



NIGHTHAWK GOLD CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JULY 31, 2016

The following management's discussion and analysis ("MD&A") is management's assessment of the results and financial condition of Nighthawk Gold Corp. ("**Nighthawk**" or the "**Company**") and should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2016 ("**Fiscal 2016**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is November 28, 2016. Nighthawk's common shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol "NHK" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the Internet at www.sedar.com.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for Nighthawk's exploration projects in the following discussion and analysis is Dr. Michael J. Byron, P.Geo., a Registered Professional Geologist of Ontario and the Northwest Territories and the President, Chief Executive Officer and a Director of Nighthawk. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Byron.

1. DESCRIPTION OF BUSINESS

Nighthawk is a Canadian-based exploration company focused on acquiring and developing gold mineral properties in the Northwest Territories ("**NWT**"). With the acquisition of the mineral claims and leases of the Colomac Gold Project (see Section 4.1 – Acquisitions and Option Agreements), Nighthawk's flagship Indin Lake Gold Property comprises a total land package of 222,203 acres or 900 square kilometres ("**km**") in the Indin Lake Greenstone Belt, located approximately 200 km north of Yellowknife, NWT. Nighthawk also holds a 100% interest in the property known as the Superior Project, which is located in the Batchawana Bay area, approximately 85 km northwest of Sault Ste. Marie, Ontario. The Superior Project consists of 179 square km of contiguous claims, and includes the past-producing Coppercorp Mine.

Nighthawk has focused its activities to offer shareholders leverage to gold by acquiring and staking exploration properties including those with historic resource estimates that have the geological potential to be enhanced through both modern day exploration and higher gold prices. Since its incorporation, mineral exploration has been Nighthawk's sole business. Nighthawk has not conducted any revenue generating operations to date. As at July 31, 2016, Nighthawk had working capital of \$7.50 million (including cash of \$8.20 million), exploration and evaluation assets of \$39.35 million, restricted cash of \$4.48 million, and long-term liabilities, which primarily consisted of a provision for service obligation of \$3.01 million, a deferred income tax liability of \$2.29 million, and flow-through share premium liability of \$1.25 million. As of the date of this MD&A, with the non-brokered private placement of \$10.09 million which closed on November 1, 2016 as further described in Section 3 – Financings – Debt and Equity Placements, the Company's consolidated working capital position is \$15.7 million.

2. AMALGAMATION OF NIGHTHAWK AND SUPERIOR

On May 27, 2016, Nighthawk and Superior Copper Corporation ("**Superior**") completed an amalgamation (the "**Amalgamation**") involving Nighthawk, Superior and a wholly-owned subsidiary of Nighthawk, whereby Nighthawk acquired all the issued and outstanding common shares of Superior. The newly amalgamated company, known as Superior Copper Corporation, which holds all of Superior's assets, is a wholly-owned subsidiary of Nighthawk. Nighthawk has a total of 112,739,407 common shares issued and outstanding upon closing of the Amalgamation and has of the date of this MD&A. Under the terms of the Amalgamation, the former shareholders of Superior received an aggregate of 54,285,714 common shares of Nighthawk, representing approximately 48.2% of the issued and outstanding common shares of Nighthawk at the time.

3. FINANCINGS – DEBT & EQUITY PLACEMENTS

On November 20, 2015, Nighthawk completed a non-brokered private placement offering of secured notes (the "**Secured Notes**") for a principal amount of \$0.85 million. The Secured Notes paid interest at a rate of 12% per annum,



compounded monthly, and were payable in cash semi-annually, and were secured by a general security agreement on the Company's real and personal property. Nighthawk had the ability to prepay the Secured Notes without penalty, provided that any interest owed to the date of prepayment was also paid to the Secured Note holders. In July 2016, the Company repaid the Secured Notes in cash. In connection with the issuance of the Secured Notes, 3,400,000 warrants (the "**Secured Note Warrants**") were issued and entitled each Secured Note Warrant holder to acquire one common share at an exercise price of \$0.15 per share until May 20, 2017. As the Secured Notes were repaid within a year from issuance, the expiry date of the Secured Notes Warrants was reduced to November 20, 2016 and have fully been exercised as of the date of this MD&A.

On June 29, 2016, the Company completed a non-brokered private placement financing of 4,444,444 common shares (the "**June 2016 Common Shares**") at a price of \$0.225 per June 2016 Common Share and 16,666,667 flow-through shares (the "**June 2016 FT Shares**") at a price of \$0.30 per June 2016 FT Share for gross proceeds of \$6.00 million. Share issue costs in relation to the financing were \$0.23 million.

Subsequent to year end on November 1, 2016, the Company completed a non-brokered private placement of 6,170,000 common shares (the "**November 2016 Common Shares**") at a price of \$0.50 per November 2016 Common Share and 10,769,231 flow-through shares (the "**November 2016 FT Shares**") at a price of \$0.65 per November 2016 FT Share for aggregate gross proceeds of \$10.09 million. The investment included participation from Kinross Gold Corporation, who acquired 9.4% of the Company at the time.

4. EXPLORATION AND EVALUATION ACTIVITIES

INDIN LAKE GOLD PROPERTY

The Indin Lake area resides within a historic gold camp which has been largely ignored for almost twenty-five years, rendering it vastly underexplored with numerous untested prospective targets. Several gold deposits and showings lie within this belt, the most significant being the former producing Colomac open pit gold mine, which was acquired by Nighthawk in January 2012 (see Section 4.1 – Acquisitions and Option Agreements).

Nighthawk has significantly expanded the number of gold exploration targets within its Indin Lake Gold Property area that lies along the West Bay – Indin Lake Fault Zone, a regional structure that extends over 200 km from the shores of Great Slave Lake to areas north of the Indin Lake Greenstone Belt. This fault zone contains both the Giant and Con gold mines (approximately 13 million oz Au of production) to the south and the Colomac Gold Project (historic production of 527,908 oz Au) within its northern extent. Management believes this structure has played a major role in the development and localization of the Indin Lake gold mineralization; much the same role as that of other large regional fault zones, such as the Destor-Porcupine Fault's influence on gold deposit formation within the Timmins gold camp. The Indin Lake Greenstone Belt remains one of the few underexplored historic gold camps in Canada. See Figure 1 for a map of Nighthawk's Indin Lake Gold Property Land Package.

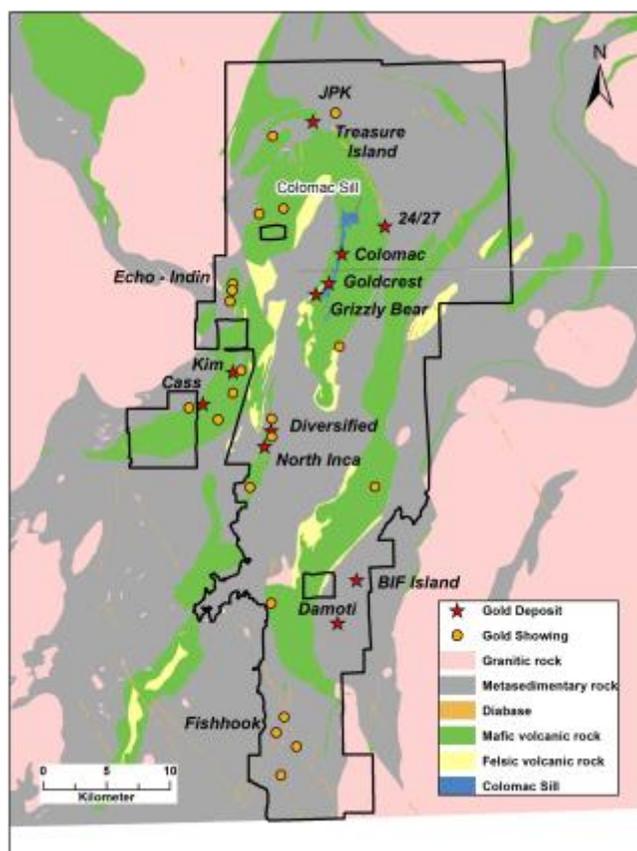
4.1 Acquisitions and Option Agreements

In August 2008, Nighthawk acquired 6 mining leases and 6 mining claims within the Indin Lake Greenstone Belt (the "**Damoti Lake Property**"), subject to an existing 2% net smelter 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. Environmental assessments have since been carried out using a third party specialist and the cost of the Damoti Reclamation Obligation is estimated to be \$0.40 million. Costs related to the Damoti Lake Obligation are capitalized as acquisition costs related to the Damoti Lake Property as the liability was known and assumed at acquisition.

Under agreements dated in January 2011, and as amended in April 2013, the Company acquired a 100% interest in 15 mining leases and 3 mining claims located within the Indin Lake Greenstone Belt (the "**Indin Lake Claims/Leases**"), subject to existing net smelter royalties on certain claims ranging from 2% to 5%, for payments totalling \$0.73 million.

In January and April 2011, the Company staked 107 additional mining claims in the Indin Lake Greenstone Belt in the NWT, thereby linking the Damoti Lake Property with the Indin Lake Claims/Leases and consolidating much of the Indin Lake Gold Camp's ground to form the Indin Lake Gold Property.

Figure 1
Indin Lake Gold Property Land Package



Acquisition of the Colomac Gold Project

On January 26, 2012, the Company completed an agreement (the “**Colomac Agreement**”) to acquire 100% of the mineral claims and leases of the former producing Colomac Gold Project in the NWT from Aboriginal Affairs and Northern Development Canada (“**AANDC**”). The Colomac Gold Project lies within the central portion of Nighthawk’s 229,791 acre Indin Lake Gold Property. Through the acquisition, approximately 90% of the Indin Lake Greenstone Belt was consolidated. The Colomac Gold Project contains at least five separate gold deposits open in all directions (Colomac Main, Grizzly Bear, Goldcrest, Dyke Lake, and 24/27), only one of which, the Colomac Main Deposit, was historically mined. Intermittent mining from 1990 to 1997 was limited to one of three shallow open pits developed on a steeply dipping quartz-feldspar porphyry intrusion (Colomac sill). Historical production is reported to be 527,908 oz Au with an average head grade of 1.66 g/t Au. Mining activities exploited only a small portion of the sill’s 7 km mineralized strike length. All mining and processing equipment and infrastructure have been removed from the Colomac Gold Project.

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, being the Diversified, Chalco Lake, and Spider Lake sites. The obligation for the reclamation services being carried out on behalf of AANDC totals a maximum of \$5.00 million. Upon closing, security in the form of letters of credit totalling \$5.00 million (\$3.00 million for the Diversified site, \$1.00 million for the Chalco Lake site and \$1.00 million for the Spider Lake site) were posted in favour of AANDC (collectively, the “**Colomac LOC’s**”) to secure the obligation to perform the services for each site. The Colomac LOC’s are secured by guaranteed investment certificates at a Canadian chartered bank for the same amounts (the “**Colomac GIC’s**”). The Company did not assume the reclamation liabilities of these three sites and is not responsible for any historical environmental liabilities associated with the Colomac Gold Project. Upon completion of the reclamation services 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. At any



time, the Company may terminate the liability relating to this service obligation, but consequently would relinquish the related Colomac GIC still held as security against the Colomac LOC's at that time. See Section 5 – Service Obligation Under Terms of Colomac Agreement for further details. In March 2013, the reclamation activities at the Chalco Lake site were completed as the approval of the third party engineer was obtained. Thus, the Colomac LOC with respect to the Chalco Lake site was released and the hold restriction on \$1.00 million was eliminated.

Acquisition of the Kim and Cass Gold Deposits

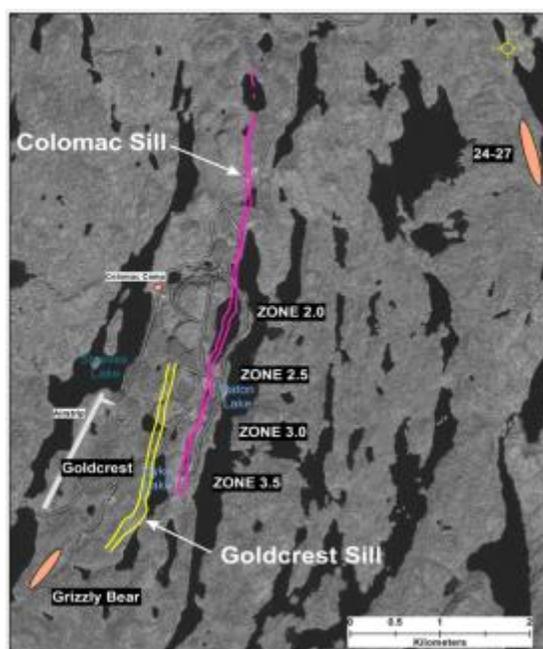
On December 18, 2013, Nighthawk entered into an option agreement (the “**Kim/Cass Option**”) to acquire 100% of 4 contiguous mining leases adjacent to its Indin Lake Gold Property in the NWT. The mineral leases encompassed the Kim and Cass gold deposits as well as multiple other prospects within the Indin Lake Greenstone Belt.

Under the terms of the Kim/Cass Option, the vendor was paid \$0.25 million on signing, one-half of which was satisfied through the issuance of 353,669 common shares. Subsequent option payments totalling \$1.3 million were staged in tranches over the next three years with the Company having the right to satisfy one-half of each tranche through the issuance of common shares, subject to regulatory approval. One tranche of \$0.30 million was paid in December 2014 (\$0.15 million in cash paid and \$0.15 million satisfied through the issuance of 462,392 common shares) and in December 2015, Nighthawk terminated the Kim/Cass Option. Thus, capitalized costs associated with these leases of \$1.45 million were written off during Fiscal 2016.

4.2 National Instrument 43-101 Resource Estimate

On June 17, 2013, Nighthawk announced its 2013 inferred resource estimate of 39.815 million tonnes with an average grade of 1.64 grams per tonne gold (“**g/t Au**”) for 2.101 million ounces gold (“**oz Au**”) using a cut-off grade of 0.6 g/t Au (the “**2013 Resource Estimate**”). The 2013 Resource Estimate increased average grade by 56%, and increased total contained ounces by 45% compared to the previously announced NI 43-101 inferred mineral resource estimate of 42.650 million tonnes with an average grade of 1.05 g/t Au for 1.446 million oz Au using a cut-off grade of 0.6 g/t Au in February 2012 (the “**2012 Resource Estimate**”). Colomac's five known gold deposits are represented in this mineral resource estimate: Colomac Sill, Goldcrest North, Goldcrest South, Grizzly Bear, and 24-27, of which the Colomac Sill currently accounts for 93.5% of the resource. All deposits are open laterally and to depth (see Figure 2 – Plan View of Deposits at Colomac). Historically mined volumes of the Colomac Main mineralization have been deleted from the current resource model.

Figure 2
Plan View of Deposits at Colomac





Limited historical drilling discovered a high-grade shoot below the main deposit (at Zone 3.5) tracing it to a depth of 1,000 m. Only the upper portion of this shoot is not included in the 2013 Resource Estimate. The potential for additional high-grade shoots exists over the Colomac sill's seven km strike length and the Colomac Gold Project's tonnage and contained ounces are expected to increase due to the deposits' significant exploration prospects. Potential high-grade shoots, if delineated, may lead to an increase in the average grade.

ACA Howe International Limited ("ACA Howe") authored the NI 43-101 technical report (2013 Resource Estimate), which is available on SEDAR under Nighthawk's profile.

Table 1 identifies the Colomac Gold Project's mineralized zones, which are characterized by significant mineralized widths representing the potential for near-surface bulk tonnage deposits. Resources were defined using a block cut-off grade of 0.6 g/t Au. The 2013 Resource Estimate utilizes historic diamond drilling results from approximately 916 holes, with 30 holes drilled during the 2012 drill program and the balance of which were completed between 1987 and 1997. All resources have been assigned to the inferred category due to the historic nature of the data and the need for additional verification work, which has yet to be completed.

Table 1
Colomac Gold Project Inferred Mineral Resources by Zone
(using Block Model Cut-off Grade of 0.6 g/t Au)

Zone	Tonnes	g/t Au	Oz Au
Colomac North	6,963,000	1.24	276,900
Colomac Central	19,170,000	1.63	1,002,000
Colomac South	10,840,000	1.96	684,500
Goldcrest North	678,500	2.23	48,650
Goldcrest South	434,900	2.14	29,880
Grizzly Bear	807,000	1.04	27,000
27	528,000	1.21	20,000
24	390,000	0.96	12,000
Total	39,815,000	1.64	2,101,000

Notes to Table 1:

1. A block cut-off value of 0.6 g/t Au was applied to all resource blocks.
2. Tonnes and ounces have been rounded to reflect the relative accuracy of the mineral resource estimate; therefore numbers may not total correctly.
3. Mineral Resources were calculated with commercial mining software.
4. For 2013 updated Colomac and Goldcrest block models: Drill holes traces showing lithology and gold grade were reviewed in plan and cross section. Geological domains were created using Leapfrog Implicit Geological Modeling Software. Assays with each domain were top cut to 31 g/t and then composited to regular 5ft intervals. Block model grade interpolation was undertaken using Ordinary Kriging (OK).
5. For 2012 Grizzly Bear, 24 and 27 block models: Drill holes traces showing lithology and gold grade were reviewed in plan and cross section to generate mineralised domains. Assays with each domain were top cut to 31 g/t and then composited to regular 5ft intervals. Block model grade interpolation was undertaken using Multiple Indicator Kriging (MIK). Refer to Lee and Trinder (2012).
6. The resource estimate was prepared by Leon McGarry, B.Sc., Geologist, ACA Howe and supervised by Ian Trinder, M.Sc., P.Geo., ACA Howe.
7. Gold price is US\$1500 per ounce.
8. A default average specific gravity (SG) value of 2.7 has been used.
9. Mineral Resource tonnes quoted are not diluted.
10. No Measured or Indicated Resources or Mineral Reserves of any category are identified.
11. Mineral resources are not mineral reserves and by definition do not demonstrate economic viability. This mineral resource estimate includes Inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these Inferred mineral resources will be converted to the measured and indicated resource categories through further drilling, or into mineral reserves, once economic considerations are applied.
12. 1 troy ounce equals 31.10348 grams.



The inferred mineral resources are sensitive to the block model cut-off grade as shown in the sensitivity table in Table 2 as follows:

Table 2
Colomac Gold Project Global Block Model
Cut-off Grade Sensitivity Table

Block Model Cut-off Value g/t Au	Block Model Avg. Grade g/t Au	Block Model Tonnage (Mt)	Total Oz Au
2.0	3.00	9.587	925,400
1.5	2.44	17.048	1,340,000
1.0	1.94	29.415	1,835,000
0.8	1.79	34.469	1,982,000
0.6	1.64	39.815	2,101,000
0.5	1.55	43.562	2,169,000
0.4	1.38	51.351	2,281,000

Note: The reader is cautioned that the figures in this table are not a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Mineralized Zones

Drilling in 2015 and 2016 to date has constrained the near surface dimensions of high-grade Zone 1.5 as upwards of 125 m long, 30 to 50 m in true width, and extending from surface down to 260 m vertical while open to depth. The discovery and presence of high-grade Zone 1.5 clearly demonstrates the potential for discovery of other higher grade domains throughout the Colomac and Goldcrest sills, and that given their size and continuity, they are expected to have a positive impact on resource expansion. Presently, the Company has identified similar bodies at Zone 3.5 and Zone 2.0 (explained below), while three other possibilities at Colomac were drilled over the course of the 2016 drill program.

Zone 2.0, within the northern part of the Colomac Main Zone, hosts a well-defined mineralized shoot with true widths ranging from 40 m near surface to 80 m at depth. Steeply plunging to the northeast, this style of mineralization constitutes a key opportunity as recent drilling has confirmed its continuation and increasing widths with depth. Zone 3.5, located 2.5 km to the south, is similar to Zone 2.0 but with significantly less drilling, has near surface true widths of 20 m ranging to 40 m at depth. The continuity and widths of mineralization characterizing these two zones establishes them as important prospects for resource expansion. Although less well defined than Zone 2.0, Zone 3.5 contains 0.528 million oz Au at 2.15 g/t Au, or over 1/4 of the current global resource with approximately 20% higher-grade. Of the sill's 7.0 km strike length, 5.5 km are outlined in the 2013 Resource Estimate. Since Zones 2.0 and 3.5 account for only about 20% of that mineralized length, the potential for the intrusion to host similar higher-grade shoots exists and represents a significant opportunity.

The Goldcrest Sill lies parallel to and 400 m west of the compositionally similar Colomac Sill. Two zones, Goldcrest North and South, lie along the sill's 2.5 km length and are included in the 2013 Resource Estimate. Zone estimates are based exclusively on limited historic drilling generally to less than 100 m depth. The Goldcrest resource, having the highest average grade at 2.2 g/t Au, represents a primary underexplored target that is open laterally and to depth.

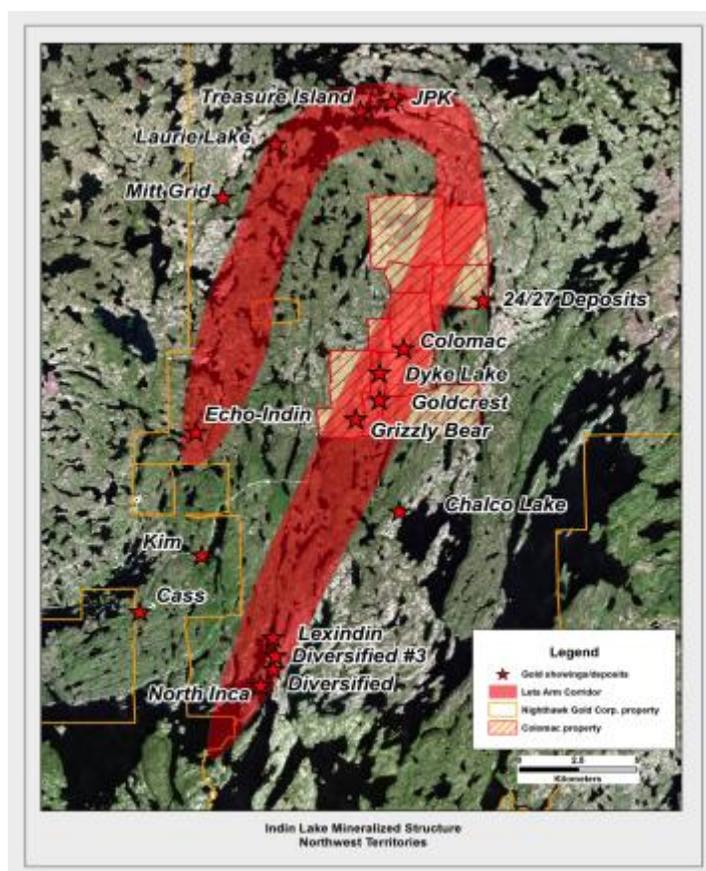
4.3 The Colomac Gold Project

Colomac is located 220 km northwest of Yellowknife, NWT, in the central portion of the Indin Lake Gold Property. Access is by winter road from Yellowknife for approximately three months each year, or year round by chartered aircraft to a 5,000 foot airstrip at site. Five separate gold deposits makeup Colomac (see Figure 2 and Table 1 above): Colomac Main, Grizzly Bear, Goldcrest, Dyke Lake, and 24/27. With the addition of the Colomac Gold Project, over 20 continuous km of mineralized structure has been consolidated (see Figure 3 below) that hosts 9 gold deposits (5 at the Colomac Gold Project, North Inca, Diversified, #3, and Lexindin). To the north, the mineralized structure deviates sharply to the west and hosts several gold showings over an additional 18 km.

Gold was initially discovered at Colomac in 1945. In 1990, Neptune Resources Corp. ("Neptune") put the property into production, but shut it down in 1991 due to unfavourable gold prices after producing 138,600 ounces gold. Royal Oak

acquired Colomac from Neptune in April 1993. Royal Oak recommenced stripping operations in March 1994, with first gold production in July 1994. Royal Oak closed the mine in December 1997 citing low gold prices, and subsequently filed for court protection from its creditors under the Companies' Creditors Arrangement Act in April 1999. AANDC became the owner of Colomac by way of Court Order dated December 13, 1999 following the receivership of Royal Oak and its related companies and proceeded to complete the required remediation for the site. All mining and milling facilities were removed from the site subsequent to AANDC taking control of the property.

Figure 3
Indin Lake Leta Arm Mineralized Structure with Colomac



During its peak, Royal Oak employed over 250 workers on the Colomac site. Reported production statistics are presented in Table 3.

Table 3
Colomac Production History

Year	Ounces Produced	Tonnes Milled	Head Grade (g/tonne)	Recovery	Cash Cost/oz (US\$)	Average Gold Price (US\$)
1990	64,500	1,040,000	1.89	90%	300	384
1991	74,100	1,131,000	2.19	94%	NA	362
1994	40,568	985,091	1.58	87%	NA	384
1995	117,646	2,725,388	1.61	92%	383	384
1996	122,416	3,013,156	1.58	87%	370	388
1997	108,678	2,906,081	1.51	85%	354	331
Total	527,908	11,800,716	1.66	89%		



Colomac's five known gold deposits lie within a north striking, steeply dipping, Archean greenstone belt of deformed sedimentary and intermediate to ultramafic volcanic rocks. Deposits appear in two distinct geological settings with the Colomac Main, Goldcrest, and Dyke Lake deposits hosted within a differentiated mafic intrusion, whereas the Grizzly Bear and 24/27 deposits occur near or within the sedimentary/volcanic rock contact.

All historic gold production was extracted from the Colomac Main Deposit, which occurs in a north-south striking differentiated mafic sill approximately 7 km long and 120 m wide bounded by mafic volcanic rocks. Mineralization is predominantly free gold spatially associated with quartz-carbonate veining and minor sulphides. During deformation, the sill behaved as a competent unit enclosed within more ductile rocks, thus representing the classic competency contrast condition present in many Archean lode gold camps. This has led to the preferential emplacement of gold-bearing veins within the intrusion.

4.4 Exploration Programs

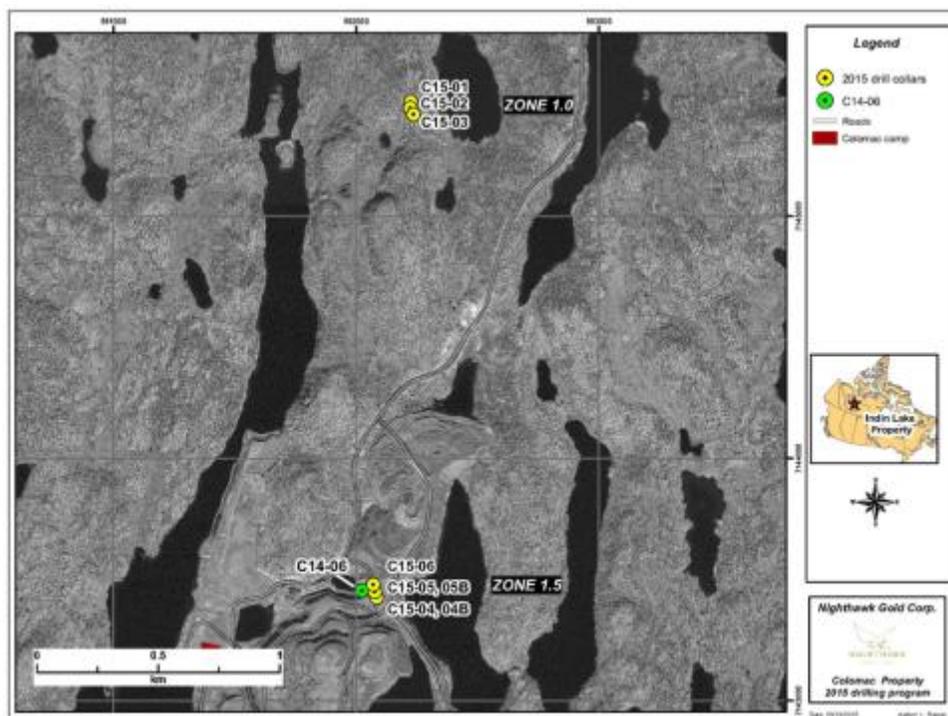
Prior Exploration Programs

For details of previous exploration programs, please see the Company's previous MD&A's filed on SEDAR.

2015 Exploration Program

On October 26, 2015, the Company announced the results from its 2015 drill program, which was completed from July to September 2015. Drilling focused on delimiting and extending the high-grade gold mineralization at Zone 1.5 (recently discovered during the 2014 exploration program) and testing Zone 1.0 for the first time. See Figure 4 below for 2015 drill program drill locations.

Figure 4
2015 Drill Program – Drill Locations



Five holes were drilled within Zone 1.5 to expand the recently discovered high-grade gold mineralization defined by hole C14-06, which intersected 52.50 m of 7.78 g/t Au. Holes C15-04 and 04B were collared 25 m south of C14-06 and intercepted 77.75 m of 2.63 g/t Au, including 32.95 m of 4.19 g/t Au, including 12.33 m of 7.77 g/t Au. Hole C15-06 was drilled 25 m north of C14-06 returning 31.20 m of 3.89 g/t Au, including 8.60 m of 7.63 g/t Au. This drilling validated the existence of the high-grade gold zone over a strike length of at least 60 m and to a vertical depth of 175

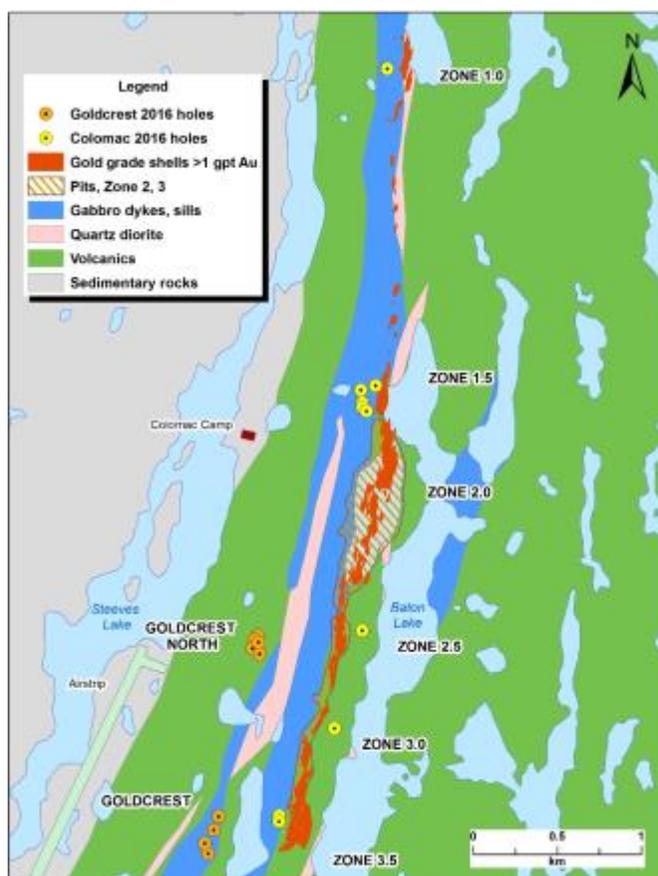
m; the zone remains open in all directions.

Three shallow holes were also completed at Zone 1.0, located 2.0 km north of Zone 1.5 along the trend of the intrusion, as part of an initial campaign to test for high-grade gold zones similar to Zone 1.5. All holes intersected significant mineralization over a strike length of 60 m and to a vertical depth of less than 150 m. Grade appears to improve to the south as evidenced by hole C15-03 intersecting 43.10 m of 1.13 g/t Au, including 8.45 m of 2.23 g/t Au. This was the Company's first drilling within the northern sector of the intrusion, which effectively opened up over 2.0 km of prospective ground.

2016 Exploration Program

Nighthawk initiated its 2016 drill program at the Colomac Gold Project's Colomac and Goldcrest deposits in late June 2016 with two drill rigs and concluded by completing 8,400 m by late September. The objectives of the 34 hole 2016 program were to help delineate Zone 1.5, test for other higher-grade prospects within the Colomac and Goldcrest sills, and to target near-surface resource expansion opportunities. Drilling was planned to continue to expand recently discovered high-grade gold mineralization at Colomac (Zones 1.0, 1.5, 2.5 and 3.5), and follow-up on the 2014 drilling results at Goldcrest, all targeting shallow higher-grade mineralization and expanding known zones along strike. See Figure 5 below for 2016 drill program drill locations.

Figure 5
2016 Drill Program – Drill Locations



Drilling within Colomac Zone 1.5 followed-up on the success of 2014 and 2015 results where hole C14-06 intersected 52.50 m of 7.78 g/t Au (see December 3, 2014 news release), and 32.95 m of 4.19 g/t Au from hole C15-04B (see October 26, 2015 news release). Planned holes also targeted select locations within Zones 3.5 and 2.0 where significant near surface gaps in the current resource exist. Drilling at Goldcrest focused on the untested region along strike to the north and continue to extend mineralization intersected in the 2014 program. Holes were also planned for



Goldcrest North, an isolated zone of near surface mineralization in the 2013 Resource located 600 m northeast of Goldcrest, but a section that the Company has never explored.

On September 13, 2016, the Company announced initial results from the 2016 drill program and its drilling at Zone 1.5, highlights of which included hole C16-03 intersecting 52.07 m (40 m true width) of 7.72 g/t Au and hole C16-01 intersecting 31.45 m (25 m true width) of 4.14 g/t Au. Results not only proved that distinct higher grade domains clearly exist at Colomac, but that they can be sizable bodies of relatively predictable geometry and great continuity. Drillholes C16-01 and 01B were collared 25 m south of C15-05 and 05B, two holes drilled in 2015 as step-outs from the initial 2014 discovery hole C14-06. Both holes intersected significant mineralization over widths typical of Zone 1.5 mineralization indicating that the zone extends southward as C16-01 returned 31.45 m of 4.14 g/t Au, including 13.75 m of 6.52 g/t Au, and C16-01B 39.60 m of 2.38 g/t Au. Holes C16-02 and 02B were step-out holes 25 m south of C16-01 and 01B. Although mineralization was intersected by both holes, it was weaker and over narrower widths, suggesting the high-grade portion of Zone 1.5 was not intersected, and that the southern boundary of this north plunging mineralized shoot may lie between the sections drilled by C16-01 and C16-02. Hole C16-03 was drilled 75 m north of C16-01 and was laid out to test the upward projection of mineralization cut by C15-06. At 100 m vertical depth and 65 m above the C15-06 intersection, C16-03 intersected 52.07 m of 7.72 g/t Au, including 25.47 m of 14.25 g/t Au, and including 12.35 m of 9.58 g/t Au.

On October 12, 2016, further drill results were announced and defined the near surface boundaries and dimensions of Zone 1.5, therefore supporting the existence of constrained high-grade domains within the Colomac mineralized system. Results displayed that the zone continues uninterrupted down plunge and supports its continuity of mineralization to depth, as C16-03B cut 72.65 m (50 m true width) of 5.58 g/t Au, including 17.80 m of 17.72 g/t Au, 100 m below the C16-03 intersection.

Hole C16-05 was collared 25 m north of C16-03 and 03B to test the northern limits of the zone. Although mineralization was intersected over significant widths, it was not the style typical of the higher grade domains, as a result the northern boundary is now fixed between the sections drilled by C16-03 and C16-03B and C16-05. Given the geometry of the plunging zone, C16-05 appears to have overshot the high-grade intersected in C16-03. Drilling has therefore constrained the near surface dimensions of high-grade Zone 1.5 as upwards of 125 m long, 30 to 50 m in true width, and extending from surface down to 260 m vertical while open to depth. The discovery and presence of high-grade Zone 1.5 clearly demonstrates the potential for discovery of other higher grade domains throughout the Colomac and Goldcrest sills, and that given their size and continuity, they are expected to have a positive impact on resource expansion, consequently they remain a priority exploration target for the Company. Presently, the Company has identified similar bodies at Zone 3.5 and Zone 2.0, while three other possibilities were drilled over the course of the 2016 drill program. Results for those holes are pending.

On November 24, 2016, the Company announced results from potential high-grade prospects along the seven kilometre Colomac sill and parallel Goldcrest sill. See press release for results of Zones 1.0 and 2.5, two new Colomac high-grade gold zone candidates, as well as near surface resource expansion targets at Zone 3.5 and Goldcrest. Drilling extended Zone 1.0 by an additional 30 m to the south, and confirmed the existence of a broad zone of near surface mineralization, open to depth, and extending over a surface strike length in excess of 90 m. Current modelling appears to indicate that better mineralization, and the potential for a high-grade zone, may occur with depth and south of the current hole. Targets generated from that work will be drilled in the upcoming 2017 campaign. Nighthawk has yet to explore the two kilometres of sill between Zone 1.0 and high-grade Zone 1.5, a region that remains relatively open and untested, with only sparse, shallow, and widely spaced historical holes.

Four holes were drilled to test the southern extension of high-grade Zone 3.5, to better constrain its southern boundary, and to infill a near surface resource gap. Hole C16-08 encountered a narrowing of the host quartz diorite, and along with steeper hole C16-08B, returned narrow cuts of weak mineralization, indicating that the southern boundary of the high-grade portion of the zone lies immediately north.

Hole C16-09, collared 33 m south of C16-08, intersected a near surface intercept of 13.05 m of 1.44 g/t gold including 5.60 m of 2.22 g/t gold, grades more typical of Colomac mineralization lateral to high-grade shoots. Hole C16-09B, a steeper hole from the same setup, intersected 9.00 m of 0.94 g/t gold. Both holes intersected mineralization at fairly shallow depths of 57 m and 102 m, respectively. The better mineralization reported for C16-09 over holes C16-08 and C16-08B is a possible indication that a continuation of Zone 3.5, or another north plunging gold zone, lies to the south. Additional modelling is underway to detail a vector direction for follow-up drilling.



The core of Zone 3.5 is known to extend to a vertical depth in excess of 800 m, as determined by a 1997 historical hole that intersected 4.57 m of 7.63 g/t gold and 12.19 m of 3.24 g/t gold. Given that the sill appears uninterrupted to depth, it is believed that Colomac high-grade zones remain open to depth and follow a steeply plunging trajectory to the northeast.

The 2016 drill program also included drilling at Goldcrest North in which eight holes were drilled to test the projection of the zone's near surface mineralization to depth beneath the current resource. Goldcrest North appears to be a detached portion of the main 2.5 kilometre long Goldcrest sill located 600 m to the southwest. Nighthawk's 2016 drill program was its first campaign at Goldcrest North in which eight holes were laid out to test the downdip and lateral extensions of mineralization intersected by historical drilling, to probe for the presence of higher grade domains, and to gather much needed information to more effectively model sill geometry. Four holes were reported in an October 12, 2016 news release, and another four holes in a November 24, 2016 news release. The area is of particular interest as Goldcrest contributes the highest average grade in the current resource estimate at 2.19 g/t gold (June 17, 2013 news release), yet it remains largely underexplored off its flanks and to depth.

Nighthawk's 2016 Goldcrest North holes all intersected gold mineralization over a strike length of approximately 110 m. Although gold values typical of Colomac-type high-grade zones were not encountered, better values do occur within a central 55 m section bracketed by holes G16-02-02B and G16-03, -03B, and highlighted by hole G16-05, which intersected 12.25 m (8.00 m true width) of 1.49 g/t gold, and a separate broad low-grade zone of 25.25 m (16.00 m true width) of 0.67 g/t gold. Geological models are currently being updated to help visualize additional target opportunities, and to better understand the geochemical results, character, and significance of noted cross-cutting dykes similar to the host quartz diorite.

34 holes for 8,400 m were drilled in the 2016 drill program, of which 25 holes (5,960 m) have been reported to the date of this MD&A. Results for the remainder of the holes will be released once assay results are received and compiled. Outside of Colomac, ongoing data compilation and syntheses continues as part of Nighthawk's regional prospecting and mapping programs. Results from that work will be summarized in upcoming news releases.

The Company is currently planning its most active exploration program to date, scheduled to commence in early 2017 and extend through to early October. Exploration activities will not only focus on its Colomac Gold Project but span throughout its highly prospective Indin Lake Gold Property land package, consisting of extensive diamond drilling, ground geophysics, detailed geological mapping and prospecting.

SUPERIOR PROJECT

As described in Section 2 – Amalgamation of Nighthawk and Superior, on May 27, 2016, Nighthawk and Superior Copper completed the Amalgamation involving Nighthawk, Superior and a wholly-owned subsidiary of Nighthawk, whereby Nighthawk acquired all the issued and outstanding common shares of Superior. Upon the Amalgamation, a purchase price allocation of \$5.93 million was allocated to the Superior Project.

The Superior Project is located approximately 85 km northwest of Sault Ste. Marie, Ontario, is approximately 179 square km of contiguous claims, and includes the past-producing Coppercorp Mine.

The Coppercorp Mine operated from 1965 to 1972 and reportedly produced roughly one million tonnes of ore at a mine-recovered grade of 1.16% copper, which is equal to 23.8 million pounds of copper, (SMDR 000852, Source Mineral Deposit Records, Sault Ste. Marie District Geologist's Office, MND&M). The mine shut down due to a decline in copper prices and following closure, the property was restricted from any mining and exploration activity for 30 years.

No further exploration expenditures are budgeted to be spent on the Superior Project as the Company's focus is the Indin Lake Gold Property. Thus, the carrying value of the Superior Project is unlikely to be recovered from development or sale and a write-down of \$5.93 million has been recorded on the consolidated statement of comprehensive loss for the year ended July 31, 2016.



5. SERVICE OBLIGATION UNDER TERMS OF COLOMAC AGREEMENT

As consideration for the Colomac Gold Project (see Section 4.1 – Acquisitions and Option Agreements), Nighthawk committed to perform reclamation services on three other sites within the Indin Lake Gold Property land package which are the responsibility of AANDC, being the Diversified, Chalco Lake, and Spider Lake sites. The obligation for the reclamation services being carried out on behalf of AANDC totals a maximum of \$5.00 million. The Company entered into the Colomac LOC's totaling \$5.00 million in favour of AANDC to secure the obligation to perform the reclamation services for each site. The Colomac LOC's are thereby secured by the Colomac GIC's at a Canadian chartered bank for the same amounts.

The Company has not assumed the reclamation liabilities of these three sites directly and is not responsible for any historical environmental liabilities associated with the Colomac Gold Project. Upon completion of the reclamation services 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 (\$3.00 million for the Diversified site, \$1.00 million for the Chalco Lake site and \$1.00 million for the Spider Lake site). The service obligation with respect to the Chalco Lake site was completed during Fiscal 2013 and no further work is required thereon. At any time, the Company may terminate the liability relating to this service obligation, but as a consequence would relinquish the related Colomac GIC still held as security against the Colomac LOC's at that time.

Diversified

No costs were incurred on the Diversified service obligation during Fiscal 2016. Cumulative expenditures to July 31, 2016 are \$1.28 million. During the year ended July 31, 2012, significant work was performed (\$1.22 million) to remove a majority of the existing structures, hazardous and non-hazardous waste from the site. A spur ice road to the Diversified site was previously commissioned during the winter months to efficiently transport the material offsite to the appropriate disposal facilities. No further demolition work is required at Diversified as all structures have been removed. Remaining work includes the removal of debris, management of contaminated soil and planning closure of the mine shaft. Further significant remediation work on this site may be carried out once a final reclamation plan has been prepared and all necessary approvals obtained from AANDC. Fulfillment of this obligation would require the use of hard dollar funds (non-flow-through) and may be carried out when the Company has a sufficient budget to do so. Once the work is completed however, the Colomac LOC (for Diversified) would be terminated and the restriction on the related Colomac GIC of \$3.00 million would be released.

Spider Lake

No costs were incurred on the Spider Lake service obligation during Fiscal 2016. Cumulative expenditures to July 31, 2016 are \$0.23 million. During the summer of 2012, Nighthawk carried out a delineation program at Spider Lake and obtained a better estimate of the hydrocarbon and metals contamination at site. A waste rock characterization program was performed as well. Results of these programs allowed Nighthawk to plan the reclamation work at this site. All necessary approvals of the Spider Lake reclamation plan have been obtained. The reclamation work planned for the summer of 2014 was not able to be carried out as the Company did not have a sufficient budget of hard dollar funds (non-flow-through) to complete the work. Once the work is completed however, the Colomac LOC (for Spider Lake) would be terminated and the restriction on the related Colomac GIC of \$1.00 million would be released.

6. EXPLORATION AND EVALUATION EXPENDITURES

Property	Balance July 31, 2015	Incurred During Fiscal 2016			Balance July 31, 2016
		Option payments and acquisition costs	Exploration costs	Write-down	
Indin Lake Gold Property	\$ 37,755,094	\$ 137,238	\$ 2,910,372	\$ 1,449,279	\$ 39,353,425
Superior Project	-	5,925,531	6,817	5,932,348	-
	\$ 37,755,094	\$ 6,062,769	\$ 2,917,189	\$ 7,381,627	\$ 39,353,425



The following table identifies the breakdown of the Indin Lake Gold Property's exploration and evaluation expenditures for the year ended July 31, 2016 and 2015:

Indin Lake Gold Property
Capitalized Exploration and Evaluation Expenditures
For The Year Ended July 31, 2016 and 2015

Year ended July 31,	2016	2015
Option Payments & Acquisition Costs		
Balance, beginning of year	\$ 10,551,501	\$ 10,133,416
Option payments	-	300,000
Acquisition costs	137,238	118,085
Write-down	(550,000)	-
	(412,762)	418,085
Balance, end of year	\$ 10,138,739	\$ 10,551,501
Exploration Costs		
Balance, beginning of year	\$ 27,203,593	\$ 22,659,779
Geological & consultant fees	754,762	959,785
Transportation	677,861	816,042
Drilling	537,357	1,355,852
Camp	513,917	767,443
Licenses & permits	131,915	95,749
Assaying & analytical	93,861	262,801
Administrative office costs & other	32,707	35,302
Environmental	6,990	25,805
Stock-based compensation (non-cash)	161,002	225,035
Write-down	(899,279)	-
	2,011,093	4,543,814
Balance, end of year	\$ 29,214,686	\$ 27,203,593
Cumulative Expenditures to Year End	\$ 39,353,425	\$ 37,755,094

During the year ended July 31, 2016, capitalized acquisition costs of \$6.06 million were incurred, of which \$5.93 million related to the purchase price allocated to the Superior Project upon amalgamation of Superior (see section 2 – Amalgamation of Nighthawk and Superior); and \$0.13 million related to the Damoti Reclamation Obligation (as described in section 4.1 – Acquisitions and Option Agreements). Acquisition costs were written down by \$6.48 million, of which \$5.93 million was due to the write-down of the Superior Project and \$0.55 million due to the termination of the Kim/Cass Option during the current year.

Capitalized exploration costs of \$2.92 million were incurred for the year ended July 31, 2016 and were offset by the write-down of costs of \$0.90 million associated with the termination of the Kim/Cass Option during the year. \$1.00 million related to the 2016 exploration program (drilling & prospecting), which ran from late June to September 2016; \$1.18 million related to the 2015 exploration program (drilling & prospecting), which was carried out from late July to September 2015; \$0.58 million related to ongoing geological evaluation and consulting costs, annual property lease payments; and \$0.16 million related to capitalized stock-based compensation. Exploration costs related to the ongoing geological evaluation of the Colomac Gold Project and included drilling and transportation, the organization of the camp and the necessary logistical costs therein, geological and consulting fees, and assaying costs, as well as regional reconnaissance/prospecting expenses and mining lease renewal costs associated with the entire Indin Lake Gold Property. Exploration costs of \$4.54 million were incurred for the previous year ended July 31, 2015. The 2014 exploration program was carried out from June to October 2014 and the 2015 exploration program from July to September 2015. Therefore, due to the timing of the Company's previous year end relative to the start of the 2014



program, the majority of expenditures for the 2014 exploration program were incurred during the year ended July 31, 2015.

**Indin Lake Gold Property
2016 / 2015 / 2014 Exploration Programs**

	2016 Program June – Sept. 2016	2015 Program July – Sept. 2015	2014 Program June – Oct. 2014
Drilling	\$ 918,027	\$ 247,373	\$ 1,688,683
Transportation	847,559	312,126	1,034,150
Camp	451,725	253,401	558,126
Geological & consultant fees	353,945	161,218	274,546
Assaying & analytical	164,417	59,560	237,683
Environmental	5,260	5,550	32,045
Licenses & permits	10,600	1,193	369,048
All-in drill costs	\$ 2,751,533	\$ 1,040,421	\$ 4,194,281
Metres of drilling	8,400	2,079	13,647
Number of active drills	2 drills	1 drill	3 drills
Drill cost per metre	\$328/metre	\$500/metre	\$307/metre
Reconnaissance & prospecting costs	\$ 257,126	\$ 212,634	\$ 847,807

The table above represents the Company's all-in cost to operate its 2016, 2015 and 2014 exploration programs at its Indin Lake Gold Property, which included drill programs on the Colomac Gold Project and regional reconnaissance and prospecting on other ground within the property. The camp is located at the central Colomac Gold Project (see Figure 1). Nighthawk has achieved efficiencies of drill operations, as identified by its 2014 drill cost per metre of \$307. The 2014 campaign utilized three drill rigs and completed 13,647 m of drilling. The limited 2015 program completed 2,079 m (with one drill) but was necessary to further advance the Colomac Gold Project as well as fully utilize the Company's remaining flow-through obligation. A static amount of setup and logistical costs are required to launch the drill program. Utilizing one drill (as opposed to three in 2014) and completing a limited amount of drilling provided for reduced efficiencies of scale and a greater drill cost per metre for the 2015 campaign. The 2016 drill campaign utilized 2 drills and completed 8,400 m. See Section 4.4 – Exploration Programs for further details on the 2015 and 2016 exploration programs; for details of previous exploration programs, please see the annual MD&A for the year ended July 31, 2015 filed on SEDAR.

7. SELECTED ANNUAL INFORMATION

The following chart summarizes selected annual financial information for the three most recently completed financial years. The information has been prepared in accordance with IFRS:

Operations	Years Ended July 31,		
	2016	2015	2014
Operating expenses	\$ 815,865	\$ 712,659	\$ 873,417
Stock-based compensation	489,144	521,134	137,864
Loss (gain) on settlement of mineral property option payments	-	(11,282)	3,100
Interest and accretion expense	146,762	-	-
Write-down of exploration and evaluation assets	7,381,627	-	-
Write-down of equipment	-	85,000	-
Interest income	(67,966)	(79,381)	(55,095)
Deferred income tax provision (recovery)	(218,322)	1,365,058	(581,792)
Loss for the year	8,547,110	2,593,188	377,494
Loss per share	0.12	0.04	0.01
Total assets	52,815,931	44,254,731	46,110,227
Total long-term financial liabilities	6,951,754	5,976,778	3,424,801
Cash dividends declared	\$ -	\$ -	\$ -



The Company is striving to reduce its overhead. In November 2015, the Company paid \$310,000 of termination payments in line with employment contracts to former executives. Taking this into account, the Company's operating expenses have decreased consistently over the last 3 fiscal years.

Variances in the write-down of exploration and evaluation assets is at the discretion of management and is recorded when circumstances arise which indicates the carrying value of the Company's exploration and evaluation assets are impaired. During the Fiscal 2016, the carrying value of the capitalized costs associated with the Kim/Cass Option and the Superior Project were written-down. The Kim/Cass Option was terminated in December 2015, therefore \$1.45 million was written off accordingly. In addition, since no further exploration expenditures were budgeted to be spent on the Superior Project and thus the carrying value of the Superior Project of \$5.93 million was written-down as well.

Variances in stock-based compensation are affected primarily by the timing and vesting of option grants.

The gain on settlement of mineral property option payment in Fiscal 2015 of \$11,282 resulted from the accounting value attributed to the 492,362 common shares issued to settle the \$0.15 million option payment obligation for the Kim and Cass gold deposits. The loss on settlement of mineral property option payment of \$3,100 from the prior year resulted from the accounting value attributed to the issuance of 438,596 common shares and 353,669 common shares to settle option payment obligations of \$0.25 million and \$0.13 million, respectively. See Section 4.1 – Acquisitions and Option Agreements for further details on the Kim and Cass deposits.

Accretion expense related to the expensed portion of the accretion of the secured notes. The Secured Notes were issued in November 2015 and were repaid in July 2016.

During the year ended July 31, 2015, certain equipment having a carrying values of \$85,000, were written off due to the state of disrepair.

Deferred income taxes result mainly from differences between the accounting and tax values of assets recognized on Nighthawk's consolidated statement of financial position.

Variances in total assets is primarily a result of an equity financing in June 2014 and June 2016 conducted to finance Nighthawk's exploration activities.

Nighthawk has no significant operating revenues and has not declared any dividends.

8. RESULTS OF OPERATIONS

Operations	Three Months Ended July 31,		Year Ended July 31,	
	2016	2015	2016	2015
Salaries, director and consulting fees	\$ 18,078	\$ 111,433	\$ 562,560	\$ 457,722
Professional fees	(5,946)	9,512	89,838	42,721
Office and administration	32,404	28,033	78,811	129,283
Regulatory and shareholder information	39,875	(9,419)	68,853	33,910
Travel	5,970	16,859	15,803	49,023
Write-down of exploration and evaluation assets	5,932,348	-	7,381,627	-
Stock-based compensation	440,926	-	489,144	521,134
Interest and accretion expense	84,290	-	146,762	-
Interest income	(8,636)	(3,690)	(67,966)	(79,381)
Write-down of equipment	-	85,000	-	85,000
Gain on settlement of mineral property option payment	-	-	-	(11,282)
Deferred income tax provision (recovery)	308,760	1,365,058	(218,322)	1,365,058
Loss for the period	\$ 6,848,069	\$ 1,602,786	\$ 8,547,110	\$ 2,593,188
Loss per share – Basic and fully diluted	\$ 0.07⁽¹⁾	\$ 0.03⁽¹⁾	\$ 0.12⁽¹⁾	\$ 0.04⁽¹⁾

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.



8.1 Year Ended July 31, 2016

Nighthawk's results of operations for the year ended July 31, 2016 resulted in a loss of \$8.55 million, compared to a loss of \$2.59 million for the same period in prior year.

The variance between the two periods is due to:

- The current period write-down of exploration and evaluation assets resulted from the termination of the Kim/Cass Option in December 2015 of \$1.45 million as well as a write-down of the Superior Project of \$5.93 million as the Company intends to focus on its Indin Lake Gold Property;
- The deferred income tax provision/recovery resulted mainly from differences between the accounting and tax values of assets recognized on its statement of financial position;
- Salaries, director and consulting fees were increased for the year due to \$0.31 million of severance paid to a former officer and employee of the Company;
- Stock-based compensation relates to the amount of vested options during the year. During the year ended July 31, 2016 and 2015, stock options vested in accordance with their grant terms, therefore accounting for the stock-based compensation expense which was incurred;
- Interest and accretion expense of \$146,762 related to the Secured Notes. The Secured Notes were issued on November 20, 2015, therefore accretion expense did not begin to be incurred until that time;
- Professional fees were increased from prior year due to legal and assurance services provided with respect to the Amalgamation (see Section 2 – Amalgamation of Nighthawk and Superior for further details) among other corporate legal activity during the year;
- The Company was able to reduce its levels of office and administration costs and travel expenses in order to conserve its cash resources;
- The gain on settlement of mineral property option payment of \$11,282 from prior year resulted from the accounting value attributed to the 492,362 common shares issued to settle the \$150,000 option payment obligation for the Kim and Cass gold deposits (see Section 4.1 – Acquisitions and Option Agreements); and
- Interest income is derived from the cash balance on hand as well as the Colomac GIC's being held has restricted cash to secure the Colomac LOC's.
- In prior year, a deferred income tax provision was recorded, reflecting the tax effect of the renunciation of flow-through expenditures. As a result of renounced exploration expenditures, a differences between the accounting and tax value of exploration and evaluation assets arises, therefore creating a deferred income tax liability.

8.2 Three Months Ended July 31, 2016

Results of operations for the three months ended July 31, 2016 resulted in a loss of \$6.85 million, compared to a loss of \$1.60 million for the same period in prior year. The variance between the two three month periods is primarily due to the explanations as provided for in the annual period in Section 7.1 above.

9. QUARTERLY FINANCIAL INFORMATION

The following selected financial data for the past eight quarters has been prepared in accordance with IFRS and should be read in conjunction with Nighthawk's audited annual consolidated financial statements:

Operations	Quarter Ended Oct. 31, 2015	Quarter Ended Jan. 31, 2016	Quarter Ended Apr. 30, 2016	Quarter Ended Jul. 31, 2016
Operating expenses	\$ 134,325	\$ 399,036	\$ 192,123	\$ 90,381
Stock-based compensation	-	48,218	-	440,926
Write-down of exploration and evaluation assets	-	1,449,279	-	5,932,348
Interest and accretion expense	-	24,408	38,064	146,762
Interest income	(36,160)	(8,083)	(15,087)	(8,636)
Deferred income tax provision (recovery)	-	(527,082)	-	308,760
Net loss	\$ 98,165	\$ 1,385,776	\$ 215,100	\$ 6,848,069
Net loss per share	\$Nil ⁽¹⁾	\$0.03 ⁽¹⁾	\$Nil ⁽¹⁾	\$0.07 ⁽¹⁾



Cash and cash equivalents	\$ 748,065	\$ 837,415	\$ 245,797	\$ 8,199,849
Other current assets	418,913	136,511	230,676	783,657
Restricted cash	4,479,000	4,479,000	4,479,000	4,479,000
Exploration and evaluation assets	39,110,706	37,910,061	38,033,620	39,353,425
Total Assets	\$ 44,756,684	\$ 43,362,987	\$ 42,989,093	\$ 52,815,931
Secured Notes	\$ -	\$ 797,563	\$ 835,627	\$ -
Provision for service obligation	3,012,314	3,012,314	3,012,314	3,012,314
Reclamation provision	401,150	401,150	401,150	401,150
Deferred income tax liability	\$ 1,039,010	\$ 511,928	\$ 511,928	\$ 2,288,290

Operations	Quarter Ended Oct. 31, 2014	Quarter Ended Jan. 31, 2015	Quarter Ended Apr. 30, 2015	Quarter Ended Jul. 31, 2015
Operating expenses	\$ 198,038	\$ 226,905	\$ 131,298	\$ 241,418
Stock-based compensation	-	521,134	-	-
Loss (gain) on settlement of mineral property payment	-	(11,282)	-	-
Interest income	(33,490)	(24,124)	(18,077)	(3,690)
Deferred income tax provision (recovery)	-	-	-	1,365,058
Net loss (income)	\$ 164,548	\$ 712,633	\$ 113,221	\$ 1,602,786
Net loss (income) per share	\$Nil⁽¹⁾	\$0.02⁽¹⁾	\$Nil⁽¹⁾	\$0.02⁽¹⁾

Cash and cash equivalents	\$ 3,639,040	\$ 2,450,786	\$ 2,059,373	\$ 1,502,002
Other current assets	555,831	322,859	303,373	518,635
Restricted cash	4,479,000	4,479,000	4,479,000	4,479,000
Equipment	85,000	85,000	85,000	-
Exploration and evaluation assets	36,504,499	37,242,030	37,462,873	37,755,094
Total Assets	\$ 45,263,370	\$ 44,579,675	\$ 44,389,619	\$ 44,254,731
Provision for service obligation	\$ 3,012,314	\$ 3,012,314	\$ 3,012,314	\$ 3,012,314
Reclamation provision	401,150	401,150	401,150	401,150
Deferred income tax liability	\$ 1,198,256	\$ 1,198,256	\$ 1,198,256	\$ 2,563,314

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

The Company has not paid any dividends.

Operating expenses include office and administrative costs, consulting fees, regulatory and shareholder information, professional fees, salaries and director fees and travel costs. Variances in operating expenses over the previous quarters related to office and administrative costs, professional and consulting fees, which varied based upon the scope of each exploration season and as well as timing of financing activities. Moving forward over the next year, it is expected that monthly expenses will be maintained at approximately \$40,000, before considering certain one-time costs, as exploration activities will focus on the Indin Lake Gold Property.

Stock-based compensation expense is a result of the timing of vested stock options fair valued using the Black-Scholes option pricing model.

The deferred income tax provision (recovery) recorded through the periods is mainly a result of differences between the accounting and tax values of assets recognized on the consolidated statement of financial position.

The major variances in cash and cash equivalents and total assets are mainly attributable to equity and debt placements and the funding of exploration activities as well as professional fees, consulting fees, travel and office and administrative expenses. The Company is in the exploration stage and therefore does not generate any operating revenue. The other variances also relate to the restricted cash posted as security under the Colomac Agreement (see Section 4.1 – Acquisitions and Option Agreements for further details).

The variance in exploration and evaluation assets is primarily a result of the option payment and acquisition costs incurred under mineral property option agreements as well as capitalized exploration costs and write-downs. Exploration and evaluation assets are analyzed each period end to determine whether any write-downs are necessary. As a result, exploration and evaluation asset write-downs occur on an irregular basis.



The major variances in non-current liabilities are mainly attributable to the debt financing of Secured Notes as well as the provision for service obligation, which was incurred as a result of the acquisition of the Colomac Gold Project (see Section 5 – Service Obligation Under Terms of Colomac Agreement for further details).

10. LIQUIDITY AND CAPITAL RESOURCES

The Company is wholly dependent on equity or debt financing to complete the exploration and development of its mineral properties. There can be no assurance that financing, whether debt or equity, will be available to Nighthawk in the amount required at any particular time or for any particular period, or, if available, that such financing can be obtained on terms satisfactory to Nighthawk (see Section 16.8 – Risk Factors). Nighthawk has not generated any revenue from operations and does not expect to generate any such revenue in its next fiscal year.

The working capital balance at July 31, 2016 was \$7.50 million (including cash of \$8.20 million). At July 31, 2016, long-term assets primarily included exploration and evaluation assets of \$39.35 million and restricted cash of \$4.48 million; long-term liabilities primarily consisted of a provision for service obligation of \$3.01 million (see Section 4.1 – Acquisitions and Option Agreements and Section 5 – Service Obligation Under Terms of Colomac Agreement), a deferred income tax liability of \$2.29 million, and flow-through share premium liability of \$1.25 million. With the non-brokered private placement of \$10.09 million which closed on November 1, 2016 as further described in Section 3 – Financings – Debt and Equity Placements, the Company's consolidated working capital position as of the date of this MD&A is \$15.7 million.

Funds from further debt and equity financings will be used to fund future drill programs; reclamation consulting work to be carried out to satisfy the service obligation under the terms of the Colomac Agreement; and general working capital purposes. Potential proceeds may be received from warrant and stock option exercises as well as the potential recovery of restricted cash being held as letters of credit (securing the service obligation under the Colomac Agreement).

The Company had no off balance sheet arrangements as at July 31, 2016.

11. OUTLOOK

The Company completed a 2014 exploration program from June to October 2014, a 2015 exploration program from July to September 2015, and a 2016 program from June to September 2016. \$6.91 million of flow-through funds were raised in a June 2014 financing to support exploration programs and this flow-through expenditure obligation has been satisfied. \$5.00 million of flow-through funds were raised in a June 2016 financing to support exploration programs. As of July 31, 2016, Nighthawk had \$3.93 million of flow-through expenditure obligations remaining from this placement. Subsequent to year end on November 1, 2016, \$7.00 million of additional flow-through funds were raised in a November 2016 financing. As of the date of this MD&A, an aggregate of \$9.00 million of flow-through expenditure obligations remain, which must be expended by December 31, 2017.

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 as well as global economic and gold price volatility. There is no assurance that funding initiatives will continue to be successful to fund planned exploration activities, which are focused on the Indin Lake Gold Property.

Working capital from treasury, as available from time to time, may also be used to acquire and explore other mineral properties either alone or in concert with others as opportunities and finances permit.

With the acquisition of Superior (see Section 2 – Amalgamation of Nighthawk and Superior), as well as the non-brokered private placement financings completed on June 29 and November 1, 2016 (see Section 3 – Financings – Debt and Equity Placements) the Company's consolidated working capital position as of the date of this MD&A is \$15.7 million. Proceeds from flow-through shares from the recent financings are to be used for further exploration and development of the Company's flagship Indin Lake Gold Property. The Company is currently planning its most active exploration program to date, scheduled to commence in early 2017 and extend through to early October. Exploration activities will not only focus on its Colomac Gold Project but span throughout its highly prospective Indin Lake Gold



Property land package, consisting of extensive diamond drilling, ground geophysics, detailed geological mapping and prospecting.

An investment in Nighthawk's securities is speculative, see Section 16.8 – Risk Factors.

12. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are presented in Canadian dollars and have been prepared in accordance with 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 periods presented. Nighthawk is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Nighthawk's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company's significant accounting policies are summarized in note 3 to the audited annual consolidated financial statements for the year ended July 31, 2016. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Nighthawk's consolidated financial statements.

12.1 Exploration and Evaluation Assets

Exploration and evaluation costs, which are intangible costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mining interests. The Company has investigated the ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

12.2 Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected



and actual outcomes. Fair values of share-based payments (including stock options) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

12.3 Flow-through Shares

The Company finances a portion of its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on Nighthawk's consolidated statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

A deferred income tax liability equal to the tax value of flow-through expenditures renounced is recognized once the Company has fulfilled its obligations associated with the renunciation of the related flow-through expenditures. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

13. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of the 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. The 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 uncertainty that management has made at the 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:

- The Company 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;
- The calculation of the fair value of warrants, broker warrants and stock options issued requires the use of estimates in the Black-Scholes option pricing valuation model;
- In connection with the issuance of the Secured Notes, holders received 3,400,000 Secured Note Warrants as additional consideration. Nighthawk has allocated the total principal received between the debt and equity components based on the residual method. The carrying value of the equity instrument was valued as the principal less the fair value of the debt element. The calculation of the fair value of the debt element required



management to estimate a grant date discount rate derived from reviewing comparable entities with outstanding convertible debentures and estimating the effective interest rate assuming no conversion feature;

- The calculation of the reclamation liability and provision for service obligation, being the present value of the estimated costs to restore the properties, are discounted at rates which reflect the 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
- Valuation of deferred income taxes.

14. ACCOUNTING ISSUES

14.1 MANAGEMENT OF CAPITAL RISK

The objective when managing capital is to safeguard Nighthawk's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

The Company considers its shareholders' equity, cash and equivalents as capital, manages the capital structure, and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may issue new shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. The working capital balance at July 31, 2016 was \$7.50 million. With the non-brokered private placement of \$10.09 million which closed on November 1, 2016 as further described in Section 3 – Financings – Debt and Equity Placements, the Company's consolidated working capital position as of the date of this MD&A is \$15.7 million. The timing and extent of the next drill program may depend on its ability to further access the capital markets in order to raise the necessary funds required to carry out such a program. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when the Company needs to raise capital, there will be access to funds at that time and there is no assurance that funding initiatives will continue to be successful to fund its future exploration activities.

14.2 MANAGEMENT OF FINANCIAL RISK

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include fair value of financial instruments and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 16 to the consolidated financial statements for the year ended July 31, 2016.

14.3 CHANGES IN ACCOUNTING POLICIES

The Company did not adopt any new accounting policies during the year ended July 31, 2016.

14.4 RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting periods after July 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 has not yet been adopted and is being evaluated to determine the impact on Nighthawk.

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.



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.

In January 2016, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers.

15. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – July 31, 2015	58,453,693
Common shares issued on Amalgamation with Superior – see Section 2	54,285,713
Non-brokered private placement – see Section 3	21,111,111
Issuance of common shares on exercise of warrants	400,000
Issuance of common shares on exercise of stock options	129,974
Common shares outstanding – July 31, 2016	134,380,491
Non-brokered private placement – see Section 3	16,939,231
Issuance of common shares on exercise of warrants	3,000,000
Issuance of common shares on exercise of stock options	503,740
Common shares outstanding – November 28, 2016	154,823,462
Unexercised stock options (avg exercise \$0.337)	10,146,736
Fully diluted common shares outstanding – November 28, 2016	164,970,198

15.1 COMMON SHARES

The Company has authorized share capital consisting of an unlimited number of common shares.

15.2 WARRANTS

During the year ended July 31, 2016, 10,000,000 warrants and 1,200,000 broker warrants, issued in connection with a June 2014 financing, expired unexercised. Upon the Amalgamation with Superior on May 27, 2016, the Company issued 2,255,287 warrants for warrants of Superior. These warrants had an exercise price of \$0.61 and expired July 24, 2016.

On November 20, 2015, 3,400,000 Secured Note Warrants were issued in connection with a debt financing of Secured Notes (see Section 3 – Financings – Debt and Equity Placements). During the year ended July 31, 2016, 400,000 Secured Note Warrants were exercised. As at July 31, 2016, 3,000,000 Secured Note Warrants were outstanding. Subsequent to year end, the remaining 3,000,000 Secured Note Warrants were exercised.



15.3 STOCK OPTIONS

Nighthawk has a stock option plan (the “Plan”) under which stock options may be granted to Directors, Officers, employees, consultants and consultant companies. The 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 Plan is compliant with stock exchange regulations. The options granted vest immediately or as otherwise determined by the Board of Directors.

During the year ended July 31, 2016, 5,365,000 stock options were granted, 2,315,150 were granted in connection with the Superior Amalgamation, 129,974 were exercised, and 1,402,000 expired unexercised. The following stock options remained outstanding at July 31, 2016:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (Years)
August 11, 2016	48,740	48,740	\$0.30	0.1
January 17, 2017	81,233	81,233	\$0.30	0.5
September 13, 2017	129,974	129,974	\$0.30	1.1
January 29, 2018	113,726	113,726	\$0.30	1.5
July 15, 2018	680,000	680,000	\$0.60	2.0
November 29, 2018	364,000	364,000	\$0.50	2.3
March 12, 2019	747,347	747,347	\$0.46	2.6
June 10, 2019	901,689	901,689	\$0.61	2.9
August 12, 2019	162,467	162,467	\$0.61	3.0
December 17, 2019	2,300,000	2,300,000	\$0.34	3.4
December 1, 2020	2,285,000	2,285,000	\$0.15	4.3
June 8, 2021	2,630,000	2,630,000	\$0.25	4.9
July 4, 2021	450,000	250,000	\$0.37	4.9
	10,894,176	10,694,176	\$0.33	3.7

Subsequent to year end, 503,740 stock options were exercised.

16. OTHER INFORMATION

16.1 CONTRACTUAL COMMITMENTS

Nighthawk does not have any commitments for material exploration expenditures, although it may acquire other properties and enter into other joint venture agreements in accordance with its business plan.

Nighthawk committed to perform reclamation services on three other sites within the Indin Lake Gold Property land package which are the responsibility of AANDC, being the Diversified, Chalco Lake, and Spider Lake sites.

In consideration for the conveyance of the Colomac claims and leases, the Company committed to perform reclamation services on three other sites within the Indin Lake Gold Property land package which are the responsibility of AANDC, as further described in Section 4.1 – Acquisitions and Option Agreements. At July 31, 2016, the remaining service obligation was \$3.01 million. At any time, the Company may terminate its service obligation but as a consequence would relinquish any amount of the Colomac GIC still being held as security against the Colomac LOC's at that time.

Upon acquisition of the Damoti Lake Property, the Damoti Reclamation Obligation existed. 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 \$0.40 million. The Company posted two irrevocable standby letters of credit with a Canadian chartered bank in the amount of \$0.48 million to provide security under its land use permit and water access licence for the



Damoti Reclamation Obligation as well as with respect to its exploration activities relating to the Indin Lake Gold Property.

On November 20, 2015, Nighthawk completed an offering of the Secured Notes for an aggregate principal amount of \$0.85 million as further described in Section 3 – Financings – Debt & Equity Placements. The Secured Notes were repaid in full in July 2016.

The Company satisfied its flow-through expenditure obligation relating to the June 2014 financing during Fiscal 2016. As of July 31, 2016, the Company had \$3.93 million of flow-through expenditure obligations remaining from a June 2016 financing. Subsequent to year end on November 1, 2016, \$7.00 million of additional flow-through funds were raised in a November 2016 financing. As of the date of this MD&A, an aggregate of \$9.00 million of flow-through expenditure obligations remain, which must be expended by December 31, 2017.

16.2 SUBSEQUENT EVENTS

Subsequent to year end on November 1, 2016, the Company completed a \$10.09 million. See Section 3 – Financings – Debt & Equity Placements for further details.

Subsequent to year end, 3,000,000 Secured Note Warrants having an exercise price of \$0.15, and 503,740 stock options having a weighted average exercise price of \$0.22 were exercised.

16.3 RESTATEMENT

As disclosed and explained in note 18 to the consolidated financial statements for Fiscal 2016, which accompanies this MD&A, during the year ended July 31, 2016, the Company identified certain accounting differences necessitating restatement of previously issued financial statements. The nature of the accounting differences related to unrecognized deferred income tax on exploration and evaluation expenditures resulting from the renunciation of flow-through expenditures. The impact to the 2015 consolidated financial statements is as follows:

	As previously reported	Adjustment	As restated
Deferred income tax liability	\$1.04	\$1.52	\$2.56
Deferred income tax provision (recovery)	0.16	(1.52)	(1.36)
Net loss and comprehensive loss	(1.07)	(1.52)	(2.59)
Accumulated deficit	(\$8.73)	(1.52)	(\$10.25)
Loss per share	(\$0.02)	(0.02)	(\$0.04)

Certain notes to the consolidated financial statements have been restated to reflect the impact of the adjustments above.

16.4 DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of disclosure controls and procedures as of July 31, 2016. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation are reported within the time periods specified in those rules.

16.5 INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in internal control procedures during the year ended July 31, 2016 that would materially affect, or reasonably likely to materially affect, the internal control over financial reporting.



16.6 LIMITATIONS OF CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

16.7 RELATED PARTY TRANSACTIONS

Transactions for the year ended July 31, 2016 are disclosed and explained in note 14 to the consolidated financial statements for Fiscal 2016, which accompanies this MD&A.

During Fiscal 2016, Nighthawk paid consulting fees of \$225,000 (2015 - \$135,000) to Heather Grace & Co., a company controlled by David Wiley, the Chief Executive Officer and a Director of Nighthawk. At July 31, 2016, the balance owed was \$nil (July 31, 2015 - \$nil).

During Fiscal 2016, Nighthawk paid geological consulting fees of \$150,000 (2015 - \$150,000) to Byron Geological Inc., a company controlled by Dr. Michael Byron, the Chief Geologist and a Director of Nighthawk. At July 31, 2016, the balance owed was \$12,500 (July 31, 2015 - \$12,500).

During Fiscal 2016, Nighthawk paid financial consulting fees of \$80,000 (2015 - \$80,000) to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the Chief Financial Officer of Nighthawk. At July 31, 2016, the balance owed was \$nil (July 31, 2015 - \$nil).

16.8 RISK FACTORS

Nighthawk is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, as well as those discussed elsewhere in this MD&A, the Nighthawk's risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, no key man insurance and enforcement of civil liabilities as discussed further below.

Limited Operating History - An investment in Nighthawk should be considered highly speculative due to the nature of Nighthawk's business. Nighthawk has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Nighthawk may be affected by numerous factors which are beyond the control of Nighthawk and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in Nighthawk not receiving an adequate return of investment capital.



Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of mineral reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Nighthawk's mineral properties are in the exploration stage only and are without known bodies of mineral reserves. The exploration programs proposed by Nighthawk are exploratory searches for commercial ore bodies only. Development of any of Nighthawk's mineral properties will only follow upon obtaining satisfactory exploration results. Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves, develop metallurgical processes and construct mining and processing facilities at a particular site. There is no assurance that Nighthawk's mineral exploration activities will result in any discoveries of commercial bodies of ore. Also, no assurance can be given that any or all of Nighthawk's properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to Nighthawk.

No Mineral Reserves - All of the Nighthawk properties are considered to be in the exploration stage only and do not contain a known body of commercial ore. Mineral reserves are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different ore grades may cause a mining operation to be unprofitable in any particular accounting period. While Nighthawk does have mineral resources, such resources are mineral reserves and do not have demonstrated economic viability.

Conflicts of Interest - Certain of the Directors and Officers of Nighthawk are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of Nighthawk may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Nighthawk's operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Mining Risks and Insurance - The business of mining for gold and other metals is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements - Nighthawk's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining



industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, Officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration operations of Nighthawk and development and commencement of production on its properties require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Nighthawk believes it is in substantial compliance with all material laws and regulations, which currently apply to its activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition - Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Nighthawk. Nighthawk may be unable to acquire additional attractive mineral properties on terms it considers acceptable. Accordingly, there can be no assurance that Nighthawk's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - Nighthawk is in the business of exploring for, with the ultimate goal of producing, precious and base metals from its mineral exploration properties. None of the Nighthawk properties have commenced commercial production and Nighthawk has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Nighthawk will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

Nighthawk has not paid any dividends and it is unlikely to enjoy earnings or paying dividends in the immediate or foreseeable future. Nighthawk has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. Nighthawk has limited cash and other assets.

A prospective investor in Nighthawk must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Nighthawk's management in all aspects of the development and implementation of Nighthawk's business activities.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which Nighthawk has an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond Nighthawk's control.

Reliance on Key Individuals - Nighthawk's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in Nighthawk's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Nighthawk.

No Key Man Insurance - Nighthawk does not anticipate having key man insurance in place in respect of any of its senior officers or personnel.



Enforcement of Civil Liabilities - As the proposed major assets of Nighthawk and certain of its existing and proposed management are or will be located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of Nighthawk, or the management of Nighthawk, residing outside of Canada.

15.8 CORPORATE GOVERNANCE

The Board of Directors follow corporate governance policies to ensure transparency and accountability to shareholders. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

15.9 FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements with respect to information with respect to Nighthawk's financings, the return and timing of return of the Security funds, exploration results, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, anticipated budgets and exploration expenditures, capital expenditures, costs and timing of the development of new deposits, the success of exploration activities generally, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of exploration and mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of any pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the actual results of current exploration activities; actual results and interpretation of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, silver and copper; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities, as well as those factors disclosed in the Nighthawk's publicly filed documents. Although Nighthawk has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.