.

Presented in Canadian Dollars

5. RESTRICTED CASH

During the year ended July 31, 2011, Nighthawk posted two irrevocable standby letters of credit with a Canadian chartered bank in the amount of $401,000 (collectively, the "**Permit LOC's**") to provide security under its land use permit and water access licence for the existing reclamation work associated with the Damoti Reclamation Obligation *(notes 6 and 9)* as well as with its exploration activities relating to the Indin Lake Gold Property in the Northwest Territories, Canada. In March 2012, Nighthawk posted additional security of $78,000 (the "**Additional Security**") upon receiving approval on its updated land use permit, which was submitted to support its expanded exploration activities on its Indin Lake Gold Property. The updated land use permit is valid until February 2017 and the water access licence is valid until February 2019. The Permit LOC's are secured by guaranteed investment certificates (the "**Permit GIC's**") at a Canadian chartered bank for the same amount. The Permit GIC's and the Additional Security may be recovered by Nighthawk at expiration of the land use permit and water access licence in absence of any environmental disturbances provided Nighthawk carries out activities to satisfy the Damoti Reclamation Obligation.

On January 26, 2012, under the terms of its agreement to acquire 100% ownership of the mineral claims and leases of the former producing Colomac Gold Mine (the "**Colomac Gold Project**") *(note 6)*, Nighthawk entered into three letters of credit totaling $5,000,000 at a Canadian chartered bank in favour of Aboriginal Affairs and Northern Development Canada ("**AANDC**") to secure Nighthawk's service obligation to perform reclamation services on three other sites as follows: $3,000,000 for the Diversified site, $1,000,000 for the Spider Lake site and $1,000,000 for the Chalco Lake site (collectively, the "**Colomac LOC's**") *(note 8)*. The Colomac LOC's are secured by guaranteed investment certificates (the "**Colomac GIC's**") at a Canadian chartered bank for the same amounts. Upon completion of the service obligation with respect to each reclamation site to the satisfaction of an independent third party engineer, the Colomac LOC's with respect to each site will be released and the hold restriction on the related Colomac GIC will be eliminated.

In Fiscal 2013, the reclamation activities at the Chalco Lake site were completed and the approval of the third party engineer was obtained. As a result, the Colomac LOC with respect to the Chalco Lake site was released and the hold restriction on $1,000,000 was eliminated at that time *(note 8)*.

	Permit security	Colomac GIC's	**Total restricted cash**
Balance - July 31, 2015 and January 31, 2016	**$ 479,000**	**$ 4,000,000**	**$ 4,479,000**

6. EXPLORATION AND EVALUATION ASSETS

Mineral Property	Option & acquisition costs	Exploration	Balance July 31, 2015	**Option & acquisition costs**	**Exploration**	**Balance January 31, 2016**
Indin Lake Gold Property	$ 10,551,501	$ 27,203,593	$ 37,755,094	$ 10,101,376	$ 27,808,685	**$ 37,910,061**

Presented in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS (continued)

Mineral Property	Indin Lake Gold Property
Balance - July 31, 2015	$ 37,755,094
Acquisition costs	99,875
Exploration expenditures	1,504,371
Write-down of exploration and evaluation assets	(1,449,279)
Balance - January 31, 2016	**$ 37,910,061**

(a) Exploration expenditures for the six months ended January 31, 2016 includes $19,169 (six months ended January 31, 2015 - $225,035) of capitalized stock-based compensation.

Indin Lake Gold Property

In August 2008, Nighthawk acquired 6 mining leases and 6 mining claims (the "**Damoti Lake Property**") which lie within Nighthawk's Indin Lake Gold Property in the Indin Lake Greenstone Belt located approximately 200 kilometres north of Yellowknife, Northwest Territories. The Damoti Lake Property is subject to an existing 2% net smelter return royalty. Upon acquisition, a reclamation obligation existed at the Damoti Lake Property (the “**Damoti Reclamation Obligation**”). At the time of acquisition, the estimated cost of the Damoti Reclamation Obligation could not be reliably measured. Nighthawk has since carried out environmental assessments using a third party specialist and has estimated the cost of the Damoti Reclamation Obligation to be $401,150 *(note 9)*. Nighthawk has capitalized the Damoti Reclamation Obligation, and related assessment costs, as acquisition costs related to the Damoti Lake Property as the liability was assumed at acquisition. During the six months ended January 31, 2016, Nighthawk incurred $68,675 (six months ended January 31, 2015 - $36,728) of assessment costs which have been capitalized as acquisition costs.

Under agreements dated January 7, 2011, and as amended on April 4, 2013, Nighthawk acquired a 100% interest in 15 mining leases and 3 mining claims (the "**Indin Lake Properties**") within the Indin Lake Greenstone Belt, subject to existing net smelter royalties on certain claims ranging from 2% to 5%, by making payments of cash and shares totalling $725,000.

In January and April 2011, Nighthawk staked 107 additional mining claims in the Northwest Territories which link the Indin Lake Properties and the Damoti Lake Property, thereby consolidating much of the Indin Lake Gold Property's ground.

In January 2012, Nighthawk completed an agreement to acquire 100% ownership of the mineral claims and leases of the Colomac Gold Project, located within the Indin Lake Greenstone Belt and contiguous to and surrounded by Nighthawk's existing Indin Lake Gold Property in the Northwest Territories, from AANDC. As consideration for the Colomac Gold Project, Nighthawk committed to perform reclamation services on three other sites within the Indin Lake Gold Property land package which are the responsibility of AANDC: the Diversified, Chalco Lake, and Spider Lake sites. The obligation for the reclamation services is to be carried out on behalf of AANDC to a maximum of $5,000,000 *(note 8)*.

Presented in Canadian Dollars

6. EXPLORATION AND EVALUATION ASSETS (continued)

Under an agreement dated December 18, 2013 and subsequently terminated on December 29, 2015, Nighthawk was granted an option to acquire a 100% interest in 4 contiguous mining leases adjacent to Nighthawk's existing Indin Lake Gold Property, known as the Kim and Cass mining leases. To exercise this option, Nighthawk was required to make payments totalling $1,550,000 in tranches as follows:

- Upon execution of the agreement: $125,000 in cash (paid);
- Upon execution of the agreement: $125,000 (paid through the issuance of 353,669 common shares);
- On or before December 31, 2014: $300,000 (settled by payment of $150,000 in cash and the issuance of 462,392 common shares valued at $138,718. The number of common shares issued was calculated based on the 30-day volume weighted average share price as of December 5, 2014 ($0.324); the fair value of the common shares issued was calculated based on the closing common share price on December 5, 2014 ($0.30), resulting in a gain on settlement of mineral property option payment of $11,282);
- On or before December 31, 2015: $450,000; and
- On or before December 31, 2016: $550,000.

On December 29, 2015, Nighthawk terminated the option on the Kim and Cass mining leases. As a result, the payments due on December 31, 2015 and 2016 were not made. The capitalized costs associated with these leases of $1,449,279 were written off during the period.

7. SECURED NOTES

		Issued November 20, 2015
Present value of the principal - $850,000 payable May 20, 2017	$	**679,686**
Present value of the interest - $156,876 payable semi-annually		**135,401**
Transaction costs		**(41,932)**
Total liability component at issuance of Secured Notes		**773,155**
Equity component allocated to Secured Note Warrants (by deduction)		**33,117**
Net proceeds of Secured Notes	$	**806,272**

		Liability component
Balance - July 31, 2015	$	-
Liability component at issuance of Secured Notes		773,155
Accretion		24,408
Balance - January 31, 2016	**$**	**797,563**

Presented in Canadian Dollars

7. SECURED NOTES (continued)

On November 20, 2015, Nighthawk completed a non-brokered private placement offering of secured notes (the "**Secured Notes**") for a principal amount of $850,000. The Secured Notes pay interest at a rate of 12% per annum, compounded monthly, payable in cash semi-annually, and are secured by a general security agreement on the real and personal property of Nighthawk. Nighthawk can prepay the Secured Notes without penalty, provided that any interest owed to the date of prepayment is also paid to the Secured Note holders. In connection with the issuance of the Secured Notes, the Secured Note holders were issued 3,400,000 warrants (the "**Secured Note Warrants**"). Each Secured Note Warrant entitled the holder to acquire one common share at an exercise price of $0.15 per share until May 20, 2017 (note 10(b)).

The Secured Notes are classified as a liability, with the exception of the portion relating to the Secured Note Warrants, resulting in the carrying value of the Secured Notes being less than its face value. The discount is being accreted over the term of the Secured Notes, utilizing the effective interest rate method at an interest rate of 18.8% and using a 15% discount rate. Transaction costs of $43,728 associated with the Secured Notes were prorated between the debt ($41,932) and equity components ($1,796). Those allocated to the debt portion of the Secured Notes are deferred and accreted over the term of the Secured Notes. An amount of $24,408 in interest and accretion was recorded on the statement of comprehensive loss for the six months ended January 31, 2016 (six months ended January 31, 2015 - $nil).

8. PROVISION FOR SERVICE OBLIGATION

As consideration for the Colomac Gold Project *(note 6)*, Nighthawk committed to perform reclamation services on three other sites within the Indin Lake Gold Property land package which are the responsibility of AANDC: Diversified, Chalco Lake, and Spider Lake. The obligation for the reclamation services is to be carried out on behalf of AANDC to a maximum of $5,000,000. Upon closing, Nighthawk entered into the Colomac LOC's totaling $5,000,000 in favour of AANDC to secure Nighthawk's obligation to perform the services for each site. The Colomac LOC's are secured by the Colomac GIC's at a Canadian chartered bank for the same amounts *(note 5)*. Nighthawk did not assume the reclamation liabilities of these three sites. Upon completion of the service obligation with respect to each site to the satisfaction of an independent third party engineer, the Colomac LOC's with respect to each site will be released and the hold restriction on the related Colomac GIC will be eliminated. In March 2013, the reclamation activities at the Chalco Lake site were completed upon approvals of the third party engineer.

	Service obligation
Balance - July 31, 2015 and January 31, 2016	**$ 3,012,314**

9. RECLAMATION PROVISION

Upon acquisition of the Damoti Lake Property *(note 6)*, the Damoti Reclamation Obligation existed at the Damoti Lake Property. At the time of acquisition, the estimated cost of the Damoti Reclamation Obligation could not be reliably measured. Nighthawk has since carried out environmental assessments using a third party specialist and estimated the cost of the Damoti Reclamation Obligation to be $401,150. Nighthawk posted the Permit GIC's, to secure the Permit LOC's, and remitted the Additional Security for an amount of $479,000 *(note 5)* to provide security under its land use permit and water access licence for the Damoti Reclamation Obligation as well as for exploration activities relating to the Indin Lake Gold Property.

	Amount
Balance - July 31, 2015 and January 31, 2016	**$ 401,150**

Presented in Canadian Dollars

10. SHARE CAPITAL

(a) Common Shares

Authorized Capital - Unlimited common shares

Issued

	Number of shares		Consideration
Balance - July 31, 2015 and January 31, 2016	**58,453,693**	**$**	**39,255,662**

(b) Warrants

	Number of warrants	Number of broker warrants		Allocated value
Balance - July 31, 2015	10,000,000	1,200,000	$	1,496,523
Secured Note Warrants *(note 7)*	3,400,000	-		33,117
Expiry of warrants and broker warrants	(10,000,000)	(1,200,000)		(1,496,523)
Balance - January 31, 2016	**3,400,000**	**-**	**$**	**33,117**

A summary of Nighthawk's outstanding warrants (including broker warrants) at January 31, 2016 is presented below:

Issue date	Number of warrants and broker warrants	Exercise price	Expiry date
Secured Note Warrants	3,400,000	$0.15	May 20, 2017

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of Nighthawk. Changes in the underlying assumptions can materially affect the fair value estimates.

Brokers warrants issued to non-employees have been valued using the fair value of the equity instruments granted in the absence of a reliable estimate of the fair value of the goods or services rendered.

(c) Contributed Surplus

Share-based Payment Reserve

Balance - July 31, 2015	$	7,649,204
Stock-based compensation		67,387
Expiry of warrants and broker warrants		1,496,523
Balance - January 31, 2016	**$**	**9,213,114**

Presented in Canadian Dollars

10. SHARE CAPITAL (continued)

(c) Contributed Surplus (continued)

Stock Options

Nighthawk has a stock option plan under which stock options may be granted to Nighthawk's directors, senior officers, employees, consultants and consultant companies. The stock option plan: (i) provides that the number of common shares reserved for issuance, within a one year period, to any one optionee, shall not exceed 5% of the outstanding common shares; (ii) provides the maximum number of common shares reserved for issuance pursuant to options granted to insiders may not exceed 10%; (iii) and contains other provisions to ensure the stock option plan is compliant with stock exchange regulations. The options granted vest immediately or as otherwise determined by Nighthawk's Board of Directors.

	Number of options	Weighted average exercise price
Balance - July 31, 2015	4,746,000	$ 0.42
Granted	2,285,000	0.15
Expired	(1,272,000)	0.41
Balance - January 31, 2016	**5,759,000**	**$ 0.32**

During the six months ended January 31, 2016 and 2015, the following stock options, which vested immediately, were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends and a nil forfeiture rate):

				Black-Scholes option pricing parameters			
Expiry date	**Number of options**	**Exercise price**	**Grant date stock price**	**Risk-free interest rate**	**Expected life (years)**	**Volatility factor**	**Fair value**
Six months ended January 31, 2016							
December 1, 2020	2,285,000	$0.15	$0.045	0.80%	5.0	113%	$0.03
Six months ended January 31, 2015							
December 17, 2019	3,150,000	$0.34	$0.30	1.32%	5.0	113%	$0.24

Presented in Canadian Dollars

10. SHARE CAPITAL (continued)

(c) Contributed Surplus (continued)

A summary of Nighthawk's outstanding stock options at January 31, 2016 is presented below:

Issue date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
February 5, 2013[a]	60,000	60,000	$0.75	0.1
February 15, 2013[a]	70,000	70,000	$0.75	0.1
July 15, 2013	680,000	680,000	$0.60	2.5
November 29, 2013	364,000	364,000	$0.50	2.8
December 17, 2014	2,300,000	2,300,000	$0.34	3.9
December 1, 2015	2,285,000	2,285,000	$0.15	4.8
	5,759,000	5,759,000	$0.32	3.9

(a) Subsequent to period end, 130,000 stock options expired unexercised.

The weighted average exercise price of the outstanding and exercisable options was $0.32. The weighted average remaining contractual life of outstanding options is 3.9 years.

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of Nighthawk. Changes in the underlying assumptions can materially affect the fair value estimates.

The options issued to non-employees were valued using the fair value of the equity instrument granted in the absence of a reliable estimate of the fair value of the goods or services received.

11. NET LOSS PER SHARE

Net loss per share has been calculated using the weighted average number of shares outstanding during the six months ended January 31, 2016 and 2015.

,	Three months ended January 31, 2016	Three months ended January 31, 2015	Six months ended January 31, 2016	Six months ended January 31, 2015
Net loss for the period	**$ (1,385,776)**	$ (712,633)	**$ (1,483,941)**	$ (877,181)
Basic and fully diluted weighted average number of shares outstanding during the period	**58,453,693**	58,274,705	**58,453,693**	57,991,303
Basic and fully diluted net loss per share	**$ (0.03)**	$ (0.01)	**$ (0.03)**	$ (0.02)

Fully diluted weighted average common shares outstanding for the six months ended January 31, 2016 and 2015 are not reflective of the outstanding stock options, warrants and broker warrants as their exercise would be anti-dilutive in the loss per share calculation.

Presented in Canadian Dollars

12. RELATED PARTY DISCLOSURES

(a) Director and Executive Management Compensation

Directors and executive management's compensation for the six months ended January 31, 2016 and 2015 consisted of the following:

	Three months ended January 31, 2016	Three months ended January 31, 2015	Six months ended January 31, 2016	Six months ended January 31, 2015
Cash compensation	**$ 237,498**	$ 102,500	**$ 339,998**	$ 205,250
Employment benefits	**3,217**	3,567	**5,268**	7,134
Fair value of stock options	**24,330**	319,787	**24,330**	319,787
	$ 265,045	$ 425,854	**$ 369,596**	$ 532,171

Directors and executive management received the following stock options during the six months ended January 31, 2016 and 2015:

Expiry date	Number of options	Exercise price	Grant date stock price	Black-Scholes option pricing parameters: Risk-free interest rate	Expected life (years)	Volatility factor	Fair value
Six months ended January 31, 2016							
December 1, 2020	825,000	$0.15	$0.045	0.80%	5.0	113%	$0.03
Six months ended January 31, 2015							
December 17, 2019	1,350,000	$0.34	$0.30	1.32%	5.0	113%	$0.24

The total fair value of stock options granted to directors and executive management for the six months ended January 31, 2016 was $24,330 (2015 - $319,787). All of the stock options granted vested immediately on the date of grant and have a contractual life of 5 years from the date of grant.

Stock-based compensation of $14,746 to executive management has been capitalized to the exploration and evaluations assets for the six months ended January 31, 2016 (2015 - $69,564).

(b) Director and Executive Management Transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

Transaction	Note	Transaction value for the three months ended October 31, 2015	Transaction value for the three months ended October 31, 2014	Balance outstanding as at October 31, 2015	Balance outstanding as at October 31, 2014
Consulting	*(1)*	**$ 225,000**	$ 90,000	**$ -**	$ -
	(2)	**40,000**	40,000	**-**	-
Geological consulting	*(3)*	**75,000**	75,000	**12,500**	12,500
		$ 340,000	$ 205,000	**$ 12,500**	$ 12,500

12. RELATED PARTY DISCLOSURES (continued)

(b) Director and Executive Management Transactions (continued)

(1) During the six months ended January 31, 2016, Nighthawk paid consulting fees of $225,000 (2015 - $90,000) to Heather Grace & Co., a company controlled by David Wiley, the former Chief Executive Officer of Nighthawk. At January 31, 2016, the balance owed was $nil (July 31, 2015 - $nil).

(2) During the six months ended January 31, 2016, Nighthawk paid financial consulting fees of $40,000 (2015 - $40,000) to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the Chief Financial Officer of Nighthawk. At January 31, 2016, the balance owed was $nil (July 31, 2015 - $nil).

(3) During the six months ended January 31, 2016, Nighthawk paid geological consulting fees of $75,000 (2015 - $75,000) to Byron Geological Inc., a company controlled by Dr. Michael Byron, the current Chief Executive Officer and a Director of Nighthawk. At January 31, 2016, the balance owed was $12,500 (July 31, 2015 - $12,500).

13. MANAGEMENT OF CAPITAL RISK

Nighthawk's capital management objective is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metal deposits. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors.

Nighthawk raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that Nighthawk will be able to continue raising equity capital in this manner.

Establishing and adjusting capital requirements is a continuous management process. Exploration involves a high degree of "discovery" risk and substantial uncertainties about the ultimate ability of Nighthawk to achieve positive cash flows from operations. Consequently, management primarily funds Nighthawk's exploration activities and administrative costs by issuing share capital rather than using other capital sources that require fixed repayments of principal or interest. Nighthawk will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Development activities may begin once a property's mineral reserves are estimated and Nighthawk makes a positive production decision. At this point, management may consider other sources of financing such as senior debt or convertible debentures as a means to reduce equity dilution.

Nighthawk's capital under management at January 31, 2016 includes share capital of $39,255,662 (July 31, 2015 - $39,255,662).

Nighthawk invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and short-term guarantee deposits, all held with major Canadian financial institutions.

There were no changes in Nighthawk's approach to capital management during the year ended January 31, 2016 and Nighthawk is not subject to any externally imposed capital requirements other than the restricted cash held as guaranteed investment certificates at a Canadian chartered bank as security for the letters of credit posted with respect to Damoti Reclamation Obligation and the Colomac Security *(note 5)*.

As of January 31, 2016, Nighthawk had no flow-through expenditure obligations remaining from a June 2014 financing.

14. MANAGEMENT OF FINANCIAL AND OTHER RISK

Nighthawk's financial instruments are exposed to financial risks as summarized below:

(a) Fair Value

The carrying amount of cash, amounts receivable, and accounts payable and accrued liabilities represent their fair value due to their short-term nature. The fair value of the restricted cash and secured notes are equal to its carrying value. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

(b) Credit Risk

Nighthawk's credit risk is primarily attributable to cash. Nighthawk has no significant concentration of credit risk arising from operations. Restricted cash consists of guaranteed investment certificates, which secure Nighthawk's two irrevocable standby letters of credit with a Canadian chartered bank *(note 5)* which Nighthawk considers to be a reputable financial institution. Management therefore believes the risk of loss to be remote.

(c) Liquidity Risk

Nighthawk's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2016, Nighthawk had a cash balance of $837,415 (July 31, 2015 - $1,502,002) to settle current liabilities of $352,887 (July 31, 2015 - $131,675). All of Nighthawk's financial trade liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

(d) Interest Rate Risk

Nighthawk's cash primarily includes highly liquid bank deposits that do not earn interest. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of January 31, 2016. The restricted cash and secured notes are not subject to cash flow interest rate risk due to the fixed rate of interest thereon. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Nighthawk manages interest rate risk by maintaining an investment policy for short-term investments. This policy focuses primarily on preservation of capital and liquidity. Nighthawk is exposed to interest rate price risk on fixed interest rate instruments.

(e) Other Risk

Nighthawk is exposed to other risks as follows:

Commodity Price Risk

Nighthawk is exposed to price risk with respect to the commodity price of gold. Future declines in this commodity price may impact the future profitability of Nighthawk and the valuation of its mineral properties. A significant decline in gold prices may affect Nighthawk's ability to obtain capital for the exploration and development of its mineral resource properties.

15. SUBSEQUENT EVENT

Subsequent to period end, the Company entered into a definitive agreement dated as of February 24, 2016 (the "**Definitive Agreement**") providing for the acquisition (the "**Acquisition**") of Superior Copper Corporation ("**Superior**"), by way of a three-cornered amalgamation (the "**Amalgamation**"). Nighthawk and Superior are both publicly listed companies on the TSXV. Following the Acquisition, Nighthawk is expected to continue to trade on the TSXV and Superior will be delisted.

15. SUBSEQUENT EVENT (continued)

Under the terms of the Definitive Agreement, Superior will amalgamate with a wholly-owned subsidiary of Nighthawk, and all of the issued and outstanding common shares of Superior (the "**Superior Shares**") will be acquired by Nighthawk from the existing holders thereof in consideration for the issuance of 0.32493545 of one common share of Nighthawk (each whole such common share, a "**Nighthawk Share**") for each Superior Share so held, subject to the exercise of available dissent rights.

The Amalgamation will require the approval of at least 66.6% of the votes cast by shareholders of Superior at a special meeting of shareholders of Superior expected to be held as soon as practicable. The transaction is expected to close shortly thereafter.

It is anticipated that immediately following the closing of the Acquisition, an aggregate of approximately 112,739,407 Nighthawk Shares will be issued and outstanding, of which it is anticipated that 54,285,714 Nighthawk Shares will be held by former shareholders of Superior (representing approximately 48.2% of the Nighthawk Shares), and 58,453,693 Nighthawk Shares will be held by existing shareholders of Nighthawk (representing approximately 51.8% of the Nighthawk Shares).

The Definitive Agreement contains customary terms and conditions for a transaction of this nature, including covenants applicable to each such entity until closing of the Acquisition regarding their respective businesses and affairs. A copy of the Definitive Agreement is available under both Nighthawk's and Superior's issuer profiles on SEDAR at www.sedar.com.