

Tom Schroeter  
Nov. 7/97

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Remac



# REDHAWK RESOURCES

Developing  
the REMAC ZINC project  
zinc    lead    silver    cadmium

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## REMAC ZINC SUMMARY

Redhawk has assembled this 9 square mile property over the past four years, consolidating what was an historically fragmented mineral package and which had, fortunately for Redhawk, stymied project wide exploration and development at Remac. The Company believes it has found an overlooked and significantly undervalued base and precious metal asset.

This exciting zinc, lead, silver, cadmium project will now be the subject of a carefully staged exploration and development program designed to turn potential reserves into mineable ore reserves.

The property adjoins the past producing Reeves MacDonald Mine which operated for 26 years from 1949 to 1975. Past production at the Reeves MacDonald Mine was achieved from four sulphide zones located within the Reeves limestone member of the Lower Cambrian Laib formation.

**Quoting** from the Geological Summary Review Report dated

August 12, 1997 from Redhawk's Geological Consultant, Mr. Ralph Westervelt, M.Sc, P.Eng. on the Company's Remac property:

"These four zones show remarkable down plunge continuity, are repeated several times by block faulting, and are of probable SEDEX origin. Definite mineralogical and grade differences are noted between the zones with grades ranging from 3.5-12.9% zinc, 1.0-5.0% lead, 0.02-0.09% cadmium, and 0.3-3.5 ounces silver per ton....

**The present review clearly indicates a major potential for developing significant new sulphide reserves on Redhawk's property. Drilling in 1986-88 essentially confirmed the faulted continuity of three of the ore zones (Annex, Annex West and Redbird) immediately west of the old Reeves**

**MacDonald Mine with a potential reserve of some 5 million tons averaging about 8% Zn, 3% Pb, 0.05% Cd, and 2 opt Ag....**

Further sulphide target areas have been defined for exploration with a reserve potential estimated at about another 9 million tons."

Beyond this there are no currently known geological limits to the ore making potential in the unexplored portion of the Reeves limestone unit on the Company's property at Remac.

It's also interesting to note that in the drilling program described above 5 of these holes unexpectedly encountered zinc mineralization uphole in the Prospect dolomite unit. Ongoing drilling of the primary Reeves limestone targets will provide the bonus of further information about any potential ore making possibilities in the Prospect dolomite.

## PROPERTY GEOLOGY AND MINERALIZATION

**Quoting** further from Mr. Westervelt's Report:

"Mineralization consists of well-laminated bands and lenses of massive and disseminated pyrite, light honey-coloured sphalerite, galena, and trace amounts of chalcopyrite. Typical ore averages about 10-15% pyrite, 10-20% sphalerite, and 1-3% galena (i.e. about 20-40% total sulphides). The sulphides tend to follow original bedding, have a high grade central core, and

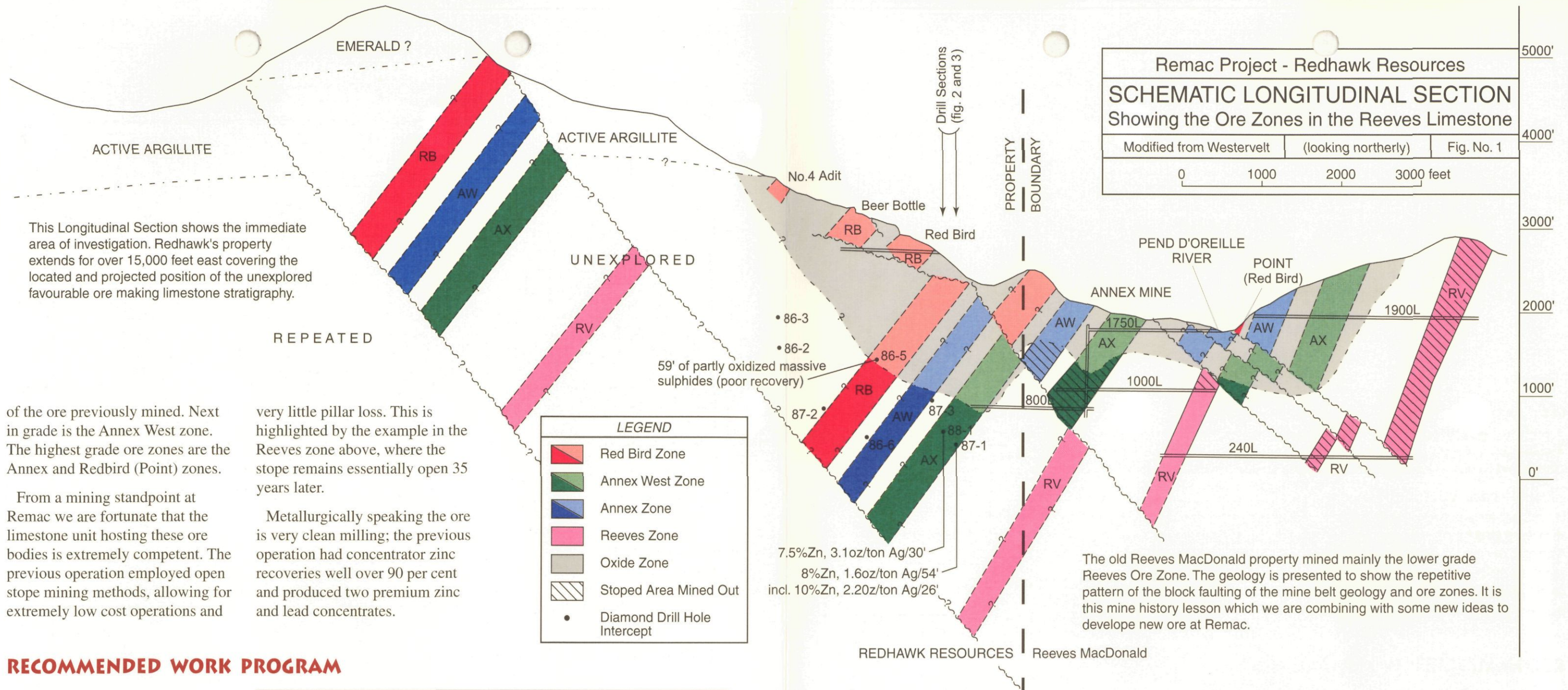
gradually feather out along strike. No extensive "barren" pyritic zones are evident. ...

In plan, the ore zones have a lensoidal shape conformable with the host sediments with strike lengths from 450-650 feet with local widths up to 80 feet. All zones plunge steeply to the southwest and exhibit remarkable down plunge continuity (i.e., the original Reeves Zone was mined continuously down plunge through a vertical range of

3500 feet without noticeable change in structure or grade).

As shown on Figure No.1, four distinct ore zones have been mined on the Reeves MacDonald property, the Reeves, the Annex, the Annex West, and the Point (Red Bird). All are repeated to the west through normal faulting and all have considerable down plunge continuity."

The Reeves zone is the lowest grade zone and provided the bulk



**RECOMMENDED WORK PROGRAM**

Mr. Westervelt recommends a two stage \$2.5 million surface core drilling program for Redhawk's Remac project. Successful completion of this Program will lead to an underground development program designed to bring the project to the formal feasibility study stage.

The Phase I \$975,000 program will focus on the Annex zone, one of the four known ore zones at Remac. In the 1986-88 drill program two holes intersected the Annex zone. These intersections, from holes 87-1 and 88-1, are reported above in Table 1.

Hole #	Width	% Zn	% Pb	oz. Ag	lbs. Cd
87-1	54 feet	8.0%	0.88%	1.6 oz	1.8 lbs
including	26 feet	10.0%	1.64%	2.21 oz	2.4 lbs
88-1	30 feet	7.53%	0.39%	3.11 oz	1.6 lbs

Table 1. (See Figure No. 1 for these hole locations).

If our geological interpretation is correct these holes hit closer to the eastern and western extremities of the zone than to its central core. Mining history next door at the Reeves MacDonald Mine shows us these zones tend to narrow and

grade outwards along strike from the central core. Mining history also shows us there was no noticeable down plunge change in grade in any of these four zones where they were mined.

In Phase I we expect to also drill our first hole targeting the Redbird zone. This hole will be located down plunge from the previously drilled hole 86-5 (see figure I) which intersected the zone at the oxide/sulphide boundary, providing us with a good fix on the Redbird zone's location in this segment of the ore making limestone formation.

The Company is fortunate to have retained the services of Mr. Gerald Klein, P.Eng., the former Chief Geologist at the Reeves

MacDonald Mine (from 1970 to 1974). He was responsible for laying out the holes successfully drilled on the property in 1986-88 and will work with Mr. Westervelt and our exploration crews in this capacity and in providing geological interpretation based on his knowledge developed from day to day hands on experience finding and developing ore at Remac.

A \$1.525 million Phase II core drilling program will follow the successful completion of Phase I. Phase II drilling will continue

resource building in the Annex and Redbird zones, commence testing the other known ore zones in this segment and perhaps do a little exploration further updip in this fault block and some initial wildcatting further to the west targeting the next projected position of the ore making limestone unit.

Phase II will be followed by an underground development program. This program will begin with a decline entry and will include closely spaced ore definition drilling and initial mine development.

## LOOKING AHEAD

Following completion of this program Redhawk expects to have gathered enough information to be in a position to prepare a formal feasibility study on the economics of developing a profitable mining operation at Remac. Assuming an initial 5,000,000 ton ore reserve a mine producing 1400 (1200) tons per day would operate for 10 years (12 years).

The consensus of market forecasts we have seen for zinc on through the turn of the Century call for rising consumption, falling inventory and stable to higher prices.

With the necessary supporting infrastructure located in close proximity to the Property and with the favorable year around climate at Remac the Company foresees

little difficulty in exploring and developing the Remac zinc project on a year round basis. This access to existing local infrastructure should have a very favorable impact on any future mining capital and operating cost requirements and will help make environmentally responsible development at Remac by Redhawk a fairly straight forward proposition.

## MANAGEMENT AND CORPORATE OBJECTIVES

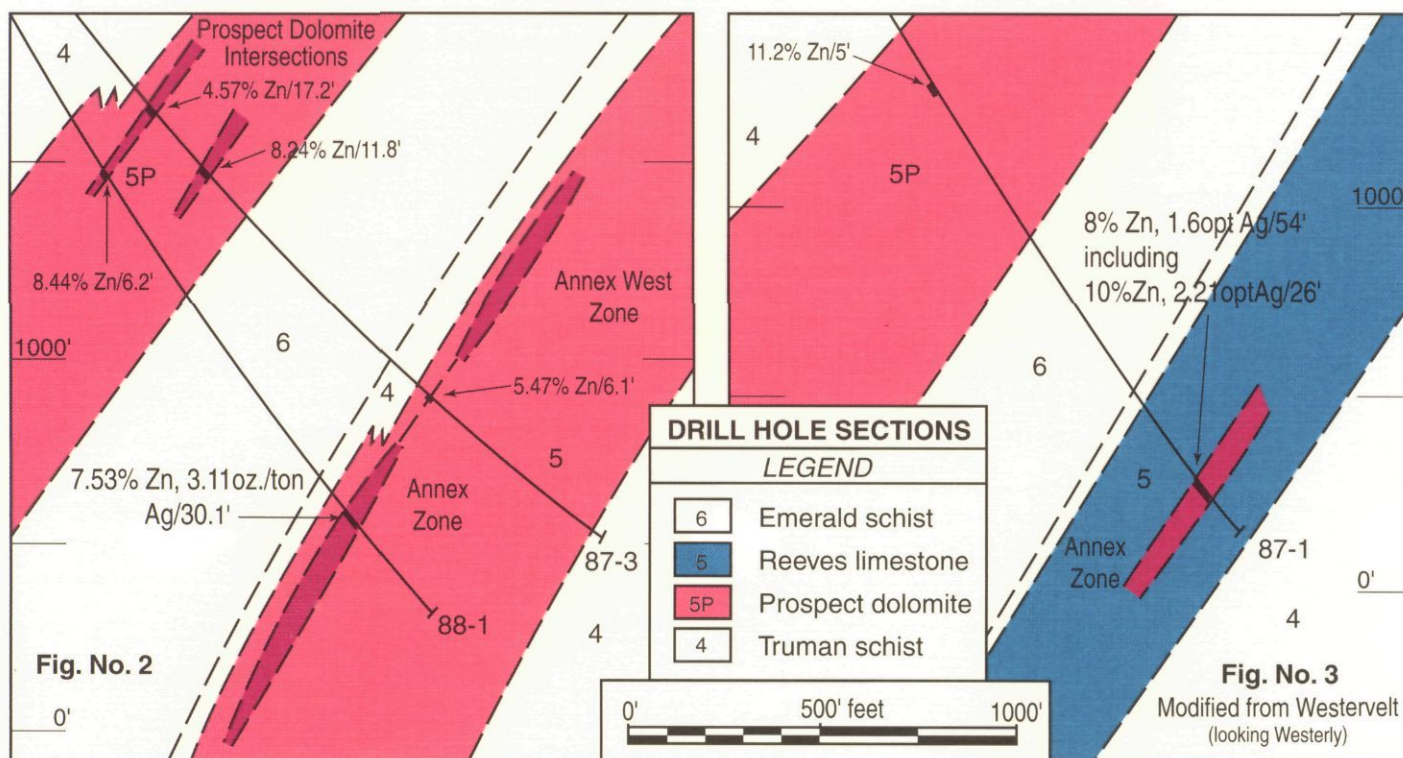
Redhawk's management team has a proven track record in successfully identifying and promoting quality projects and has direct hands on experience in exploring, developing, financing, constructing and operating underground mines in Canada.

By acquiring 100% interests in it's Remac properties Redhawk has

positioned itself to take maximum advantage of and deal from the strongest and most flexible position as it's zinc project progresses.

With the ongoing and ultimate objective of forwarding the project and maximizing value for all shareholders (the Company's management and directors are

significant shareholders) Redhawk's Remac project should place the Company in a strong position, whether negotiating development or production financing, joint-ventures or in any potential buyout or share exchange negotiations with senior base metal industry producers.



Drill hole Sections for holes 87-1, 87-3, 88-1 showing the main Reeves limestone intersections in the Annex Zone in 87-1 and 88-1 and the unexpected intersections in the overlying Prospect Dolomite. (See Figure 1 for relative locations of these holes.) Hole 87-3 intersected the western extremity of the Annex Zone along strikes as it feathered out beyond the ore zone.

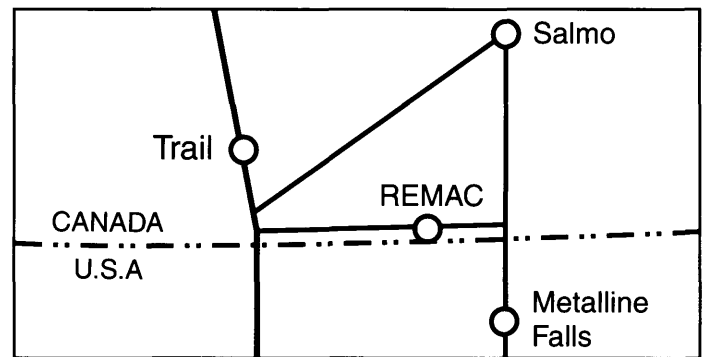
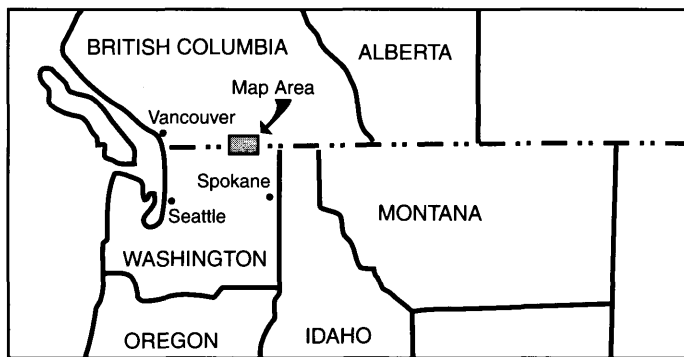
## PROPERTY LOCATION AND OWNERSHIP

Redhawk's Remac zinc project is located in south-central British Columbia immediately north of the Washington State border. The property lies about 20 road miles south-east of Cominco's zinc smelter complex at Trail, British Columbia and 15 miles north-west of Cominco's recently acquired Pend Orielle zinc lead concentrator and project at Metalline Falls. The town of Salmo is located 18 miles to the north-east of Remac.

The property consists of approximately 9 square miles of mineral rights including both located mineral claims and mineral crown grants. The property, 100 per cent owned by Redhawk, is in part subject to two small non-overlapping Net Smelter Return Royalties (NSR'S). One NSR (2.5%) is capped at \$U.S. 1,000,000. On the other one (NSR 2%) three-quarters of it (1.5%) may be purchased at any time for

\$Cdn. 1,500,000. And in this case the Company retains the first right of refusal to purchase the balance of the royalty (0.5%).

Included in the Company owned mineral properties is the Grouse Group located about 3.5 miles northeast of the main property. Like most of our main property, it appears that this overburden covered segment of the ore host limestone unit has had little if any previous exploration.



## CORPORATE INFORMATION

### Directors and Officers

Kristian Ross, President  
Frederick Davidson, CFO and Secretary  
Richard Somerville, P. Eng.  
Victor Guinet

### Stock Listing

The Vancouver Stock Exchange  
Trading Symbol RDK:V  
Shares Outstanding 2,954,821  
Fully Diluted 3,288,155

The Project and Corporate Information in this brochure is current as of September 1997

For Further Information Please Contact:

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Box 1410  
204 - 9910 Main Street  
Summerland, B. C., Canada V0H 1Z0



Fred Davidson  
Phone (604) - 681 - 9501 Fax 681 - 6813  
900 - 543 Granville Street  
Vancouver, B. C., Canada  
V6C 1X8

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REDHAWK RESOURCES, INC.

RDK:V



August 19, 1997  
Press Release # 97-01

RDK:VSE

## REDHAWK UNVEILS REMAC ZINC PROJECT

Vancouver - A just commissioned geological report says Redhawk's Remac Zinc Project located near Trail, B.C., has major potential for becoming an economic zinc deposit, President Kristian Ross announced today.

The report, submitted by Ralph Westervelt, M.Sc. P.Eng., says "The present review clearly indicates a major potential for developing significant new sulfide reserves on Redhawk's property. Drilling in 1986-88 essentially confirmed the faulted continuity of three of the ore zones immediately west (Annex, Annex West and Redbird) of the old Reeves MacDonald Mine with a potential reserve of some five million tons averaging about 8% Zn, 3% Pb, 0.05% Cd and 2 opt Ag....

"Further sulfide target areas have been defined for exploration with a reserve potential at about nine million tons."

The property, acquired over four years, adjoins the old Reeves MacDonald Mine, which operated from 1949-1975. The ore came from four sulfide zones located within the Reeves limestone member of the Lower Cambrian Laib formation. The four zones have been faulted, and continue on Redhawk's Remac property.

All of the zones at the Reeves mine showed strong continuity of structure and grade, though each had a different grade. Grades in the four zones ranged from 3.5-12.9% Zn, 1-5% Pb, 0.3-3.5 ounces silver and 0.02-0.09% cadmium per ton.

The four zones are the Annex, Annex West, Redbird and Reeves. The Annex and Redbird zones are the highest grade, followed next by the Annex West. The Reeves zone is the lowest grade, and provided the bulk of the ore mined at the old Reeves MacDonald mine.

Previous drilling in the Annex zone on Redhawk's Remac property includes hole 87-1 which intersected 54 feet of 8% zinc, 0.88% lead, 1.6 ounces per ton silver and 1.8 pounds of cadmium per ton (including 26 feet of 10% zinc, 1.64% lead, 2.21 ounces silver and 2.4 pounds cadmium per ton).

## REDHAWK RESOURCES, INC.

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VANCOUVER, B.C. CANADA V6C 1X8  
(604) 681-9501 FAX (604) 681-6813

□ P.O. BOX 1410, #204-9910 MAIN STREET  
SUMMERLAND, B.C., CANADA V0H 1Z0  
TELEPHONE/FAX (250) 494-7620

**Redhawk Resources, Inc.**

**Financial Statements**

**For The Three Months Ended June 30, 1997 and 1996**

**Redhawk Resources, Inc.**

**Balance Sheets at June 30**

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 145,161	\$ 245,226
Accounts receivable and prepaids	<u>3,653</u>	<u>3,568</u>
	148,814	248,794
<b>Fixed Assets (net of accumulated depreciation)</b>	225	325
<b>Mineral Properties</b>	<u>1,282,199</u>	<u>1,266,684</u>
	<u>\$ 1,431,238</u>	<u>\$ 1,515,803</u>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**Current Liabilities**

Accounts payable and accrued liabilities	\$ 25,539	\$ 11,893
Due to director	<u>-</u>	<u>6,000</u>
	25,539	17,893

**SHAREHOLDERS' EQUITY**

<b>Capital Stock</b>	2,186,068	2,186,067
<b>Deficit</b>	<u>(780,369)</u>	<u>(688,157)</u>
	<u>1,405,699</u>	<u>1,497,910</u>
	<u>\$ 1,431,238</u>	<u>\$ 1,515,803</u>

APPROVED BY THE BOARD

Director: *(Signed)* Frederick W. Davidson

Director: *(Signed)* Kristian Ross



**Redhawk Resources, Inc.**

**Consolidated Statements of Operations and Deficit**

**For the Three Months Ended June 30**

	<u>1997</u>	<u>1996</u>
<b>Administrative Costs</b>		
Accounting and legal	\$ 19,535	\$ 4,119
Bank charges and interest (net)	(473)	(624)
Depreciation and amortization	25	25
Filing fees	-	949
Rent	2,321	450
Office	2,520	808
Travel and entertainment	3,538	-
Transfer agent	<u>487</u>	<u>459</u>
<b>Net Loss</b>	27,953	6,186
<b>Deficit, Beginning of Period</b>	<u>752,416</u>	<u>681,971</u>
<b>Deficit, End of Period</b>	<u>\$ 780,369</u>	<u>\$ 688,157</u>

**Redhawk Resources, Inc.**

**Statement of Mineral Properties**

**For the Three Months Ended June 30**

	<u>1997</u>	<u>1996</u>
Acquisition costs	\$ --	\$ 7,560
Aircraft charter	859	--
Miscellaneous	--	1,003
Engineering and consulting	956	--
Government fees	<u>8,564</u>	<u>--</u>
<b>Mineral Properties, Expenditures Incurred for the Period</b>	<b>10,379</b>	<b>8,563</b>
<b>Mineral Properties, Beginning of Period</b>	<u>1,271,820</u>	<u>1,258,121</u>
<b>Mineral Properties, End of Period</b>	<u><b>\$ 1,282,199</b></u>	<u><b>\$ 1,266,684</b></u>

**Redhawk Resources, Inc.**

**Statement of Changes in Financial Position**

**For the Three Months Ended June 30**

	<u>1997</u>	<u>1996</u>
<b>Operating Activities</b>		
Loss for the period	\$ (27,953)	\$ (6,186)
Items not affecting cash		
Depreciation and amortization	25	25
Non-cash working capital items		
Accounts receivable	(998)	(2,362)
Accounts payable and accrued liabilities	<u>6,263</u>	<u>( 22,770)</u>
Cash provided by (used in ) operating activities	(22,663)	(31,293)
<b>Investing Activities</b>		
Mineral property expenditures	(10,379)	(8,563)
<b>Financing Activities</b>		
Capital stock allocated for cash	<u>-</u>	<u>200,000</u>
<b>Increase (Decrease) in Cash</b>	(33,042)	160,144
<b>Cash, Beginning of Period</b>	<u>178,203</u>	<u>85,082</u>
<b>Cash, End of Period</b>	<u>\$ 145,161</u>	<u>\$ 245,226</u>

# **Redhawk Resources, Inc.**

## **Supplementary Information**

### **For the Quarter Ended June 30, 1997**

1. During the period the company reimbursed a director and/or a company controlled by that director for expenses incurred on behalf of Redhawk for a total of \$ 4,398.
2. During the last quarter:
  - (a) Securities issued: none.
  - (b) Options granted: none
3. As at the end of the quarter:
  - (a) Authorized share capital:
    - 50,000,000 common shares with no par value
    - Issued and outstanding:
    - 2,954,821 common shares
  - (b) As at June 30, 1997 there were 333,334 share purchase warrants outstanding. Each one warrant entitling the holder to purchase one additional share of the Company at a price of \$0.60 per share for the first year and \$0.70 per share for the second year until May 30, 1998.
  - (c) As at June 30, 1997 there were a total of 562,500 common shares subject to escrow restrictions.
  - (d) The Directors as at June 30, 1997 of the Company are:
    - Kristian Ross
    - Richard D. Somerville
    - Victor Guinet
    - Frederick Davidson

# **Redhawk Resources, Inc.**

## **Management Discussion**

On August 19, 1997 Redhawk announced it had received the geological report it recently commissioned from its Consultant, Mr. R. Westervelt, M.Sc., P.Eng., on the Company's Remac zinc, lead, silver, cadmium property.

The receipt of this Summary Review Report marks the next step in the exploration and development of this project, a process which quietly began over four years ago with the acquisition of our first property at Remac.

The report, submitted by Ralph Westervelt, M.Sc., P.Eng., says "The present review clearly indicates a major potential for developing significant new sulfide reserves on Redhawk's property. Drilling in 1986-88 essentially confirmed the faulted continuity of three of the ore zones, (Annex, Annex West and Redbird) immediately west of the old Reeves MacDonald Mine with a potential reserve of some five million tons averaging about 8% Zn, 3%Pb, 0.05% Cd and 2 opt Ag".

"Further sulfide target areas have been defined for exploration with a reserve potential at about nine million tons".

The property adjoins the old Reeves MacDonald Mine which operated from 1949-1975. The ore came from four sulfide zones located within the Reeves limestone member of the Lower Cambrian Laib formation. The four zones have been faulted, and continue on Redhawk's Remac property.

All of the zones at the Reeves mine showed strong continuity of structure and grade, though each had a different grade. Grades in the four zones ranged from 3.5-12.9% Zn, 1-5% Pb, 0.3-3.5 ounces silver and 0.02-0.09% cadmium per ton.

The four zones are the Annex, Annex West, Redbird and Reeves. The Annex and Redbird zones are the highest grade, followed next by the Annex West. The Reeves zone is the lowest grade, and provided the bulk of the ore mined at the old Reeves MacDonald mine.

Previous drilling in the Annex zone on Redhawk's Remac property includes hole 87-1 which intersected 54 feet of 8% zinc, 0.88% lead, 1.6 ounces per ton silver and 1.8 pounds of cadmium per ton (including 26 feet of 10% zinc, 1.64% lead, 2.21 ounces silver and 2.4 pounds cadmium per ton).

Redhawk also owns more than three miles of the favourable stratigraphy, which is unexplored, and postulated along strike from the initial target areas.

The Remac Zinc Project is in an excellent location, only 20 miles south-east of Cominco's zinc-lead smelter complex at Trail, B.C., and 15 miles north-west of Cominco's Pond Oreille zinc-lead concentrator and project at Metalline Falls, Washington State. There is road access and power runs nearby the property. Drilling can occur year round.

Redhawk owns 100% of the nine square mile property, subject in part to two small non-overlapping Net Smelter Return royalties (NSR). One royalty (2.5% NSR) is capped at \$1,000,000 US. The Company may purchase three-quarters of the second one (2% NSR) at any time for \$1,500,000 CDN, and has first right of refusal on the remaining 0.5%.

Westervelt's report recommends an initial \$975,000 program to follow up on drilling in the Annex zone. At least one hole will also be drilled in the Redbird zone. Phase one drilling is scheduled to begin as soon as financing has been completed and the necessary government permits have been received. Redhawk expects the phase two drill program recommended by Westervelt, costing \$1.525 million, would be followed by an underground development program designed to take the project to feasibility.

#### **Results of Operations:**

For the quarter, general and administrative expenses were \$27,953 (1996 - \$6,186 ), up from the prior year due to higher legal and accounting expenses, and increased office and travel expenditures.

Expenditures on mineral properties related primarily to consulting costs and property taxes.

#### **Liquidity and Capital Resources:**

As at June 30, 1997, the Company had \$145,161 in cash on hand and net working capital of \$123,275 compared to cash of \$245,226 and net working capital of \$230,901 in 1996.

*(Signed)* Kristian Ross  
President & Director

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Redhawk's dedication to zinc oxide does not mean, however, that we are blind to the current market conditions. If it is felt, in conjunction with our financial advisors, that the inclusion of an appropriate non-zinc precious metals asset into the Company may help increase market awareness and interest in Redhawk in a way that could help facilitate the earlier financing and advancement of our zinc oxide projects, management will seriously review the opportunity.

## The Remac Zinc Oxide and Sulphide Project Summary

The Remac project is located 35 km. southeast of Cominco's zinc-lead smelter complex at Trail in southeastern British Columbia. Immediately south of Remac is the Pend D'Oreille zinc sulphide mine and concentrator project, also owned by Cominco, which is under construction and is scheduled to begin operating at 2000 tonnes per day in 2004. Remac itself includes the old Reeves MacDonald mine, a zinc sulphide producer, which closed in 1975 after operating successfully for 25 years.

A portion of the wholly owned and optioned property is held under a four year option to purchase agreement dated February 15, 2000 with Reeves MacDonald Mines Limited. This agreement, which includes both mineral and land titles, was amended in early March and includes revised option and final payment terms, including a final payment date of February 15, 2006, which is a two year extension from the original agreement. Details are included in the Notes to the Financial Statements under the Resource Property section.

The current focus at Remac is to continue to advance the oxide portions of the deposits, however at the appropriate time the extensive sulphide potential of the project will receive further attention. For example, in 1987 hole 87-1 (**shown on the schematic longitudinal section**) was drilled into the sulphide portion of Zone M. It intersected 16.5 m (54 ft) of 8% zinc and 55gms silver per tonne, including 7.9 m (25.9 ft) of 10% zinc and 75 gms silver per tonne.

Zinc mineralization at Remac occurs in a series of large elongated zones, **as shown on the Schematic Longitudinal Section**. The grades shown in the various oxide zones sampled are all drill hole results except for zone A, which is reporting results from a surface trench. The corresponding sample lengths have been corrected from hole length to show the true width (TW) of the zone sampled.

Redhawk has a high degree of confidence in the continuity of these carbonate hosted zinc oxide (hemimorphite) zones. This confidence has been gained from a number of different sources, including recent drilling, surface and underground sampling, knowledge gained from the mining of the underlying sulphide zones, up dip projections of underlying previously mined sulphide zones, and other geological projections.

Approximately 1.4 tonnes of oxide material from the mineralized zones was collected following receipt of assays from the drill program and sent for metallurgical studies under the direction of ZincOx personnel. Following the favorable results obtained from these detailed metallurgical studies, various mining and plant design and costing studies were commissioned and conducted by ZincOx.

Before the latest trenching and drilling program was completed by Redhawk the known zinc oxide potential was considered to be restricted to a relatively well-defined envelope. However, the identification of two new oxidized zones, A and P (and their potential downdip sulphide extensions) has expanded this oxidized envelope, opening prospective terrain to the east and west for further discoveries.

The next step in the development of Remac is to continue with the definition and exploration drilling program begun in 2000. To this end, a program has been designed with three main objectives. Firstly, to upgrade a portion of the oxidized zinc mineralized material in zones B, C, F, G and H to the inferred or better resource category by increasing the density of drill holes in these zones. Secondly, to drill some initial holes into zones E, J and D. And thirdly, to drill a number of exploration holes into zones A and P.

## The Torlon Zinc Oxide Project Summary

The Torlon zinc oxide project is located in the western highlands of Guatemala 20km west-north-west of Huehuetenango, approximately 140km northwest of the capital, Guatemala City. The 100% optioned property is being explored under a three year option from the owners and includes both mineral and land titles. The agreement calls for yearly payments (optional) which count towards the total purchase price of US\$386,000. The next optional payment of US\$50,000 is due in October with the optional final purchase payment of US\$261,000 due one year later in October 2003.

Exploration by Redhawk got underway at Torlon formally in January 2001 following several preliminary investigative visits. The field portion of the Phase One program was completed in March 2001 and the assay results were received during the first quarter in April and May.

Zinc mineralization at Torlon is hosted by an extensive unit of dolostone breccias. These breccias are part of a large (~1.5 square km) "island" of Permian Esperanza Formation sedimentary rocks which have been faulted onto a large serpentinite body. The formation of these breccias is probably tectonic in origin and related to major structural events along the nearby North American – Caribbean Plate boundary. The thorough brecciation created a favourable host rock for the later emplacement of zinc-lead mineralization. Subsequent supergene weathering oxidized almost all the known mineralization to zinc oxides (smithsonite).

Historically the Torlon prospect has been known as a very small-scale lead and silver mining area dating back to at least Spanish times, perhaps even to earlier Mayan times. What our mapping has conclusively demonstrated is that these narrow north-trending lead veins are cores to much larger envelopes of oxidized zinc flooding into sheets, mantos and host rock breccias. This is the reason for Redhawk's interest in the Torlon project. This zinc-rich material has been ignored and discarded by the small-scale lead miners in the past, so it largely remains in place or is piled on the hillside along with the natural erosion surface zinc oxide mineralized talus.

Redhawk focused its Phase One program in an area of outcrop and talus on the east slope of Torlon Hill. In this area we have identified a robust zinc oxide mineralized corridor, called the Santa Rosa corridor. We sampled extensively, principally with rigorous channel sampling, both on surface and underground along the NNW strike length of 170 m (550 ft), down dip over 115 m (380 ft) and across true widths of 20-30 m (65–115 ft). The Santa Rosa corridor has a known strike length of approximately 800 m (2600 ft) along the east slope of Torlon Hill.

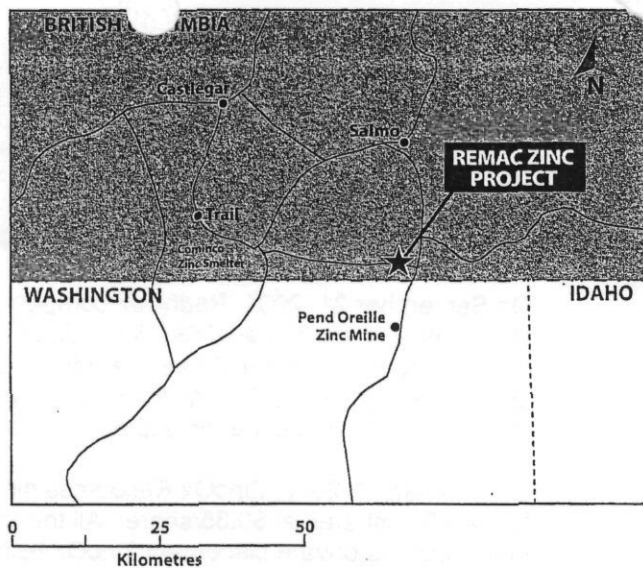
The mineralized corridor, as currently known in the area sampled by Redhawk, is bounded by two large and persistent high-grade zinc-rich rusty sheet structures (**as shown on the Schematic Cross Section**). These structures, named N-1 and N-2 are separated by 13-18 m (43-60 ft) of variably mineralized dolostone breccias. Between N-1 and N-2 other zinc-rich sheets such as W-1 and E-1 trend WNW and cut across the main mineralized corridor, enhancing the grade of the mineralized breccia lying between the high-grade zones N-1 and N-2. Bounding the base of the mineralized corridor and lying immediately above the contact with the underlying serpentinite is a flat lying zinc-rich rusty manto sheet structure named F-1. The assays for the various components of the Santa Rosa corridor shown on the Schematic Cross Section are a compilation of all the channel samples taken from the underground and surface sampling program. The widths shown beside the assays on the plan have been corrected to show the true width (TW) of the zones sampled.

During the course of this program we made several intriguing discoveries which are encouraging, when considering the possibilities for further zinc oxide mineralization beyond the Santa Rosa corridor identified along the east slope of Torlon Hill. Further into the hill, well within the footwall beyond the mineralized





# REDHAWK RESOURCES, INC

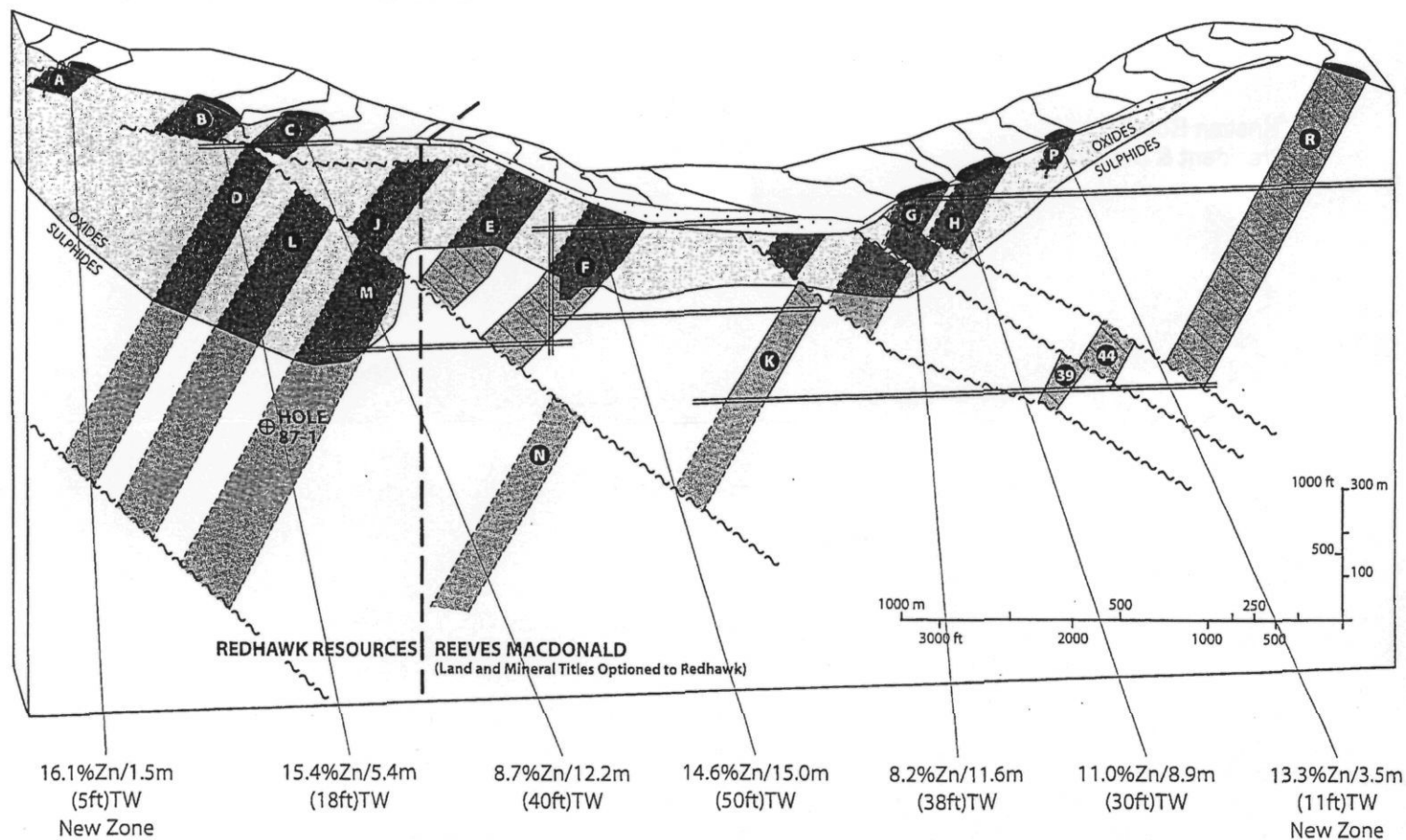


## Remac Zinc Oxide project:

undergoing detailed metallurgical studies prior to further definition and exploration drilling.

### Remac Zinc Project

SCHMATIC LONGITUDINAL BLOCK SECTION (looking north)  
Showing the Main Zinc Oxide Deposits and Exploration Targets in the Reeves Limestone



### Some of the significant zinc oxide results from the 2000 drilling program ~ June 2001

\* Space considerations in this brochure limit the completeness of results shown. Please look to the contact information on the last page to obtain complete project results.



## **Liquidity and Capital Resources:**

On September 21, 2001, Redhawk completed a non-brokered private placement of 250,000 units at a price of \$0.35 per unit, for a total of \$87,500. Each unit consists of one common share and one warrant, each warrant entitling the holder to purchase one additional common share of the Company at the price of \$0.42 per share until September 21, 2003. All the shares, warrants and any shares issued upon the exercise of the warrants were subject to a hold period expiring January 21, 2002.

On February 7, 2002, ZincOx Resources plc completed a \$50,050 private placement in Redhawk, subscribing for 143,000 shares at \$0.35/share. All the shares, are subject to a hold period expiring January 21, 2003. Following this private placement ZincOx held 1,243,000 shares of Redhawk.

Working capital at the end of the period was \$20,602 down from the year-end balance of \$176,464.

"Kristian Ross"  
President & Director

→ Remac

**REDHAWK RESOURCES INC.** : <http://www.redhawkresources.com/> : *ReMac Zinc Project***PROJECT OVERVIEW**

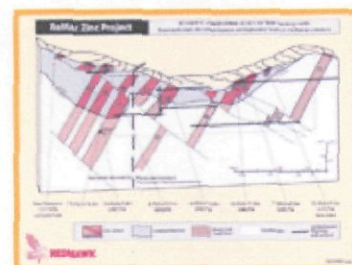
Remac sulfide and oxide projects are located in southeastern British Columbia 25 km southeast of TeckCominco's zinc-lead smelter complex at Trail, and 10 km north of TeckCominco's Pend Oreille zinc sulfide mine and concentrator. Redhawk controls the past producing Reeves MacDonald zinc-lead-silver sulfide mine ( 7.25 million tons produced) and owns the adjoining property to the west.

In 2006 Redhawk will follow up the exciting discovery in December of 2004 of 4.6m grading 15.11% lead and 1.85% zinc at an estimated depth of 111m that ended in mineralization which opens up the western end of the property for further exploration. The sulphide potential at Remac is seen in Zone M where drill hole 87-1 intersected 8% zinc and 55 gms silver per tonne over 16.5 m (54 feet), including 7.9 m (25.9 ft) of 10% zinc and 75 gms silver per tonne. Zone M is one of several known mineralized zones at Remac that provide Redhawk with solid oxide and sulphide exploration targets going forward.

**George Gorzynski, P. Eng., a Qualified Person under the meaning of Canadian National Policy 43-101, is responsible for the technical content regarding the Remac Zinc section of the Redhawk website.**



*Location Map  
click to view enlarged*



*Schematic Longitudinal  
click to view enlarged*

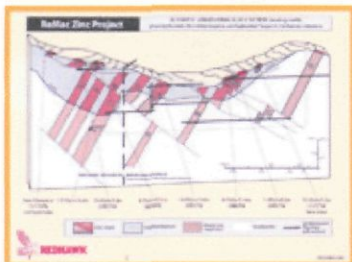
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For more information, send questions and comments to [inquiries@redhawkresources.com](mailto:inquiries@redhawkresources.com)

*This page was created on Wed Sep 20, 2006 at 2:28:45 PM Pacific Time.*

**REDHAWK RESOURCES INC.** : <http://www.redhawkresources.com/> : *ReMac Zinc Project*

EXPLORATION MODEL



*Remac Longitudinal Section  
click to view enlarged*



*Remac Planview Map  
click to view enlarged*

**George Gorzynski, P. Eng., a Qualified Person under the meaning of Canadian National Policy 43-101, is responsible for the technical content regarding the Remac Zinc section of the Redhawk website.**

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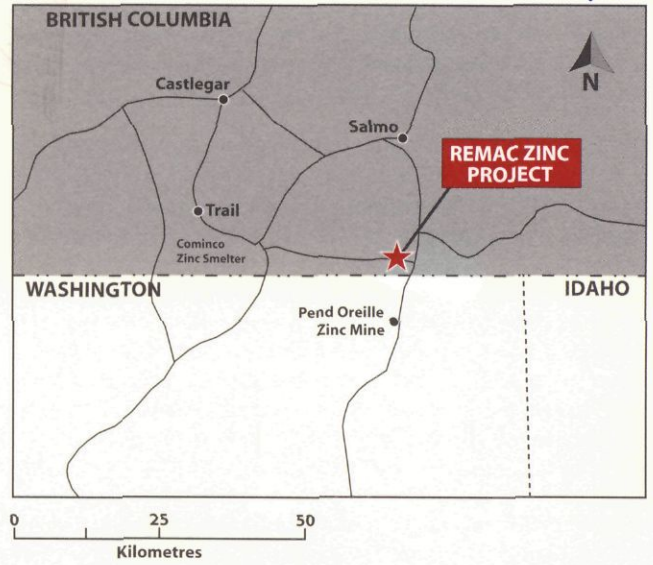
*This page was created on Wed Sep 20, 2006 at 2:30:02 PM Pacific Time.*



TGS → REMAC  
Mar. '02

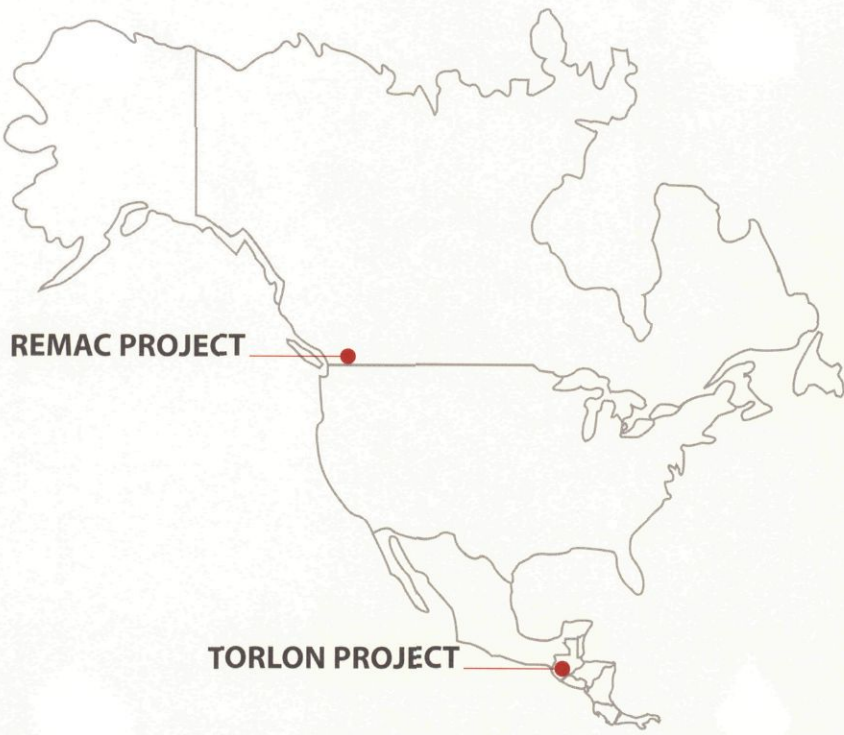
## REDHAWK RESOURCES, INC

Exploring and Developing  
Zinc Oxide Projects in the Americas  
with our metallurgical and project  
development partner,  
ZincOx Resources plc.



### Remac Zinc Oxide project:

undergoing detailed metallurgical studies prior to further definition and exploration drilling.



### Torlon Zinc Oxide project:

ready for drilling following successful phase one mapping and sampling program.

# Remac Zinc Oxide Project

The Remac zinc oxide project sits on and adjoins the site of a very successful zinc sulphide mine that operated for 25 years before closing in 1975. The overlying zinc oxide zones were not mined, as the necessary technology was not available to recover the zinc in its oxide form.

The project is located 35 km southeast of Cominco's zinc-lead smelter complex at Trail in southeastern British Columbia, and is a joint venture between Redhawk and ZincOx Resources, of London, England. ZincOx has real world experience in turning zinc from an oxide source into zinc metal.

Zinc mineralization at Remac occurs in a series of large elongated zones, as shown on the schematic longitudinal section below. Redhawk has a high degree of confidence in the continuity of these carbonate hosted zinc oxide (hemimorphite) zones. This confidence has been gained from a number of different sources, including recent drilling, surface and underground sampling, knowledge gained from the mining of the underlying sulphide zones, up dip projections of underlying previously mined sulphide zones, and other geological projections.

Before the 2000 trenching and drilling program the known zinc oxide potential was considered to be restricted to a relatively well defined envelope. However, the identification of two new oxidized zones, A and P (and their potential downdip sulphide extensions) has expanded this oxidized envelope, opening prospective terrain to the east and west for further discoveries.

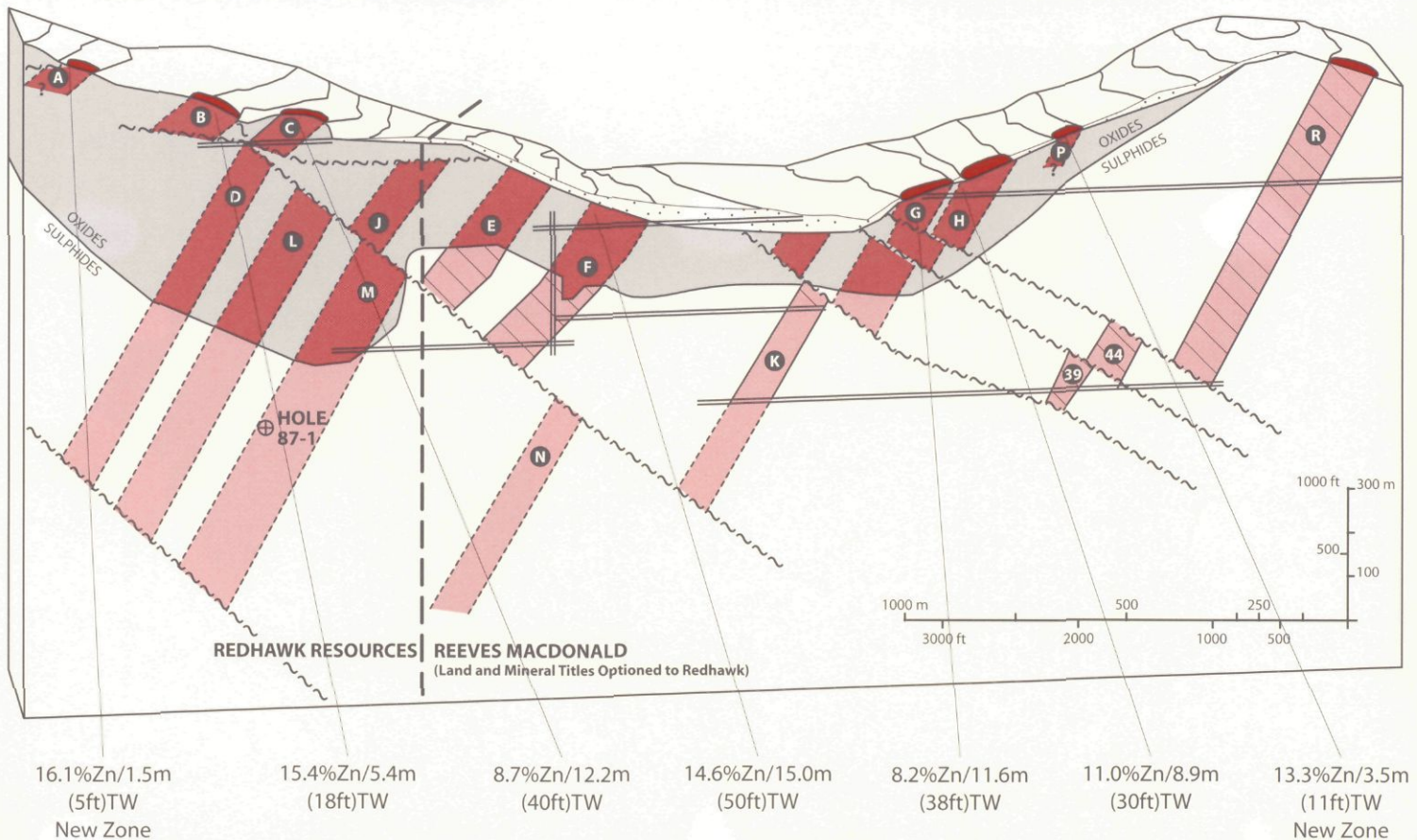
**ZincOx is conducting detailed metallurgical studies on the Remac zinc oxide deposits using representative material sourced from 13 holes in 6 zones from the 2000 drilling campaign. ZincOx has advised Redhawk of their intent to continue with their definition and exploratory drilling program initiated last year, following completion of these metallurgical studies.**

Although Redhawk's priority is oxide zinc development at Remac and Torlon, there remains a significant demonstrated sulphide potential at Remac that has to be addressed. For example, in 1987 hole 87-1 (shown on the schematic longitudinal section) was drilled into the sulphide portion of Zone M. It intersected 16.5 m (54 feet) of 8% zinc and 55 gms silver per tonne, including 7.9 m (25.9 ft) of 10% zinc and 75 gms silver per tonne. All sulphide minerals are excluded from the ZincOx agreement and remain the exclusive property of Redhawk. Immediately south of Remac Cominco has begun construction on their Pend Oreille zinc sulphide mine and concentrator project, where production is scheduled to begin at 2000 tonnes per day in October 2002 at an average recovered grade of 7.2% zinc and 1.3% lead.

The Remac zinc oxide project is in year two of an agreement with ZincOx under which ZincOx can earn a 50% interest by spending CDN\$3,000,000 over four years. Redhawk is the current project operator.

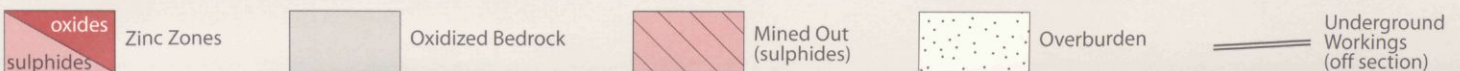
## Remac Zinc Project

SCHEMATIC LONGITUDINAL BLOCK SECTION (looking north)  
Showing the Main Zinc Oxide Deposits and Exploration Targets in the Reeves Limestone



### Some of the significant zinc oxide results from the 2000 drilling program ~ June 2001

\* Space considerations in this brochure limit the completeness of results shown. Please look to the contact information on the last page to obtain complete project results.



## Torlon Zinc Oxide Project

The Torlon zinc oxide project is located in the western highlands of Guatemala 20 km west-north-west of Huehuetenango, approximately 140 km northwest of the capital, Guatemala City. Like Remac, Torlon is being explored in a joint venture with ZincOx.

Historical surface and underground work at Torlon has focused exclusively on narrow carbonate hosted north-south trending lead veins. No significant attention was paid to the large surrounding envelopes of zinc oxide mineralization (smithsonite), probably because, like at Remac, of the historical inability to turn these oxides into zinc metal.

Redhawk focused its Phase One program in an area of outcrop and talus on the east slope of Torlon Hill (see cross-section). In this area we have identified a robust zinc oxide mineralized corridor that we sampled extensively both on surface and underground along a NNW strike length of 170 m (550 ft), down dip over 115 m (380 ft) and across true widths (TW) of 20-35 m (65-115 ft). This mineralized corridor has a known NNW strike length of approximately 800 m (2600 ft) along the east slope of Torlon Hill.\*

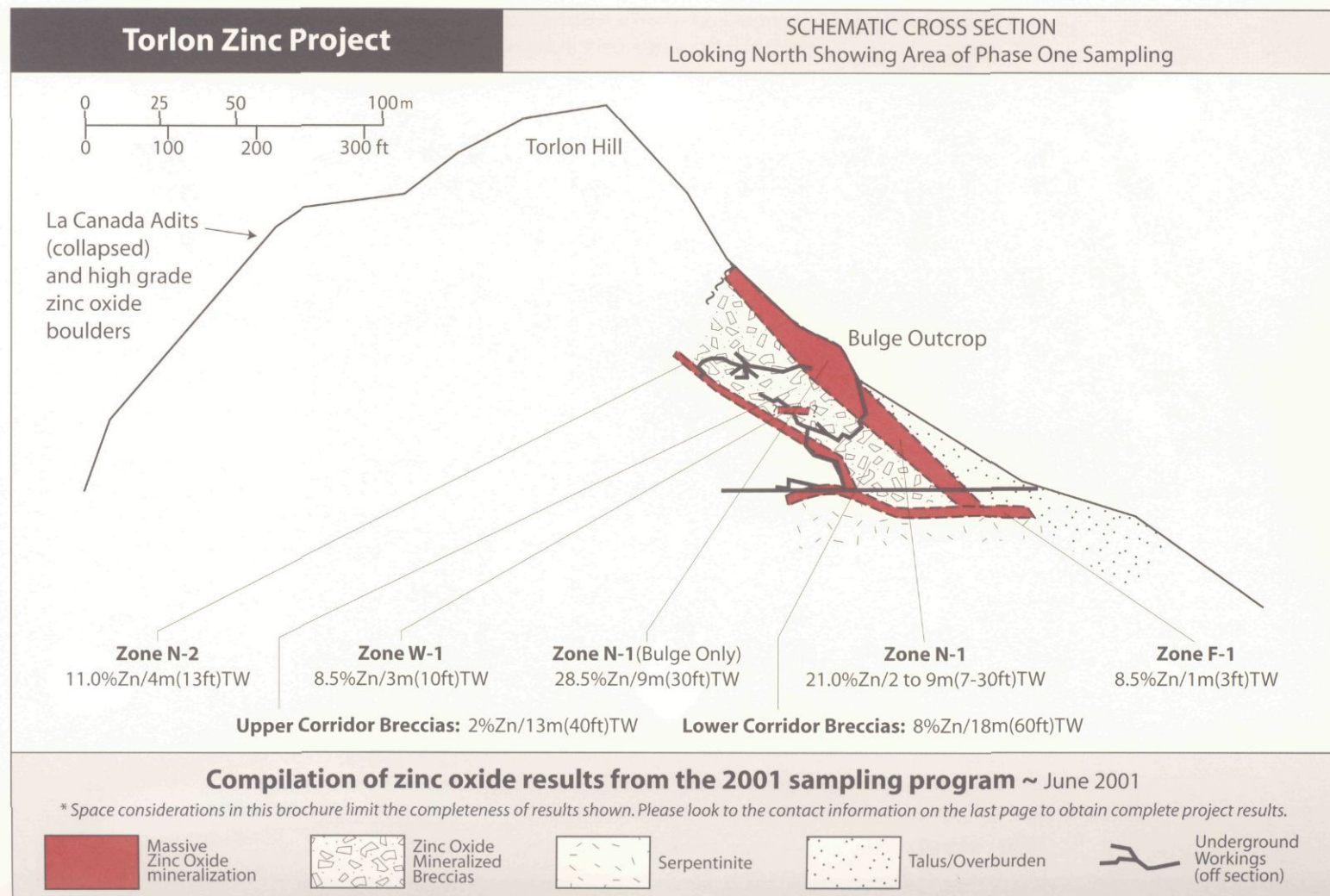
The mineralized corridor, as currently known in the area sampled by Redhawk, is bounded by two large and persistent zinc-rich rusty sheet structures. These structures, named N-1 and N-2 are separated by 13-18 m (43-60 ft) of variably mineralized dolostone breccias. Between N-1 and N-2 other zinc-rich mineralized sheets such as W-1 and E-1 trend WNW and cut across the main mineralized corridor, enhancing the grade of the mineralized breccia lying between the high grade zones N-1 and N-2. Bounding the base of the mineralized corridor and lying immediately above the contact with the underlying barren serpentinite is a flat lying zinc-rich rusty manto sheet structure named F-1.

On the overburden covered west side of Torlon Hill there are some old collapsed mine adits, called La Canada Adits (shown on the cross-section). Several large high-grade zinc oxide boulders similar in appearance to the main east slope mineralization were found beside these collapsed adits. Grab samples from these boulders returned values of 27.8% zinc and 5.2% zinc. These adits are located 150 m (500 ft) west of the main mineralized corridor as it is known today.

**With the successful completion of the Phase One program behind us a Phase Two drill program is being planned for Torlon. Besides drill testing the mineralized corridor on the east side of Torlon Hill, Redhawk intends to test the possibility of mineralization extending through to the west side of the hill, as well as drill testing mineralization in the vicinity of the La Canada adits on the west side of the hill.**

Torlon is being explored under the terms of an option agreement between Redhawk and ZincOx Resources. Redhawk is the initial project operator and is spending an optional \$US350,000 over two years (of which \$US125,000 has been spent) to earn a 30% interest in ZincOx's subsidiary company, ZincOx de Guatemala. ZincOx de Guatemala has a three-year option to purchase the Torlon mineral and land titles for a total of \$US386,000. Upon Redhawk earning its interest, ZincOx Resources must spend an optional \$US5,000,000 (less property payments) over the next four years or produce a bankable feasibility study, whichever comes sooner, to retain a 70% interest in ZincOx de Guatemala.

*\*From information taken from Redhawk's mapping and from a 1950's United States Geological Survey Study which mapped and sampled underground workings which are now collapsed along strike from those sampled by Redhawk in Phase One.*





# REDHAWK RESOURCES, INC

## The Company, its Management and Objectives

Redhawk's mandate is to explore for and develop zinc oxide opportunities in conjunction with our metallurgical and project development partner ZincOx Resources plc. of London, England. ZincOx is a world leader in the beneficiation of zinc from oxide (meaning non-sulphide) sources.

This relatively new, but proven technology developed by ZincOx personnel is fundamentally changing the cost structure of producing London Special High Grade zinc metal. Depending on the size and economics of a particular zinc oxide project, ZincOx's proprietary technology allows LSHG zinc metal to be produced on site or upgraded for shipping and treatment at an offsite zinc refinery, potentially in the lowest quartile of cost relative to zinc producers. For example, the Skorpion project in Namibia, currently under construction by Anglo American plc, is projected to produce LSHG zinc metal at an average cost of \$US 0.18 cents per pound.

Redhawk's immediate priority is to continue to advance Torlon and to assist ZincOx in advancing Remac. Our relationship with ZincOx formally began in July of 1999, when we announced the first private placement in Redhawk by ZincOx Resources and when a representative of ZincOx first joined our Board of Directors. This relationship was furthered by the agreement in February 2000 allowing ZincOx to earn a 50% interest in the zinc oxides at Remac and more recently our agreement with them at Torlon. Cominco Ltd. owns approximately 24 per cent of ZincOx.

Redhawk's extended management team has a proven track record in successfully identifying and promoting quality projects. The group has direct hands on experience in exploring, developing, financing, constructing and operating underground and open pit mines in Canada and Africa, and in producing zinc metal from an oxide source.

With the ongoing and ultimate objective of creating as much value as soon as possible for all Redhawk shareholders (the Company's management and directors are significant shareholders), Redhawk intends to remain a focused single purpose company, exploring and developing zinc oxide projects of merit.

## Corporate Information

### Directors and Officers

Kristian Ross, President  
Frederick Davidson, CFO and Secretary  
Michael Foster (ZincOx Representative)  
Richard Somerville, P.Eng.  
Victor Guinet

### Stock Listing

The Canadian Venture Exchange (CDNX)  
Trading Symbol: RDK  
\*Shares Outstanding: 6,503,155  
\*Fully Diluted: 8,663,155  
Website [www.redhawkresources.com](http://www.redhawkresources.com)

*\*The Project and Corporate Information in this brochure is current as of June 2001*

**For complete project or corporate information please visit our website or contact:  
Kristian Ross or Frederick Davidson by telephone at 604.681.9501 or by Fax at 604.681.6813  
900 - 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8**

[www.redhawkresources.com](http://www.redhawkresources.com)

**RDK:CDNX**