



NIGHTHAWK

GOLD CORP

MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2021

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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 condensed interim consolidated financial statements for the three months ended March 31, 2021 (“**Q1 2021**”), 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 May 17, 2021. Nighthawk’s common shares trade on the Toronto Stock Exchange (“**TSX**”) under the symbol “**NHK**”. Its most recent filings, including the Company’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2020 are available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) www.sedar.com.

Under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators (“**NI 43-101**”), Richard Roy, P.Geo., a member of the Ordre des géologues du Québec (“**OGQ**”), and the Northwest Territories Association of Professional Engineers and Geoscientists (“**NAPEG**”), the Vice President of Exploration with Nighthawk, is the “Qualified Person” as defined by NI 43-101, and has reviewed and approved all technical disclosure contained in the MD&A.



Please refer to "NI 43-101 Technical Report and Up-Date of the Mineral Resource Estimate for the Indin Lake Gold Property, Northwest Territories, Canada", dated March 30, 2021, as filed under the Company's profile on www.sedar.com.

1. DESCRIPTION OF BUSINESS

Nighthawk is a Canadian-based gold exploration company with 100% ownership of the Indin Lake Gold Property, a large, district-scale land position located 200 km north of Yellowknife, Northwest Territories ("NWT"), Canada. Nighthawk controls over 90% of a vastly underexplored Archean gold camp encompassing a total land package of 229,791 acres or 930 square kilometres ("km") within the Indin Lake Greenstone Belt.

Since its incorporation, mineral exploration activities have been Nighthawk's sole business and the Company has not conducted any revenue generating operations to date. As at March 31, 2021, Nighthawk had working capital of \$4.2 million (including cash of \$5.0 million), exploration and evaluation assets of \$11.6 million, restricted cash of \$4.7 million, and long-term liabilities, which primarily consisted of a provision for service obligation of \$3.0 million and a flow-through share premium liability of \$0.5 million. As of March 31, 2021, the Company has flow-through expenditure commitments of \$2.5 million which must be spent by December 31, 2021.

The global outbreak of COVID-19 ("**Coronavirus**") continued during the three months ended March 31, 2021, which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the Coronavirus outbreak may have on the Company is unknown, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the spread of the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause supply chain disruptions, and staff shortages, all of which may negatively impact the Company's business and financial condition.

In light of the current Coronavirus pandemic, the Company has taken precautions to ensure the safety and well-being of all personnel at site, as well as the surrounding communities. The Company began exploration activities in March 2021. As of the date of this document, the Company is not aware of any site personnel having contracted Coronavirus.

Under an agreement dated February 17, 2021, the Company was granted an option to acquire a 100% interest in the Kim and Cass Property, consisting of 4 contiguous mining leases adjacent to Nighthawk's existing Indin Lake Gold Property. As part of the terms of the option agreement, the Company has agreed to pay aggregate consideration of \$1.1 million (pursuant to the schedule below) and grant a 2.5% net smelter return ("**NSR**") royalty. In addition, the Company shall have the right, at any time, to purchase up to 100% of the NSR for up to \$2.5 million, thereby reducing the NSR to zero if the full 100% is purchased. The payment schedule is as follows:

- Upon execution of the option agreement - \$400,000 (which was satisfied in full by the issuance of 340,000 common shares of the Company valued at \$374,000);
- On or before February 17, 2022 - \$350,000 in any proportion of common shares or cash, at the Company's full discretion; and
- On or before February 17, 2023 - \$350,000 in any proportion of common shares or cash, at the Company's full discretion.

Subsequent to period end on April 8, 2021, the Company completed a private placement pursuant to which the syndicate of underwriters purchased 2,550,000 units ("**2021 Units**"), 865,000 flow-through units (the "**2021 FT Units**"), and 5,750,000 premium flow-through units (the "**2021 Premium FT Units**") on a bought deal private placement basis (the "**2021 Offering**") for aggregate proceeds of \$10.95 million. The 2021 Units were sold at a price of \$0.96 per 2021 Unit, the 2021 FT Units were sold at a price of \$1.15 per 2021 FT Unit, and the 2021 Premium FT Units were sold at a price of \$1.305 per 2021 Premium FT Unit. Each 2021 Unit was comprised of one non-flow-through common share and 0.4 of one common share purchase warrant (each whole warrant, a "**2021 Warrant**"). Each 2021 FT Unit was comprised of one flow-through common share and 0.4 of one 2021 Warrant. Each 2021 Premium FT Unit was comprised of one flow-through common share and 0.4 of one 2021 Warrant. The common share component of both the 2021 FT Units and the 2021 Premium FT Units were qualified as "flow-through shares" within the meaning of the

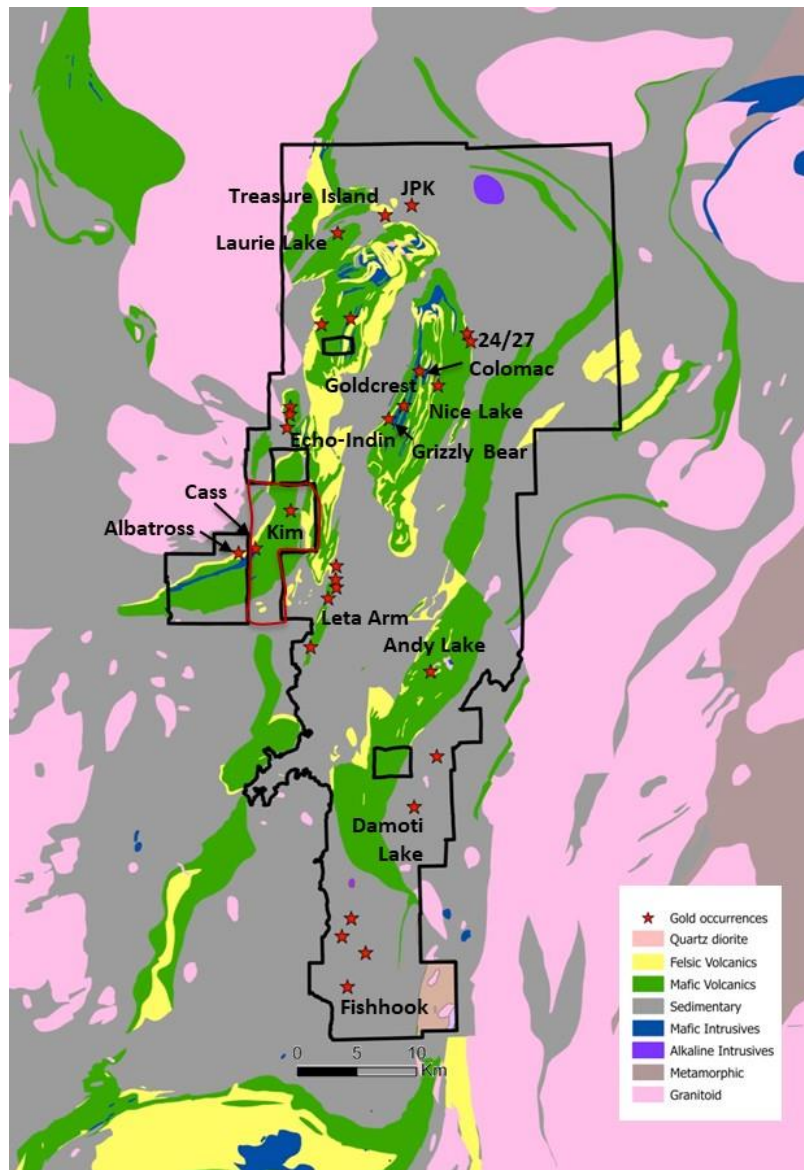
Income Tax Act (Canada). Each 2021 Warrant entitled the holder thereof to acquire one common share at a price of \$1.35 until the date that is 24 months following the closing date of the 2021 Offering.

2. EXPLORATION AND EVALUATION ACTIVITIES

INDIN LAKE GOLD PROPERTY

The Indin Lake Gold Property 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 the historical Giant and Con gold mines (historical production of approximately 13 million ounces of gold (“oz Au”) to the south and Colomac (historic production of 527,908 oz Au) within its northern extent. The Company believes this structure has played a major role in the development and localization of 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 Archean gold camps in Canada.

Figure 1
Indin Lake Gold Property





The property is located within a historic gold camp which had been largely ignored for almost twenty-five years, rendering it vastly underexplored with numerous untested prospective targets. Several gold deposits and showings lie within the property, the most significant being the Colomac Deposit (“**Colomac**”), a former producing open pit gold mine, which was acquired by Nighthawk in January 2012 (see Section 2.1 – Acquisitions). Nighthawk has significantly advanced Colomac along with four other deposits (Goldcrest, Grizzly Bear 24 and 27), that sit within close proximity to Colomac (the “**Colomac Centre**”) while testing a number of high-priority regional gold exploration targets within its Indin Lake Gold Property. The Company has also conducted prospecting and regional mapping activities in search of new discoveries.

2.1 Acquisitions

In August 2008, Nighthawk acquired 6 mining leases and 6 mining claims within the Indin Lake Greenstone Belt known as the Damoti Lake Gold Property, subject to an existing 2% NSR.

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 NSR’s 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 within the Indin Lake Greenstone Belt thereby linking the Damoti Lake Gold Property with the Indin Lake Claims/Leases and consolidating much of the Indin Lake Gold camp to form the Indin Lake Gold Property.

Subsequent to year end on February 17, 2021, the Company entered into a binding option agreement for the Kim & Cass Property, 4 contiguous mining leases adjacent to Nighthawk’s existing Indin Lake Gold Property as further described in Section 1 – Description of Business.

Acquisition of Colomac Property

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 Mine and surrounding mineral leases (the “**Colomac Property**”), from Aboriginal Affairs and Northern Development Canada (“**AANDC**”). The Colomac Property lies within the central portion of Nighthawk’s 229,791-acre Indin Lake Gold Property.

As consideration for the Colomac Property, 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 \$5.0 million. Upon closing, security in the form of letters of credit totalling \$5.0 million (\$3.0 million for the Diversified site, \$1.0 million for the Chalco Lake site and \$1.0 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 Property. 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 \$1.0 million was eliminated.

2.2 Colomac

History of the Colomac Property

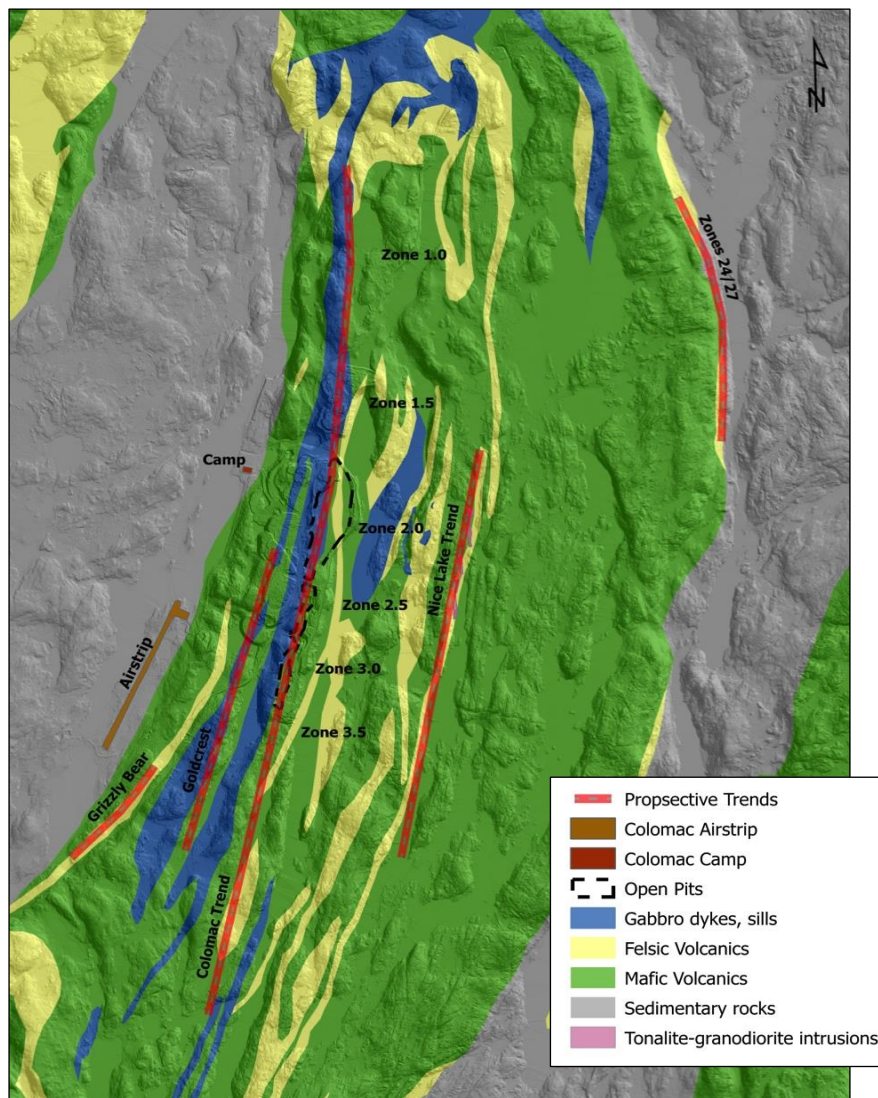
Gold was initially discovered at the Colomac Property in 1945. In 1990, Neptune Resources Corp. (“**Neptune**”) put the property into production but shut it down in 1991 due to unfavourable gold prices after producing 138,600 ounces

of gold. Royal Oak acquired Colomac from Neptune in April 1993. Royal Oak Mines Incorporated (“**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. The AANDC (Aboriginal Affairs and Northern Development Canada) 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. During its peak, Royal Oak employed over 250 workers on the Colomac site, with reported total production of 527,908 ounces of gold.

Colomac Centre - Summary

The Colomac camp site is located within the Colomac Centre and is accessed by winter road from Yellowknife for approximately three months each year, or year-round by aircraft to a 5,000-foot airstrip on site. The five known gold deposits (Colomac, Goldcrest, Grizzly Bear, 24 and 27), are all part of the 2021 Mineral Resource Estimate (the “**2021 MRE**”). The main Colomac Deposit saw historical, intermittent mining from 1990 to 1997 (see discussion above) and was limited to one of three shallow open pits developed on a steeply dipping quartz diorite intrusion. Mining activities exploited only a small portion of the 7 km mineralized strike length. All mining and processing equipment and infrastructure have been removed from site.

Figure 2
Colomac Centre



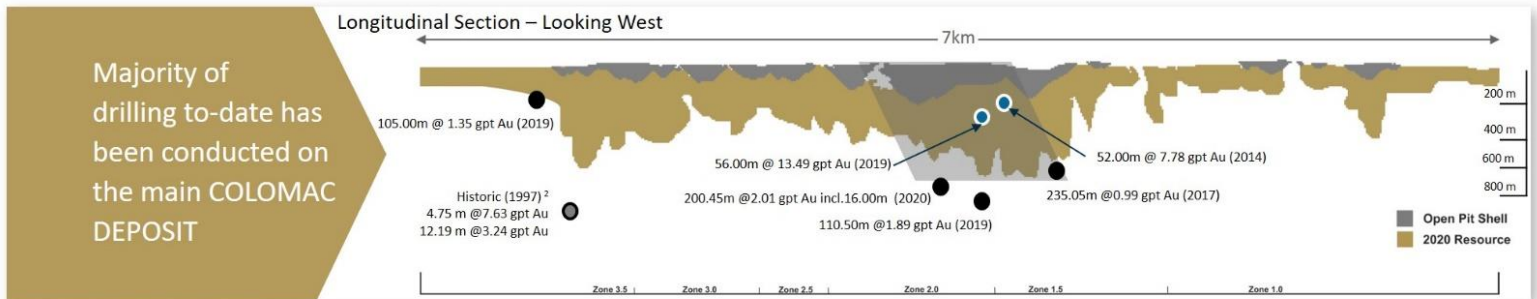
The five known gold deposits lie within a north striking, steeply dipping, Archean greenstone belt of deformed sedimentary and intermediate to ultramafic volcanic rocks. Deposits appear in two distinct geological settings. Colomac and Goldcrest are hosted within a differentiated mafic intrusion or sill,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

Colomac occurs in a north-south striking differentiated mafic sill approximately 9 km long and 160 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.

Colomac - Mineralized Zones and Exploration Potential

The main Colomac deposit was arbitrarily divided into six mineralized zones (Zones 1.0, 1.5, 2.0, 2.5, 3.0 and 3.5) along a 7 km strike length, see Figure 3 (plus an additional 2km to the south which has never been tested). Colomac has received the majority of drilling metres since its acquisition in 2012, and currently accounts for 88% of the global resource base. The discovery of high-grade at Zone 1.5 in 2014 became the focus of the exploration program, with drilling aimed at further delineating this discrete high-grade domain, as well as targeting the potential for other high-grade domains along the 7 km strike length. This prompted the Company to conduct deeper drilling within Zones 1.5, 2.0 and 3.5, which led to the discovery that the mineralized portion of the sill (the quartz diorite) expanded in true width from 30-50 metres in the near surface environment up to 155 metres at depths below 600 m vertical.

Figure 3
Colomac Deposit



There remains considerable room for expansion along strike as well as to depth, but the near-term focus will be to optimize the near-surface resource growth opportunities.

Other Deposits within the Colomac Centre

Located immediately to the west of Zone 3.5 at Colomac lies a sister sill which is host to the Goldcrest Deposit. Goldcrest has a 3 km strike length and drilling has tested mineralization down to 350 metres below surface, where it remains open.

Grizzly Bear is located west of Goldcrest within the contact between sedimentary and volcanic rocks. Drilling has supported the continuity of this deposit and extended it to a depth of 200 metres vertical, where it remains open.

The 24/27 deposits are located approximately 3 km east of Zone 1.0 at Colomac have never been drilled by the Company. Inferred resources for these deposits are based on historical drilling conducted prior to Nighthawk’s acquisition of the Colomac Property. In 2019 and 2020, the Company carried out extensive outcrop stripping, mapping, and channel sampling programs on this highly prospective area to better understand the controls on mineralization in preparation for future drilling.

The Company intends to test all of these targets as part of the 2021 drilling program, where they will be drilled principally on-strike for additional in-pit resources.



Mineral Resource Estimate – 2021 MRE

On March 1, 2021, the Company reported an update to the 2020 mineral resource estimate on the Indin Lake Gold Property (the “2020 MRE”, see press release dated July 28, 2020 and corresponding technical report dated September 11, 2020 as filed on SEDAR), prepared by InnovExplo Inc. (“InnovExplo”), an independent firm based in Val-d’Or, Québec, in accordance with National Instrument 43-101 (“NI 43-101”). The updated mineral resource estimate (the “2021 MRE”) builds upon the 2020 MRE and includes 10,999 metres of drilling completed in 2020. The 2021 MRE outlined 38.7 million tonnes (“Mt”), at an average grade of 1.81 grams per tonne gold (“g/t”, “Au”), for 2.25 Moz of Indicated Resources and 11.5 Mt at an average grade of 2.13 g/t Au for 0.79 Moz of Inferred Resources.

The following summary is supported by the NI 43-101 technical report, titled “NI 43-101 Technical Report and up-date of the Mineral Resource Estimate for the Indin Lake Gold Property, Northwest Territories, Canada”, dated effective February 26, 2021 and prepared by Marina Iund, P.Geo., M.Sc., Carl Pelletier, P.Geo., and Gustavo Durieux, P.Geo., M.A.Sc. of InnovExplo Inc., an independent mining and exploration consulting firm based in Val-d’Or, Quebec. All the authors are independent qualified persons (“QPs”) as defined by NI 43-101.

2021 Mineral Resource Estimate for the Indin Lake Gold Property (Effective date of February 26, 2021)

Deposit	Area (mining method)	Cut-off (g/t)	Indicated resource			Inferred resource		
			Tonnage (T*1000)	AU (g/t)	Ounces	Tonnage (T*1000)	AU (g/t)	Ounces
Colomac	Open pit	0.6	15,147	1.64	797,400	219	1.47	10,300
	UG Bulk	1.1	19,884	1.97	1,262,000	9,485	1.97	601,800
Goldcrest	Open pit	0.6	2,003	1.50	96,800	76	1.59	3,900
	UG Bulk	1.1	717	1.84	42,500	255	1.57	12,900
Grizzly Bear	Open pit	0.6	776	1.57	39,200	23	1.24	900
	UG Bulk	1.1	208	1.68	11,200	59	1.51	2,900
24/27	Open pit	0.6	-	-	-	424	1.83	25,000
	UG Bulk	1.1	-	-	-	184	1.80	10,600
Sub-total			38,736	1.81	2,249,100	10,724	1.94	668,300
Damoti	UG selective	2.00	-	-	-	736	4.97	117,800
TOTAL			38,736	1.81	2,249,100	11,460	2.13	786,100

Notes to accompany the Mineral Resource Estimate:

- The independent and qualified persons for the mineral resource estimate, as defined by NI 43-101, are Marina Iund, and Carl Pelletier, P.Geo., both from InnovExplo Inc., and the effective date is February 26, 2021.
- These mineral resources are not mineral reserves, as they do not have demonstrated economic viability.
- The mineral resource estimate follows current CIM definitions and guidelines for mineral resources.
- The results are presented undiluted and are considered to have reasonable prospects of economic viability.
- The estimate encompasses six (6) gold deposits (Colomac, 24, 27, Goldcrest, Grizzly Bear and Damoti), subdivided into 52 zones (6 for Colomac, 2 for 24/27, 3 for Goldcrest, 3 for Grizzly Bear and 38 for Damoti), each defined by individual wireframes, with a minimum true thickness of 3.0 m for the Colomac, 24/27, Goldcrest and Grizzly Bear deposits and a minimum true thickness of 2.0 m for the Damoti deposit, using the grade of the material when assayed or a value of zero when not assayed. One (1) low-grade envelope was created using the quartz diorite geological solid for the Colomac deposit and four (4) low-grade envelopes were created using the BIF geological solid for the Damoti deposit. The resource was estimated using GEOVIA GEMS 6.8.2.
- High-grade capping supported by statistical analysis was done on raw assay data before compositing and established on a per-zone basis. Colomac deposit: all zones were capped at 50 g/t, except for the low-grade Zone 1.0 and the low-grade envelope, which were capped at 15 g/t; 24/27 deposits: not capped; Goldcrest and Grizzly Bear deposits: all zones were capped at 30 g/t; Damoti deposit: all high-grade zones were capped at 100 g/t, except zones 2000, 2100 and 2200 which were capped at 45 g/t and Zone 4300, which was capped at 40 g/t. The low-grade envelopes were capped at 20 g/t.
- Grade interpolation was performed with the ID3 method on 1.5-m composites for the Colomac, Goldcrest and Grizzly Bear deposits, with the ID2 method on 1.5-m composites for the 24/27 deposits, and with the OK method on 1.0-m composites for the Damoti deposit. The Colomac, 24/27, Goldcrest, Grizzly Bear block models have a block size of 5.0 m by 10.0 m by 10.0 m, and the Damoti block model has a block size of 3.0 m by 3.0 m by 3.0 m.
- Bedrock was assigned a density value of 3.2 g/cm³ for the Damoti deposit and a value of 2.7 g/cm³ for the Colomac, 24/27, Goldcrest and Grizzly Bear deposits, corresponding to the mean of SG measurements. A fixed density value of 2.00 g/cm³ was assigned to the overburden.
- The mineral resource estimate is classified as indicated and inferred. For the Colomac, 24/27, Goldcrest and Grizzly Bear deposits, the Inferred category is defined with a minimum of two (2) drill holes within the areas where the drill spacing is less than 75 m and shows



reasonable geological and grade continuity. The Indicated mineral resource category is defined with a minimum of three (3) drill holes within the areas where the drill spacing is less than 50 m. For the Damoti deposit, the Inferred category is defined with a minimum of two (2) drill holes within the areas where the drill spacing is less than 60 m and shows reasonable geological and grade continuity. Clipping boundaries were used for classification based on those criteria.

10. The mineral resource estimate is locally pit-constrained with a bedrock slope angle of 50° and an overburden slope angle of 30°. It is reported at a rounded cut-off grade of 0.6 g/t Au (in pit), 1.10 g/t Au (underground bulk) and 2.00 g/t Au (underground selective). Specific extraction methods are used only to establish the reasonable prospect for an eventual economical extraction. The cut-off grades were calculated using the following parameters: mining cost = CA\$3.75 to CA\$ 65.00; processing cost = CA\$22.50; G&A = CA\$8.00; refining and selling costs = CA\$ 5.00; gold price = US\$ 1,650.00/oz; USD:CAD exchange rate = 1.25; and mill recovery = 97.0%. The cut-off grades should be re-evaluated in-light of future prevailing market conditions (metal prices, exchange rates, mining costs etc.).
11. The number of metric tonnes was rounded to the nearest thousand, following the recommendations in NI 43-101 and any discrepancies in the totals are due to rounding effects. The metal contents are presented in troy ounces (tonnes x grade / 31.10348).
12. InnovExplo Inc. is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, or marketing issues, or any other relevant issue not reported in the Technical Report, that could materially affect the Mineral Resource Estimate.

It should be noted that due to the delay in the turnaround of assay results, only 67% of assays from the 2020 drilling program were used as part of the 2021 MRE update.

The 2021 MRE was generated using reasonable cut-off grades for pit constrained, potential bulk underground and potential selective underground extraction mining methods. Specific extraction methods are used only to establish reasonable cut-off grades for various portions of the deposits. No Preliminary Economic Analysis, Pre-Feasibility Study or Feasibility Study has been completed to support economic viability and technical feasibility of exploiting any portion of the mineral resources, by any specified mining method. The "reasonable prospects for eventual economic extraction" were satisfied with a constrained pit shell (open pit) and manual selection of blocks (underground) according to the economical parameters selected (cut-off grade, mining method, etc.) and the geological continuity of the mineralization.

Preliminary Metallurgical Results

A total of four (4) metallurgical studies have been completed with samples from seven (7) mineralized zones within the Colomac and Goldcrest deposits. Testing was completed at Bureau Veritas in Richmond, BC, and audited by Starkey & Associates Inc. in Oakville, Ontario. The results to-date compare favourably to similar North American projects with the most recent test results findings being consistent with previous studies showing that Colomac rock performs exceptionally well in terms of its grind characteristics, gold recoveries, purity, and responsiveness to all standard gold recovery technologies. The Colomac test program is still at an early stage of evaluation, where it is reasonable to believe that further optimization should improve gold recovery in all process options. At this stage of the project, no further testing is required until a preferred process option has been decided upon. Once the preferred process option is defined, a comprehensive metallurgical study would be necessary to optimize process conditions.

Studies completed to-date include; the four 2019 composite samples (standard testing, four bottle roll and four column leach tests), four 2018 composite samples (that were submitted for the same tests, see press releases dated March 19, 2019 and April 23, 2020), one higher grade sample from Zone 1.5 (standard testing, two bottle roll and one column leach tests, see press releases dated February 21, 2018 and May 22, 2018), and three composite samples from lower-grade material (standard testing and one bottle roll leach test, (see press release dated April 19, 2017)). All results received to-date are summarized in Table 1 and show that the materials tested responded favourably to the proposed process options.

Testwork Highlights:

- Studies continue to note minimal variation in rock hardness for all test samples covering all zones and deposit depths, indicating that both the Colomac Main and Goldcrest sills are relatively homogeneous.
- Based on the collective test results to-date, the Colomac deposit is amenable to all standard gold recovery technologies including, flotation, gravity concentration, cyanidation, and heap leaching (Table 1).
 - A combination of gravity and cyanide leach recovery processes (gravity+cyanidation), as well as whole ore cyanidation methods, have given exceptional results with recoveries ranging in average from 95.1% to 98.0% and 91.3% to 97.2% respectively (Table 1), representing a significant increase in recovery over historical production results of 88.1% (1994 to 1997).
 - Although additional studies are required to fully validate these findings, early indications based on metallurgical results received to-date suggest that a semi-autogenous grinding ("SAG") ball mill



grinding circuit followed by a gravity concentrate leach, and a cyanide leach circuit on the resultant final ground product, represent a promising process route for recovering gold from Colomac rock.

- Based on the findings of all test work to-date, gold recoveries using heap leaching may be a viable process for low-grade material which would otherwise be discarded as waste.
 - Column leach tests performed to-date resulted in recoveries ranging from 21.3% to 66.0% (107 day run) and up to 69.7% (206 day run) (Table 1).
 - Bottle roll leach tests performed to-date resulted in recoveries ranging from 22.0% to 81.8% (minus half (½) inch crushed material, 10 day run)

The 2019 program sampled areas of the Colomac Main sill that had not been previously investigated and involved the selective sampling of 11 boreholes from Zones 2.0, 2.5, and 3.0. All programs to-date collected approximately 70 kg of drill core material for each sample, which were then assayed for gold, tested for grindability using the SAGDesign methodology, and for amenability to several other commonly used gold recovery processes.

It has been well documented that the head grades of assayed Colomac samples show significant variability between fire assay and screened metallic assays (except the lower-grade Colomac 2019 samples). This is believed to be due to the nugget effect of gold in the deposit as material with nuggetty gold mineralization would be expected to result in erratic calculated heads for the various tests. Fire assay results are consistently lower while the metallic assays and screen analysis assays of all the size fractions gives a much better indication of the amount of gold present. This is evidenced by the extent to which gold is recovered in the tests completed.

Results from all studies are summarized in the table below and show that the materials tested respond favorably to the proposed process options. Refer to press release dated September 15, 2020, for a detailed summary of metallurgical findings from all studies.

Table 1
Master Table of Test Results

Process Routes	Gold Recovery, %										
	Heap Bottle Roll	Column Cyanide* ~107 days	Column Cyanide* +206 days ¹	Flotation			Whole Ore Cyanide*	Gravity			Gravity + Cyanide*
Particle Size P₈₀(µm)	12700	12700	12700	75	106	150	150	75	106	150	106
2019 MET-1	42.6	66.0	N.A	90.0	92.8	84.2	93.4	72.5	84.1	91.4	93.8
2019 MET-2	22.0	43.6		88.2	88.8	85.8	95.2	82.2	39.0	52.9	96.0
2019 MET-3	72.4	60.3		95.7	93.4	87.4	94.4	74.9	78.7	74.8	95.9
2019 MET-4	47.7	21.3		86.3	82.6	75.6	91.3	53.6	59.0	50.9	94.6
Average Colomac 2019	46.1	47.8	TBC	90.1	89.4	83.3	93.6	70.8	65.2	67.5	95.1
Colomac 2018 Sample 1	31.5	45.6	57.4	94.9	94.5	92.8	97.1	76.6	75.4	64.0	98.0
Colomac 2018 Sample 2	49.1	46.4	55.5	94.8	94.5	94.2	96.8	75.8	75.0	69.0	97.3
Colomac 2018 Sample 3	47.1	46.1	54.9	92.1	88.6	84.8	96.7	63.3	58.7	53.6	96.3
Goldcrest 2018 Sample 4	49.6	61.1	69.7	98.1	94.9	95.5	97.2	83.0	76.3	74.9	96.8
Average Colomac 2018	44.3	49.8	59.4	95.0	93.1	91.9	97.0	74.7	71.4	65.4	97.1
Colomac 2017 High-Grade	57.5	34.3	N.A	94.6	93.5	90.7	96.4	77.6	74.7	74.9	98.0
Colomac Master Composite 2016	81.8	N.A	N.A	94.9	94.1	95.5	96.4	65.4	74.1	76.3	96.5

*Headers identified as "Column Cyanide", refers to the Column Cyanidation test, "Whole Ore Cyanide", refers to the Whole Ore Cyanidation test, and "Gravity + Cyanide", refers to the Gravity + Cyanidation test.

Notes:

1. Samples ran from 206 up to 213 days



Preliminary testwork indicates that the Colomac deposit is amenable to all standard recovery technologies, with no adverse materials detected. These preliminary metallurgical results indicate that a standard SAG ball mill grinding circuit with or without gravity concentrators on cyclone underflows, and followed by a gravity concentrate leach (if applicable), and a cyanide leach circuit on the resultant final ground product, would be the best process options to consider for recovering gold from Colomac.

At this time, no further testing is contemplated. Going forward, a preliminary economic analysis of the flowsheet alternatives would be required to conclusively determine the capital and operating expenditures for each flowsheet considered. Such a study would allow for a more focused metallurgical test program to be developed for testing samples from future sampling campaigns. Such studies may contemplate broadening future sampling to include other satellite gold zones and other zones to depth within the mineralized sills, with the main objective to confirm that the metallurgical responses observed so far will apply over a broader range of head grades, zone locations, and depths within the deposit.

2.3 Exploration Programs

Nighthawk received its land use permits and water licences approving its exploration activities over the next 5 years, expiring in February 2024, and which are extendible up to February 2026.

In preparation for the 2021 drill season, the Company completed camp expansion activities to accommodate up to seven (7) drills which would allow for upwards of 100,000 metres of drilling, a significant step forward in advancing the vast potential of the Indin Lake Gold Property. The Company commenced the 2021 drill season in March and currently has five (5) drills on site which would allow for up to 75,000 metres of drilling to be completed this year.

2021 Drill Program – Phased Approach

Nighthawk's 2021 drill program is split into two phases focused on the delineation of new discoveries and/or additional extensions of known zones. Phase I commenced during the third week of March with three drills and is expected to run till the end of July, and will then transition into Phase II. The Phase I program anticipates 41,420 metres of planned drilling (with an approximate split of 45% on resource expansion targets and 55% on greenfield targets). With the receipt of the Water License and Land Use Permit for the recently acquired Kim & Cass Property, there are currently five (5) drills active. Targets for Phase I are outlined below (split into resource expansion and greenfield opportunities).

Resource Expansion – All known mineralized zones that are part of the 2021 MRE which continue to hold near surface pit-constrained potential both laterally and to depth.

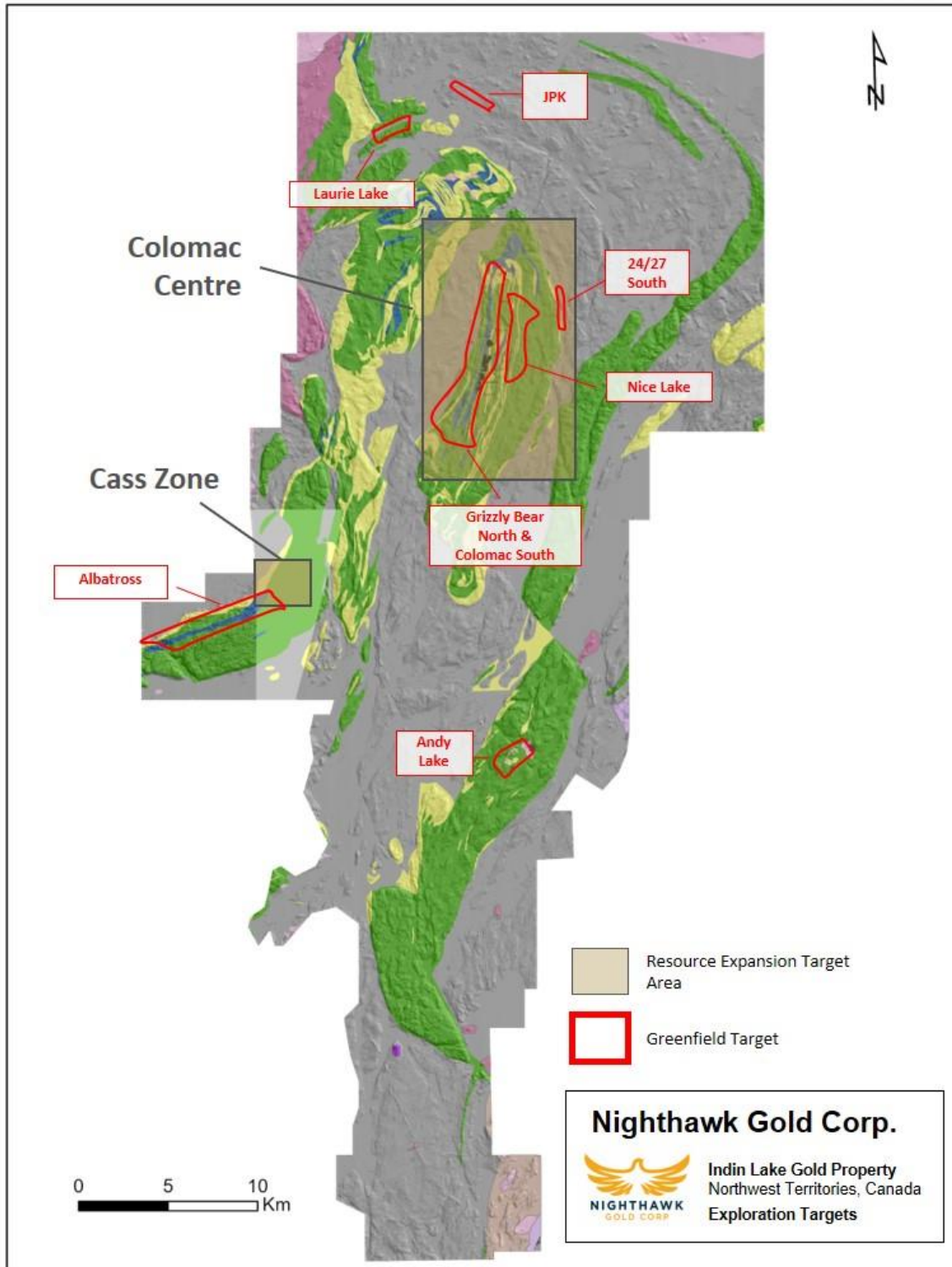
- Colomac Main (to the north at Zone 1.0 and to the south at Zone 3.5)
- Goldcrest (South)
- Grizzly Bear (North)
- 24/27 (across a 1km strike length)
- Cass Zone (with a historic non-compliant resource and room for expansion to the northeast and southwest, considerable work will be done at this zone this year)

Greenfield Targets

- Laurie Lake – on trend with the Treasure Island Target
- JPK – BIF target with near-surface high grade potential
- Colomac Main (southern 2km which have never been drill tested)
- Grizzly Bear (to the northeast)
- Nice Lake (parallel Colomac Main like sills which has never been drill tested)
- Andy Lake (discovered during the 2016 prospecting program which has never been drilled)
- Albatross (testing the western extension of the Cass zone, part of a 7km long favourable trend)

The Phase II drilling metres will be allocated based on the success of drilling from Phase I. These targets support the Company's goal of looking for near-surface, in-pit resources that are proximal to Colomac and have the possibility to carry higher grade. Results are anticipated towards the beginning of June.

Figure 4
2021 Phase I Drill Targets





3. EXPLORATION AND EVALUATION EXPENDITURES

The following table identifies the breakdown of the Indin Lake Gold Property's capitalized exploration and evaluation expenditures for the three months ended March 31, 2021 and 2020:

Indin Lake Gold Property

Three months ended March 31,	2021	2020
Capitalized Acquisition Costs		
Cumulative total, beginning of period	\$ 11,152,664	\$ 10,456,144
Option payments	400,000	-
Acquisition costs	40,396	29,696
Cumulative total, end of period	\$ 11,593,060	\$ 10,485,840
Expensed Exploration Costs		
Cumulative total, beginning of period	\$ 83,469,738	\$ 71,811,854
Camp	1,168,019	480,481
Transportation	558,957	568,308
Geological & consultant fees	441,256	402,185
Drilling	361,570	559,288
Assaying & analytical	313,765	86,089
Licenses & permits	165,626	67,038
Prospecting program consulting	12,495	32,928
Administrative office costs & other	5,991	10,700
Metallurgy	-	90,814
	3,027,679	2,297,831
Cumulative total, end of period	\$ 86,497,417	\$ 74,109,685

During the three months ended March 31, 2021, capitalized costs of \$0.4 million were incurred and primarily related to option payments for the Kim & Cass Property within the Company's Indin Lake Gold Property as further described in Section 1 – Description of Business (three months ended March 31, 2020, capitalized exploration costs of \$0.03 million were incurred). Expensed exploration costs for the three months ended March 31, 2021 included further camp expansion activities to accommodate for up to seven (7) drills onsite as well as costs relating to the start of drilling of the 2021 drill program which began in March 2021. Costs related to the start of the 2021 drill program and other geological and mining evaluation work which included camp setup, assaying and licensing costs to advance the property. For further details of the program, see Section 2.3 – Exploration Programs.

4. OUTLOOK

As of December 31, 2020, Nighthawk's working capital position was \$4.2 million with flow-through expenditure obligations of \$2.5 million remaining. On March 1, 2021, the Company published its goals and objectives over the course of the next two years and outlined immediate targets, part of the Phase I program. The exploration strategy has three main objectives:

- Resource expansion opportunities within known deposits (within the Colomac Centre as well as the Cass Zone, located within the recently optioned Kim & Cass Property);
- Identify new, near-surface mineralization proximal to the Colomac Centre; and
- Target assessment to identify, expand and include known targets that could contribute to the global resource base.

An investment in Nighthawk's securities is speculative, see Section 13.7 – Risk Factors.



5. SERVICE OBLIGATION UNDER TERMS OF COLOMAC AGREEMENT

As consideration for the Colomac Property (see Section 2.1 – Acquisitions), 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 \$5.0 million. The Company entered into the Colomac LOC's totalling \$5.0 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 Property. 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 (\$3.0 million for the Diversified site, \$1.0 million for the Chalco Lake site and \$1.0 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 the three months ended March 31, 2021. Cumulative expenditures to March 31, 2021 are \$1.3 million. During fiscal 2012, significant work was performed (\$1.2 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 \$3.0 million would be released.

Spider Lake

No costs were incurred on the Spider Lake service obligation during the year ended December 31, 2020. Cumulative expenditures to December 31, 2020 are \$0.2 million. During fiscal 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 \$1.0 million would be released.



6. RESULTS OF OPERATIONS

Three Months Ended March 31,	2021	2020
Exploration and evaluation expenses	\$ 3,027,679	\$ 2,297,831
Salaries, director and consulting fees	371,279	197,111
Shareholder communication and marketing	92,583	133,688
Office and administration	61,382	60,897
Regulatory	59,298	49,846
Professional fees	53,127	66,987
Travel	579	97,679
Stock-based compensation	246,967	50,111
Flow-through share premium	(601,276)	-
Gain on debt settlement	(26,000)	-
Interest income	(10,646)	(54,260)
Operating loss for the period	\$ 3,274,972	\$ 2,899,890
Net loss per share – Basic and fully diluted	\$ 0.06⁽¹⁾	\$ 0.06 ⁽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.

6.1 Three Months Ended March 31, 2021

Nighthawk's results of operations for the three months ended March 31, 2021 resulted in a loss of \$3.3 million, compared to a loss of \$2.9 million for the three months ended March 31, 2020.

The variance between the two years is due primarily to the following:

- Exploration and evaluation expenses increased for the period in 2021 compared to 2020 as a result of camp expansion costs and the level of activity to establish the 2021 expanded drill program on the Company's Indin Lake Gold Property. See Section 2.2 – Colomac for further details;
- Flow-through share premium income of \$0.6 million for the current period compared to \$nil million for the period in prior year as the Company incurred exploration expenditures and reduced its flow-through commitment during the period. The Company has \$2.5 million of flow-through commitments as of March 31, 2021 which are required to be expended by December 31, 2021;
- Shareholder communication, marketing and travel expenses decreased as the Company restricted from travel and updated its investor outreach strategy to account for the effects of the Coronavirus;
- Professional fees were in line with the prior period; and
- Gain on debt settlement arose as a result of the option payment for the Kim and Cass Property (see Section 1 – Description of Business for further details). An obligation of \$400,000 was settled through the issuance of 340,000 common shares which were valued at \$374,000, therefore giving rise to a \$26,000 gain on debt settlement.



7. 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 Jun. 30, 2020	Quarter Ended Sep. 30, 2020	Quarter Ended Dec. 31, 2020	Quarter Ended Mar. 31, 2021
Operating expenses	\$ 287,903	\$ 323,239	\$ 725,538	\$ 638,248
Stock-based compensation	50,111	50,111	307,278	246,967
Exploration and evaluation expenses	625,455	5,703,432	3,215,362	3,027,679
Interest income	(22,584)	(26,313)	(11,529)	(10,646)
Flow-through share premium	-	(645,183)	(867,656)	(601,276)
Gain on debt settlement	-	-	-	(26,000)
Deferred tax provision	-	88,112	-	-
Net loss	\$ 940,885	\$ 5,493,398	\$ 3,368,993	\$ 3,274,972
Net loss per share	\$0.02⁽¹⁾	\$0.12⁽¹⁾	\$0.07⁽¹⁾	\$0.06⁽¹⁾
Cash and cash equivalents	\$ 5,563,374	\$ 12,704,104	\$ 8,309,832	\$ 5,037,939
Other current assets	935,488	1,206,553	1,126,815	1,238,217
Exploration and evaluation assets	11,076,325	11,151,844	11,152,664	11,593,060
Restricted cash	4,669,310	4,669,310	4,669,310	4,669,310
Total Assets	\$ 22,244,497	\$ 29,731,811	\$ 25,258,621	\$ 22,538,526
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

Operations	Quarter Ended Jun. 30, 2019	Quarter Ended Sep. 30, 2019	Quarter Ended Dec. 31, 2019	Quarter Ended Mar. 31, 2020
Operating expenses	\$ 516,380	\$ 322,499	\$ 545,809	\$ 606,208
Stock-based compensation	-	-	856,065	50,111
Exploration and evaluation expenses	5,842,992	6,302,030	1,150,007	2,297,831
Interest income	(41,878)	(55,369)	(60,098)	(54,260)
Flow-through share premium	-	(208,725)	-	-
Gain on sale of investment	-	-	-	-
Deferred tax provision	-	194,214	-	-
Net loss	\$ 6,316,494	\$ 6,554,649	\$ 2,491,783	\$ 2,899,890
Net loss per share	\$0.15⁽¹⁾	\$0.16⁽¹⁾	\$0.06⁽¹⁾	\$0.06⁽¹⁾
Cash and cash equivalents	\$ 19,444,270	\$ 11,567,105	\$ 9,662,590	\$ 7,586,608
Other current assets	1,328,543	1,268,699	827,136	989,897
Exploration and evaluation assets	10,400,929	10,433,250	10,456,144	10,485,840
Restricted cash	4,648,616	4,669,310	4,669,310	4,669,310
Total Assets	\$ 35,822,358	\$ 27,938,364	\$ 25,615,180	\$ 23,731,655
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

(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 salaries, director and consulting fees, shareholder communication and marketing, travel, office and administrative costs, regulatory and professional fees. 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 operating expenses will be approximately \$180,000, before considering exploration activities, which are expected to 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 2.1 – Acquisitions 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 potential write-downs. Exploration and evaluation assets are analyzed each period end to determine whether any write-downs are necessary and as a result may 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 Colomac (see Section 5 – Service Obligation Under Terms of Colomac Agreement for further details).

8. 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 13.7 – 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 March 31, 2021 was \$4.2 million (including cash of \$5.0 million). At March 31, 2021, long-term assets primarily included exploration and evaluation assets of \$11.6 million, restricted cash of \$4.7 million; long-term liabilities primarily consisted of a provision for service obligation of \$3.0 million (see Section 2.1 – Acquisitions and Section 5 – Service Obligation Under Terms of Colomac Agreement) and a flow-through premium liability of \$0.5 million. The Company has flow-through expenditure commitments of \$2.5 million as of March 31, 2021 which must be expended by December 31, 2021.

Subsequent to period end on April 8, 2021, the Company closed a \$10.95 million financing by way of a brokered private placement on a bought deal basis. See Section 1 – Description of Business for further details.

Funds from further debt and equity financings may 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 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 March 31, 2021.

9. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim 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 fiscal year ended December 31, 2020. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Nighthawk's consolidated financial statements.

9.1 Adoption of Accounting Policies

The Company adopted the following amendment to its accounting policies during the three months ended March 31, 2021:

Amendments to IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

Effective on January 1, 2022, the amendments to IAS 16 require that entities are no longer able to deduct the net proceeds from selling any items from an asset's carrying amount before it is capable of operating in the manner intended by management. Instead, the proceeds should be recognised in accordance with applicable standards and in particular applying the measurement requirements of IAS 2 for the cost of those items. The Company early adopted the amendment in January 2021. There was no impact to the current period or comparative periods presented as a result of the amendment.

9.2 Changes in Accounting Policies

During the year ended December 31, 2020, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. It is more relevant and reliable because this policy eliminates the use of estimates and judgments regarding the valuation of exploration and evaluation expenditures and aligns the analysis to when the mineral property is considered economically and commercially viable. Costs of acquiring exploration and evaluation assets are capitalized and are subsequently measured at cost less accumulated impairment. Exploration and evaluation expenditures are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these exploration and evaluation expenditure amounts. The unaudited interim consolidated statement of loss and comprehensive loss for the three months ended March 31, 2020 has been restated to reflect adjustments made as a result of this change in accounting policy and are summarized in Note 3(b) to the unaudited condensed interim financial statements for the three months ended March 31, 2021.

9.3 Exploration and Evaluation Expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- (ii) determining the optimal methods of extraction and metallurgical and treatment processes;
- (iii) studies related to surveying, transportation, and infrastructure requirements;
- (iv) permitting activities; and
- (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

License costs paid in connection with a right to explore in an existing exploration area are expensed as incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless it is concluded that a future economic benefit is more likely than not to be realized. In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.



Exploration and evaluation expenditures incurred on a license where a NI 43-101 – Standards of Disclosure for Mineral Projects (“43-101”) compliant resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a 43-101 compliant resource and on completion of a pre-feasibility study. Costs expensed during this phase are included in “exploration and evaluation expenses” in the consolidated statements of operations and comprehensive loss.

Costs of acquiring exploration and evaluation assets are capitalized. They are subsequently measured at cost less accumulated impairment.

Once development is sanctioned, exploration and evaluation assets are tested for impairment and transferred from “Exploration and Evaluation Assets” to “Mineral Properties and Deferred Development Costs” or “Property, Plant & Equipment” depending on the nature of the asset. No amortization is charged during the exploration and evaluation phase.

Mineral Properties

Mine development costs are capitalized if management determines that there is sufficient evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when the technical feasibility and commercial viability of extraction of the mineral resource is demonstrable considering long-term metal prices. Prior to capitalizing such costs, management determines if there is a probable future benefit that will contribute to future cash inflows, the Company can obtain the benefit and control access to it, and if the transaction or event giving rise to the benefit has already occurred.

If the Company does not have sufficient evidence to support the probability of generating positive economic returns in the future, mine development costs are expensed in the consolidated statements of operations and comprehensive loss.

9.4 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.

9.5 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.

10. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

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

The Company has identified the following areas where estimates, assumptions and judgments are made and where actual results may differ from the estimates under different assumptions and conditions and may materially affect financial results of the Company's consolidated statements of financial position reported in future periods.

10.1 Significant Accounting Estimates

Share-Based Payments

The determination of the fair value of stock options or warrants using the Black-Scholes option pricing model, requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

Reclamation Provision

The Company assesses its reclamation and remediation provisions annually or when new material information is available. The amounts recorded for reclamation and remediation provisions are based on estimates prepared by third party environmental specialists, if available, or by persons within the Company who have the relevant skills and experience. These estimates are based on remediation activities required by environmental laws, the expected timing of cash flows, and the pre-tax risk-free interest rates on which the estimated cash flows have been discounted. These estimates also include an assumption of the rate at which costs may inflate in future periods. Actual results could differ from these estimates. The estimates are related to the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

10.2 Significant Accounting Judgments

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis and 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 if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materially different outcome.



Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Current and Deferred Taxes

Tax regulations are very complex and changing regularly. As a result, the Company is required to make judgments about the tax applications, the timing of temporary difference reversals, and the estimated realization of tax assets. Also, all tax returns are subject to further government's reviews, with the potential reassessments. All those facts can impact current and deferred tax provisions, deferred tax assets and liabilities, and operation results.

11. ACCOUNTING ISSUES

11.1 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 March 31, 2021 was \$4.2 million (including cash of \$5.0 million). The timing and extent of the future drill programs 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.

11.2 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 13 to the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021.

12. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – December 31, 2020	51,051,500
Shares issued for option payment on Kim & Cass Property	340,000
Common shares outstanding – March 31, 2021	51,391,500
Bought deal brokered private placement	9,165,000
Shares issued upon vesting of share units	50,000
Common shares outstanding – May 17, 2021	60,606,500
Unexercised stock options (avg exercise \$1.86)	5,043,500
Unexercised warrants (August 20, 2021 expiry, exercise \$2.00)	1,335,796
Unexercised warrants (April 8, 2023 expiry, exercise \$1.35)	3,666,000
Share units	686,500
Fully diluted common shares outstanding – May 17, 2021	71,338,296



12.1 COMMON SHARES

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

12.2 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 three months ended March 31, 2021, 250,000 stock options were granted. The following stock options remained outstanding at March 31, 2021:

Grant date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (Years)
June 8, 2016	466,000	466,000	\$1.25	0.2
July 4, 2016	90,000	90,000	\$1.85	0.3
March 20, 2017	800,000	800,000	\$4.00	0.9
September 19, 2018	761,000	761,000	\$2.00	2.3
December 10, 2019	401,500	401,500	\$2.10	3.5
October 5, 2020	75,000	75,000	\$1.30	4.5
December 2, 2020	500,000	125,000	\$1.26	4.7
January 1, 2021	250,000	62,500	\$1.32	4.8
	3,343,500	2,781,000	\$2.20	2.4

Subsequent to period end on April 14, 2021, the Company granted 1.7 million stock options having an exercise price of \$1.17 expiring in five years from the date of grant.

12.3 SHARE UNIT PLAN

The Share Unit Plan provides for the issuance of share units to employees, directors, officers, consultants, and management company employees of Nighthawk. Share units are units created by means of an entry on the books of Nighthawk representing the right to receive one common share (subject to adjustments) issued from treasury per share unit. The number of share units granted and any applicable vesting conditions are determined in the discretion of the Board of Directors (or a committee thereof) on the date of grant. In granting share units, the Board of Directors (or a committee thereof) may include other terms, conditions, and/or vesting criteria which are not inconsistent with the Share Unit Plan. Share units are settled by way of issuance of common shares from treasury as soon as practicable following the maturity date in accordance with the Share Unit Plan.

The Company granted 125,000 share units during the three months ended March 31, 2021. Compensation for the three months ended March 31, 2021 with respect to share units was \$119,111 (three months ended March 31, 2020 - \$50,111) and was recorded as stock-based compensation in the statement of loss and comprehensive loss.

As at March 31, 2021, there were 736,500 share units outstanding (March 31, 2020 – 286,500). Subsequent to period end, 50,000 share units vested. As at the date of this MD&A, there were 686,500 share units outstanding.

13. OTHER INFORMATION

13.1 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 2.1 – Acquisitions. At December 31, 2020, the remaining service obligation was \$3.0 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, 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 \$0.4 million. The Company posted two irrevocable standby letters of credit with a Canadian chartered bank in the amount of \$0.5 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.

As of March 31, 2021, the Company had \$2.5 million of flow-through expenditure obligations.

13.2 SUBSEQUENT EVENTS

Subsequent to period end on April 8, 2021, the Company closed a \$10.95 million brokered private placement on a bought deal basis. See Section 1 – Description of Business for further details.

Subsequent to period end on April 14, 2021, the Company granted 1.7 million stock options having an exercise price of \$1.17 expiring in five years from the date of grant.

13.3 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 March 31, 2021. 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.

13.4 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 three months ended March 31, 2021 that would materially affect, or reasonably likely to materially affect, the internal control over financial reporting.

13.5 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.



13.6 RELATED PARTY TRANSACTIONS

Transactions for the three months ended March 31, 2021 are disclosed and explained in note 12 to the audited consolidated financial statements which accompanies this MD&A.

During the three months ended March 31, 2021, Nighthawk paid geological consulting fees of \$20,000 (three months ended March 31, 2020 - \$60,000) to Byron Geological Inc., a company controlled by Dr. Michael Byron, the former Chief Executive Officer and a Director of Nighthawk. At March 31, 2021, the balance owed was \$nil (December 31, 2020 - \$nil).

During the three months ended March 31, 2021, Nighthawk paid financial consulting fees of \$nil (three months ended March 31, 2020 - \$30,000) to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the Chief Financial Officer of Nighthawk. At March 31, 2021, the balance owed was \$nil (December 31, 2020 - \$nil).

During the three months ended March 31, 2021, the Company paid rent and office costs of \$nil (three months ended March 31, 2020 - \$14,640) to 1249687 Ontario Ltd., a company controlled by Brent Peters, a former director of the Company and to 2756189 Ontario Inc., a company controlled by Northfield Capital Corporation. At March 31, 2021, the balance owed was \$nil (December 31, 2020 - \$nil).

During the three months ended March 31, 2021, the Company paid rent and office costs of \$15,057 (three months ended March 31, 2020 - \$nil) to 2756189 Ontario Inc., a company controlled by Northfield Capital Corporation, a shareholder of Nighthawk and a company with a common director (Morris Prychidny) and officer (Michael Leskovec). At March 31, 2021, the balance owed was \$nil (December 31, 2020 - \$nil).

13.7 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 Company is subject to a number of risks and uncertainties which are not discussed in this MD&A. To properly understand such risks, readers are directed to the Company's AIF for the year ended December 31, 2020 under the heading "Risk Factors", which is incorporated by reference into this MD&A. The AIF is available on SEDAR (www.sedar.com).

13.8 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.

13.9 ADDITIONAL INFORMATION

Additional information regarding the Company, including the AIF for the fiscal year ended December 31, 2020, can be found at www.nighthawkgold.com and www.sedar.com.

13.10 FORWARD-LOOKING INFORMATION

This report may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information including predictions, projections and forecasts, includes, but is not limited to, information with respect to the Company's continued exploration programs (including size and budget) and the ability to advance targets and conduct enough drilling to produce NI 43-101 compliant resource estimates, and the timing and results thereof; the ability to conduct additional metallurgical test-work and the timing and results thereof; the ability to raise the necessary capital on acceptable terms in order to conduct exploration programs including mapping, prospecting and drilling activities and identify new targets in future years, as well as any intention to expand these programs in the future.



This report may contain forward-looking statements. 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 resources, the realization of mineral resource estimates, anticipated budgets and exploration expenditures, capital expenditures 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; 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.