



**FORM 51-102F1**

**MANAGEMENT DISCUSSION & ANALYSIS**

**ISSUER DETAILS**

For the 1<sup>st</sup> Quarter Ended:  
Date of the Report:

August 31, 2017  
October 30, 2017

Name of Issuer:  
Issuers Address:

HAWKEYE GOLD & DIAMOND INC.  
M202 – 1985 Alberni Street  
Vancouver, BC, Canada V6G 0A2

Issuer Phone Number:  
Issuer Email Address:  
Issuer Website Address:

(778) 379-5393  
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Contact Person:  
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Contact Phone Number:  
Contact Email Address:

Greg Neeld  
President & CEO  
(778) 379-5393  
greg@hawkeyegold.com



## **MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE FIRST QUARTER ENDED AUGUST 31, 2017**

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**TSX Venture Exchange: HAWK**

**Frankfurt Exchange: Ticker: HGT, ISIN: CA42016R3027, WKN: A12A61**

**CUSIP NO: 42016R 30 2**

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This MD&A Report addresses issues that affected HAWKEYE GOLD & DIAMOND INC. (the “Company” (the “Issuer”) or (“HAWKEYE”)) during its first quarter ended August 31, 2017, and, when appropriate, material changes that impacted the Company subsequent to its first quarter of fiscal 2018 to the date of this report, October 30, 2017 (the “subsequent events period”).

### **ADDITIONAL FINANCIAL AND CORPORATE INFORMATION**

Management encourages our shareholders and the investment community to read this MD&A Report together with the Issuer’s Audited Consolidated Financial Statements for our fiscal years ended May 31, 2017 and 2016. This MD&A for the three months ended August 31, 2017 reflects the Company’s adoption of International Reporting Standards (“IFRS” as issued by the International Accounting Standards Board (“IASB”). All amounts in the Annual Audited and Unaudited Interim Management Prepared Consolidated Financial Statements including this MD&A Report are stated in Canadian dollars unless otherwise indicated.

We also encourage you to visit the Company’s web page on the SEDAR website to view all our regulatory filings filed with SEDAR which include but are not limited to the Company’s Annual Audited and Unaudited Interim Financial Statements, Management Discussion and Analysis Reports, Material Change Reports, Property Technical Reports, Annual Information Forms (AIF), Annual General Meeting and Proxy Materials and News Releases. To access the Company’s link on SEDAR, go to [www.sedar.com](http://www.sedar.com), click on Company Profiles, go to Public Companies and click on the letter H, scroll down and click on the Issuer’s name, click on the “View this Public Company’s Documents” link located at the bottom of the page and finally type in the verification code when prompted.

You can also contact us directly through any of the methods mentioned at the bottom of this report.

### **FORWARD-LOOKING ORIENTATION (STATEMENTS)**

Under CICA (Canadian Institute of Chartered Accountants) guidance, forward-looking orientation calls for Company’s MD&A reports to explain past events, decisions, circumstances and performance in the context of whether they are reasonably likely to be indicative of, and have a material impact on, future prospects. It also calls for an MD&A Report to describe not only anticipated future events, decisions, circumstances, opportunities and risks that management considers likely to materially impact future prospects, but also matters such as management’s vision, strategy and key performance drivers.

Statements used in this report, words like “anticipate”, “believe”, “estimate” and “expect” and similar expressions and all other information other than historical facts that are incorporated herein, including without limitation, data regarding potential mineralization, exploration results, future plans and objectives of HAWKEYE are forward-looking orientation statements. Such statements are used to describe management’s future plans, objects and goals for the Company and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

## **1. DESCRIPTION OF BUSINESS**

HAWKEYE GOLD & DIAMOND INC. is an exploration stage company and the primary function of its business is to be engaged in the acquisition, exploration and development of natural resources in North America. HAWKEYE is currently focused upon its recently acquired properties located in the Barkerville Gold Camp (see section 2. A below) and the prolific Golden Triangle (see section 6.C below), both situated in British Columbia, Canada.

The Company is incorporated under the laws of the Province of British Columbia and is based in Vancouver, British Columbia, Canada. HAWKEYE is a reporting issuer in both the provinces of British Columbia and Alberta and trades on the TSX Venture Exchange (the “TSX-V”) under the symbol HAWK and the Frankfurt Exchange under the ticker HGT; ISIN#: CA42016R3027 and WKN#: A12A61

## **2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION**

### **2. A OPERATIONS**

#### **BONANZA PROPERTY**

##### ***Vancouver Island, British Columbia Canada***

HAWKEYE owns a 100 per cent interest in the Bonanza Property, which is located on the northern end of Vancouver Island, British Columbia, Canada. The 123.8-hectare Bonanza Property is located approximately 110 kilometres northwest of Campbell River and 69 kilometres southeast of Port Hardy. The Property encompasses the historical Bonanza Pit copper, gold, silver, zinc and magnetite skarn prospect, which has been subject to intermittent exploration over the years since its discovery in 1959.

HAWKEYE purchased the Bonanza Property by paying the vendor \$5,000 and issuing a total of 250,000 shares in the capital of the Company. 100,000 shares come with a standard four (4) month hold and the balance of 150,000 shares have a voluntary twelve month hold period. There are two types of royalty payments associated with the purchase. The Company will pay the vendor \$2.00 per tonne from the production of magnetite from the property. All other minerals produced from the property will be subject to a 2% net smelter royalty (NSR) payable to the vendor from production. The Company has the right to purchase 1.5% of the NSR for \$1,500,000 leaving the vendor with a 0.5% interest in the NSR. HAWKEYE will have a first rights of refusal until April 6, 2022 to purchase the remaining 0.5% NSR.

The Company received TSX Venture Exchange acceptance for the acquisition of the Bonanza Property on April 6, 2017.

During the Company’s first quarter ended August 31, 2017, the Issuer incurred \$nil (2016 - \$nil) in acquisition costs for the Bonanza Property and \$625 (2016 - \$nil) in deferred exploration expenditures.

**LA COBRIZA PROJECT***Durango, Mexico*

The Company entered into a Letter of Intent (LOI) on November 4, 2016 to acquire a 50-per-cent interest in the La Cobriza Project for \$4.5-million (U.S.) from an independent third party. This gold and silver project is located 125 kilometres northeast of Mazatlan and 150 km west-northwest of Durango City, Durango, Mexico, near the Tayoltita Mine of Primero Mining Corp. The Temehuaya claim, which forms part of the La Cobriza Project, is located approximately 25 kilometres east of La Cobriza.

Hawkeye could have earned a 50-per-cent interest in the La Cobriza project by paying \$4.5-million to the vendor over a two year period. The LOI provided for a 45-day due-diligence period (DDP) allowing completion of a site visit and evaluation of the property. Upon Hawkeye electing to move forward with the property after the DDP, the terms and conditions of the LOI would have been incorporated into a definitive option purchase agreement (DOPA) subject to TSX Venture Exchange approval.

During HAWKEYE's fourth quarter and as at its year ended May 31, 2017, the Company wrote-off a total of \$136,495 in carrying costs relating to the La Cobriza Property because it terminated the LOI and returned the property to the Optionor.

**NEW PROPERTY ACQUISITIONS**

During HAWKEYE's first quarter ended August 31, 2017, the Company entered into purchase agreements to acquire 100% interests in four properties located in the Barkerville Gold Camp located in British Columbia, Canada.

**About the Barkerville Gold Camp**

Barkerville was the centre of the historic Cariboo gold rush starting in 1860. The recorded production estimate from 1861-1987 reported more than 5,000,000 ounces of gold which included 3,800,000 ounces from placer operations and 1,230,000 ounces from lode mining. Recently, BGM, the principal property holder in the district, has announced resource definition on lode gold projects and large exploration programs focused along the Cariboo Break. BGM has eight (8) drills conducting a 130,000 metre drill program in 2017 and has released many positive results. BGM also plans to complete 120,000 metres of drilling during 2018 and 2019.

**2-Aces Project***Barkerville, British Columbia Canada*

HAWKEYE has entered into a Sale and Purchase Agreement with the vendor of the Barkerville 2 Aces Project (the "Property") to acquire a 100% interest in the 5,044 hectare Property situated approximately 32 kilometres southeast of the Town of Barkerville, BC, Canada. The Barkerville 2 Aces Project lies within the southeasterly-striking Snowshoe Group of the Barkerville Terrane. This is the geological formation that hosts Barkerville Gold Mines' ("BGM") current gold exploration and mine development projects, including Island Mountain, Cow Mountain and Bonanza Ledge.

The Barkerville 2-Aces Property acquisition is subject to a \$12,000.00 cash payment and the issuance of 50,000 shares and a further 250,000 share issuance should the project proceed to a pre-feasibility study.

The acquisition is not subject to an NSR.

**MD&A: Management Discussion and Analysis for the 1<sup>st</sup> Quarter Ended August 31, 2017**

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HAWKEYE received TSX Venture Exchange acceptance for the 2-Aces Project Sale and Purchase Agreement during its subsequent events period (see section 6.C below).

During the Company's first quarter ended August 31, 2017, the Issuer incurred \$nil (2016 - \$nil) in acquisition costs for the 2-Aces Project and \$nil (2016 - \$nil) in deferred exploration expenditures.

**Keithley Creek Project**  
*Barkerville, British Columbia Canada*

HAWKEYE has entered into a Sale and Purchase Agreement with the vendor of the Keithley Creek Project (the "Property") to acquire a 100% interest in the 3,600 hectare Property situated approximately 30 kilometres south of the Town of Barkerville, BC, Canada. The Property lies within the southeasterly-striking Snowshoe Group of the Barkerville Terrane. This is the geological formation that hosts Barkerville Gold Mines' ("BGM") current gold mine development and exploration projects, including the Yanks Peak prospects, and also hosts a number of historic to recent placer gold mines within and adjacent to the Property.

The Keithley Creek Property acquisition is subject to a \$7,000.00 cash payment and the issuance of 50,000 shares and a further 250,000 share issuance should the project proceed to a pre-feasibility study.

The acquisition is not subject to an NSR.

HAWKEYE received TSX Venture Exchange acceptance for the Keithley Creek Sale and Purchase Agreement during its subsequent events period (see section 6.C below).

During the Company's first quarter ended August 31, 2017, the Issuer incurred \$nil (2016 - \$nil) in acquisition costs for the Keithley Creek Project and \$nil (2016 - \$nil) in deferred exploration expenditures.

**Cariboo Valley Project**  
*Barkerville, British Columbia Canada*

HAWKEYE has entered into a Sale and Purchase Agreement with the vendor of the Cariboo Valley Project (the "Property") to acquire a 100% interest in the 2,093-hectare Property situated approximately 32 kilometres south-southeast of the Town of Barkerville, BC, Canada. The Property includes claims on the north and south shore of Cariboo Lake and is located contiguous to both the western boundary of HAWKEYE's 2 Aces property and Barkerville Gold Mines' ("BGM") claims to the north. The Property lies within the southeasterly-striking Snowshoe Group of the Barkerville Terrane. This is the geological formation that hosts BGM's current gold mine development and exploration projects and also underlies a number of historic to recent placer gold claims within and adjacent to the Property.

The Cariboo Valley Property acquisition is subject to a \$5,000.00 cash payment and the issuance of 50,000 shares and a further 250,000 share issuance should the project proceed to a pre-feasibility study.

The acquisition is not subject to an NSR.

HAWKEYE received TSX Venture Exchange acceptance for the Cariboo Valley Project Sale and Purchase Agreement during its subsequent events period (see section 6.C below).

During the Company's first quarter ended August 31, 2017, the Issuer incurred \$nil (2016 - \$nil) in acquisition costs for the Cariboo Project and \$nil (2016 - \$nil) in deferred exploration expenditures.



**MD&A: Management Discussion and Analysis for the 1<sup>ST</sup> Quarter Ended August 31, 2017**

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***Revenue***

During the first quarter and fiscal year 2018, HAWKEYE did not generate any revenues from operations due to the fact that the Company is in the business of exploring for and development of natural resources and does not generate sales from production.

***Expenses***

During the Company's first quarter ended August 31, 2017, general and administrative expenditures totaled \$73,591 compared to \$82,245 during the same period of the previous year. Material expenditures incurred by the Company during its first quarter of fiscal 2018 was mainly due to the Issuer incurring \$12,847 for consulting fees relating to professional legal and geological services, 36,000 for management fees and \$10,500 for rent. In comparison, material expenditures incurred by the Issuer during the same period of the previous year was mainly due to the Company incurring \$19,700 for consulting fees and 36,000 for management fees.

During the Company's fourth quarter ended May 31, 2017, general and administrative expenditures totaled \$164,044 compared to \$110,740 during the same period of the previous year. Material expenditures incurred by the Company during its fourth quarter of fiscal 2017 was mainly due to the Issuer incurring \$37,500 for management fees, \$30,604 for professional fees, and 62,879 for stock based compensation in connection with the Company granting 595,000 options during the year at a price of \$0.12 per share. During the same period the Company experienced an operating and total loss of \$288,823 due to the Issuer writing off a total of \$136,495 in carrying costs for the La Cobriza Property because it terminated the Letter of Intent with the Vendor for the property. In comparison material expenditures incurred by the Issuer during its fourth quarter of fiscal 2016 was mainly due to the Company incurring \$36,000 for management fees, \$31,161 for professional fees relating to legal and accounting costs and \$24,811 for stock-based compensation in connection with the Issuer granting 861,165 stock options at a price of \$0.10 per share expiring April 25, 2026, and repricing the exercise price for 145,000 incentive stock options from \$0.60 to \$0.10 per share. During the same period the Company experienced an operating and total loss of \$142,119 due to the Issuer writing off a total of \$31,379 in carrying costs for the Rex property because it did not make the maintenance fee payment and returned the property to the Optionor.

During the Company's third quarter ended February 28, 2017, general and administrative expenditures totaled \$73,327 compared to \$66,814 during the same period of the previous year. Material expenditures incurred by the Issuer during its third quarter of fiscal 2017 was mainly due to the Company incurring \$37,900 for management fees. In comparison, during the Company's third quarter of the previous year general and administrative expenditures incurred was mainly due to the Company incurring \$36,000 for management fees.

During the Company's second quarter ended November 30, 2016, general and administrative expenditures totaled \$202,484 compared to \$59,832 during the same period of the previous year. Material expenditures incurred by the Issuer during its second quarter of fiscal 2017 was mainly due to the Company incurring \$133,372 for consulting fees and \$36,275 for management fees. In comparison, during the Company's second quarter of the previous year material expenditures incurred was mainly due to the Company incurring \$7,800 for rent, \$5,350 for professional fees mainly relating to accounting and legal fees and \$36,000 for management fees.

**2. C FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES**

During the Issuer's first quarter of fiscal 2018, the Company did not arrange for or complete any financings.

**2. D NON-CASH FINANCING ACTIVITIES**

Non-cash activities for the period ended August 31, 2017 are as follows:

- a) The Company did not have any non-cash financing activities for the period.

Non-cash activities for the first quarter ended August 31, 2016 are as follows:

- a) Issued 231,000 finders' warrants valued at \$6,190; based on Black Scholes calculation with 134.92% volatility, 1.00% riskless rate, 0.00% dividend yield and a term of 1 year.

**2. E COMMON SHARES, WARRANTS AND OPTIONS**

This section provides you with a detailed breakdown for common shares and warrants issuances, if any, options granted, if any, and the exercise and expiration of warrants and options, if any, during the Issuer's first quarter ended August 31, 2017.

**Common Shares**

During the Company first quarter of fiscal 2018, HAWKEYE issued a total of 101,000 common shares in the capital of the Company in connection with the exercise of share purchase warrants by certain individuals at a price of \$0.075 per share raising the Issuer total proceeds of \$7,575.

**Warrants**

During the Company first quarter of fiscal 2018, HAWKEYE did not issue any share purchase warrants, a total of 1,535,000 expired unexercised and 101,000 warrants were exercised at a price of \$0.075 per share (discussed directly above) raising the Company total proceeds of \$7,575.

**Options**

During the Company first quarter of fiscal 2018, the Company did not grant any new stock options, none were exercised and none had expired.

MD&A: Management Discussion and Analysis for the 1<sup>st</sup> Quarter Ended August 31, 2017**2. F ACQUISITION OR ABANDONMENT OF RESOURCE PROPERTIES**

The table below is a summary of acquisition and abandonment (write-off) costs related to the Company's resource properties that were incurred by the Issuer during its first quarter ended August 31, 2017 (column 2 (IFRS compliant)) with comparative figures for acquisition and abandonment costs for its two previous fiscal years ended May 31, 2017 (column 3) (IFRS compliant) and May 31, 2016 (column 4) (IFRS compliant).

Description	1 <sup>st</sup> Quarter Fiscal 2018 17/06/01 to 17/08/31 Y/M/D	Fiscal Year Ended 2017 16/06/01 to 17/05/31 Y/M/D	Fiscal Year Ended 2016 15/06/01 to 16/05/31 Y/M/D
Acquisition Costs	\$nil	\$158,415	\$nil
Abandonment (Write Offs)	\$nil	\$136,495	\$1,000

During the Issuer's fiscal year ended May 31, 2017, the Company incurred a total of \$158,415 in acquisition costs due to the Company allocating \$21,920 for acquisition costs relating to it acquiring a 100% interest in the Bonanza Property by making a \$5,000 payment, issuing 250,000 shares in the capital of the Company to the vendor at a deemed price of \$0.06 per share and paying 29,545 finders' shares in connection with acquisition of the Bonanza property at a deemed price of \$0.065 per share and by incurring a total of \$136,495 in acquisition costs relating to the Company's initial cash payments to the vendor of the La Cobriza property.

During the Issuer's year ended May 31, 2017, HAWKEYE incurred \$136,495 in acquisition abandonment write-offs due to the Company terminating its Letter of Intent with the vendor of the La Cobriza property.

During the Issuer's year ended May 31, 2016, the Company incurred \$1,000 in acquisition abandonment write-offs due to it returning the REX property to the Optionor.

**2. G DEFERRED EXPLORATION EXPENDITURES**

The table below is a summary of deferred exploration expenses incurred by the Company for work performed over its resource properties during its first quarter ended August 31, 2017 (column 2) (IFRS compliant) with comparative figures for deferred exploration expenses incurred during the two previous fiscal years ended May 31, 2017 (column 3) (IFRS compliant) and May 31, 2016 (column 4) (IFRS compliant).

Description	1 <sup>st</sup> Quarter Fiscal 2018 17/06/01 to 17/08/31 Y/M/D	Fiscal Year Ended 2017 16/06/01 to 17/05/31 Y/M/D	Fiscal Year Ended 2016 15/06/01 to 16/05/31 Y/M/D
Deferred Exploration Expenditures	\$625	\$nil	\$18,645
Abandonment (Write-Offs)	\$nil	\$nil	\$30,379

**MD&A: Management Discussion and Analysis for the 1<sup>ST</sup> Quarter Ended August 31, 2017**

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During the Issuer's first quarter of fiscal 2018, the Company incurred a total of \$625 in exploration expenditures due to HAWKEYE making a payment in lieu of work to extend the anniversary date for the Bonanza Property to February 3, 2018.

During the Issuer's fiscal year ended May 31, 2016, the Company incurred a total of \$18,645 in exploration expenditures by expending a total of \$3,000 for consulting fees relating to the REX Property during its second quarter of fiscal 2016 and by incurring a total of \$15,645 in exploration expenditures during the first quarter of fiscal 2016 in connection with the Company making a payment in lieu of work to the Yukon Mining Recorders Office (MRO) to extend the REX Property anniversary date to June 28, 2016. This extension maintained the REX Property in good standing with the Yukon MRO and under terms of the Option Agreement for the Property. During the same period, the Company incurred \$30,379 in abandonment write-offs relating to deferred exploration expenditures because it returned the REX property to the Optionor.

**2. H MANAGEMENT CHANGES**

During the Company first quarter ended August 31, 2017, the Issuer did not incur any management changes.

**2. I NEW TRADING SYMBOL FOR HAWKEYE**

During the first quarter ended August 31, 2017, HAWKEYE changed its trading symbol for the TSX Venture Exchange from HGO to HAWK.

**3. TRANSACTIONS WITH RELATED PARTIES**

The following is a summary of transactions with related parties incurred by the Company:

- a) During the 3 months ended August 31, 2017, \$30,000 (August 31, 2016 - \$30,000) was paid or accrued to Greg Neeld, the President of the Company, who is also a director of the Company, as management fees.
- b) During the 3 months ended August 31, 2017, \$6,000 (August 31, 2016 - \$6,000) was paid or accrued to Robert Neeld, an individual related to the President of the Company for services rendered and included in management fees.
- c) As at August 31, 2017, there is a balance of \$1,000 (August 31, 2016 - \$nil) was due to Maureen Watson, a director of the Company.
- d) As at August 31, 2017, there is a balance of \$506,058 (August 31, 2016 - \$479,581) due to Greg Neeld, the President of the Company which was included in Due to related parties.
- e) As at August 31, 2017, there is a balance of \$1,743 (August 31, 2016 - \$1,743) due to Hawkeye Power Corporation, a company owned by Greg Neeld, the President of the Company which was included in Due to related parties.
- f) As at August 31, 2017, there is a balance of \$86,775 (August 31, 2016 - \$78,860) due to Robert Neeld, a related party which was included in Due to related parties.
- g) As at August 31, 2017, there is a balance of \$19,600 (August 31, 2016 - \$19,600) due to Steve Pelletier, a related party which was included in loans payable.
- h) As at August 31, 2017, there is a balance of \$2,150 (August 31, 2016 - \$2,150) due to Kevin McGladery, a related party which was included in Due to related parties.

**MD&A: Management Discussion and Analysis for the 1<sup>ST</sup> Quarter Ended August 31, 2017**

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- i) As at August 31, 2017, there is a balance of \$nil (August 31, 2016 - \$445) due to Mary-Lee Neeld, a related party which was included in Due to related parties.

The above noted transactions have been reported at amounts agreed to by the related parties.

**4. INVESTOR RELATIONS**

HAWKEYE provides our shareholders and the investment community with a toll-free telephone number and a web site to contact the Company for corporate information and updates. Investor relation activities undertaken by the Company generally consists of a) attending certain industry related trade and convention conferences; b) communication to the investment community through personal and electronic means, and c) revisions to our website. Feel free to visit our website at [www.hawkeyegold.com](http://www.hawkeyegold.com) and when you are there please don't forget to subscribe to HAWKEYE's Newsletter.

During the Company first quarter ended August 31, 2017, investor relations activities undertaken by the Company consisted of updates to our web site, communication to the investment community through personal and electronic means and attending industry and finance trade shows.

**5. TRANSACTIONS REQUIRING REGULATORY APPROVAL**

As at the end of the Company's first quarter ended August 31, 2017, there were four transactions requiring regulatory approval relating to TSX Venture Exchange acceptance for the 2-Aces, Keithley Creek, Cariboo Valley and Seller Creek Sale and Purchase Agreement's as discussed in section 2. A, above.

**6. SUBSEQUENT EVENTS**

The following is disclosure of material events that affected your Company subsequent to the end of its first quarter ended August 31, 2017, and to the date of this report, October 30, 2017 (the "subsequent events period").

**6. A OPERATIONS****BONANZA PROPERTY**

*Vancouver Island, British Columbia Canada*

During the subsequent events period HAWKEYE incurred \$nil (2016 - \$nil) in acquisition costs for the Bonanza Property and \$nil (2016 - \$nil) in deferred exploration expenditures.

**6. B FINANCIAL INFORMATION****Common Shares**

During the subsequent events period, HAWKEYE did not issue any shares in the capital of the Company.

**Share Purchase Warrants**

During the subsequent events period the Company did not issue any share purchase warrants, none were exercised and none had expired.

## Stock Options

During the subsequent events period the Company did not grant any new stock options, none were exercised and none had expired.

## 6. C ACQUISITION OR ABANDONMENT OF RESOURCE PROPERTIES

During the subsequent events period the Company entered into purchase agreements to acquire two properties in The Golden Triangle, located in northwest British Columbia, Canada.

### **About the Golden Triangle, BC, Canada**

HAWKEYE is excited to be involved in the Golden Triangle of northwestern British Columbia. It provides HAWKEYE with an initial footprint in a significant mining district known for many producing mines (Red Chris, Snip, Johnny Mountain, Eskay Creek, Valley of the Kings), large advanced projects (GJ, Schaft Creek, Galore Creek, KSM) and recently several exciting projects highlighted by GT Gold's 2017 discoveries. The continuing success of many projects and regional infrastructure development by Federal and British Columbia governments, combined with the increased gold prices will focus renewed exploration activity and the global investment community on mining growth opportunities within the Golden Triangle, which should benefit HAWKEYE through new financing opportunities to advance its properties in the Golden Triangle.

### **McBride Project**

#### ***Golden Triangle, British Columbia Canada***

HAWKEYE has entered into a Sale and Purchase Agreement with the vendor of the McBride Project (the "Property") to acquire a 100% interest in the 4,611-hectare Property situated approximately 12 kilometres east-northeast of the Village of Iskut, BC, Canada. The Property is located west of the Klappan River surrounding Thatue Mountain, and contiguous to the northern boundary of the Red Chris Mine, and within 2 kilometres of properties held by GT Gold, Colorado Resources and Teuton Resource

The Property occurs within the Stikinia Terrane, primarily lies within the Jurassic-age Hazelton Group calc-alkaline volcanics and is located only 18 kilometres east of the recent GT Gold "Saddle" discovery where significant gold values were reported in soil sampling programs and the current drilling campaign.

The Property acquisition is subject to a \$8,000.00 cash payment and the issuance of 100,000 shares and a further 250,000 share issuance should the project proceed to a pre-feasibility study.

The acquisition is not subject to an NSR.

HAWKEYE received TSX Venture Exchange acceptance for the McBride Property Sale and Purchase Agreement on October 25, 2017.

### **Todagin Project**

#### ***Golden Triangle, British Columbia Canada***

HAWKEYE has entered into a Sale and Purchase Agreement with the vendor of the Todagin Project (the "Property") to acquire a 100% interest in the 3,608-hectare Property transected by Highway 37 and situated approximately 20 kilometres south of the Village of Iskut, BC, Canada. The Property is located east of the Kanaskin Lake contiguous to the western boundary of the Red Chris Mine and the southeastern boundary of GT Gold.

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The Property occurs in the Stikinia Terrane within Triassic to Jurassic-age Stuhini and Hazelton Group volcanoclastic rocks and is located only 16 kilometres south of the recent GT Gold “Saddle” discovery where significant gold values were reported in soil sampling programs and the current drilling campaign.

The Property acquisition is subject to a \$7,000.00 cash payment and the issuance of 100,000 shares and a further 250,000 share issuance should the project proceed to a pre-feasibility study.

The acquisition is not subject to an NSR.

HAWKEYE received TSX Venture Exchange acceptance for the Todagin Property Sale and Purchase Agreement on October 25, 2017.

During the subsequent events period, on September 29, 2017, HAWKEYE received TSX Venture Exchange acceptance for the 2-Aces, Keithley Creek, Cariboo Valley and Seller Creek Properties Sale and Purchase Agreement’s discussed in section 2. A, above.

During the same period the Company did not abandon any properties

**6. D MANAGEMENT CHANGES**

During the subsequent events period there were no management changes.

**6. E INVESTOR RELATIONS**

During the subsequent events period investor relations activities undertaken by the Company consisted of updates to our web site and communication to the investment community through personal and electronic means.

**6. F FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES**

During the subsequent events period, the Company did not announce or complete any financings.

**6. G TRANSACTIONS REQUIRING REGULATORY APPROVAL**

At the end of the subsequent events period there were no transactions requiring regulatory approval.

**7. LIQUIDITY AND CAPITAL RESOURCES**

The Company has experienced a loss of (\$73,591) for the 3 months ended August 31, 2017 (2016 – (\$82,245)) and, as at August 31, 2017 has a deficit of (\$16,484,696) (May 31, 2017 - (\$16,411,105)) and a working capital deficit of (\$1,575,391) (May 31, 2017 – (\$1,509,248)).

The future operations of the Company are dependent upon the continued support of our shareholders and the investment community and management’s ability to continue to raise further capital to fund the Issuer’s future operations and work programs over its properties through the issuance of equity via private and public non-brokered and brokered financing opportunities.

**8. DISCLOSURE AND INTERNAL CONTROLS**

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the consolidated financial statements and MD&A as at October 30, 2017. Management has concluded that

the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the interim filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

## **9. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

### Judgements

#### *Exploration and evaluation expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

#### *Title to mineral property interests*

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### Estimates

#### *Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9 of our audited Consolidated Financial Statements.

**10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

Changes in the Issuer's accounting policies are detailed in note 5 of the May 31, 2014 audited financial statements.

**11. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company accounts for its financial instruments as follows:

Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost
Loans Payable	Financial liabilities measured at amortized cost

i) Financial Assets – The Company's financial assets include cash.

*Initial recognition* – Financial assets are classified as fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. Transaction costs on financial assets other than those classified as fair value through profit or loss are treated as part of the carrying value of the asset. Transaction costs for assets at fair value through profit or loss are expensed as incurred.

*Subsequent measurement* – The subsequent measurement of financial assets depends of the classification as follows:

- *Financial assets at fair value through profit or loss* – An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. They are carried on the balance sheet at fair value with gains or losses recognized in the income statement. Cash is classified as "fair value through profit or loss".
  - *Loans and receivables* – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest method, less any impairment losses. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.
- ii) Financial Liabilities – Accounts payable and accrued liabilities, and loans payable are classified as financial liabilities measured at amortized cost. The Company has not designated any financial liabilities as fair value through profit or loss.

*Initial recognition* – Financial liabilities classified as fair value through profit or loss and financial liabilities measured at amortized cost and are initially recognized at fair value.

*Subsequent measurement* – Subsequent to initial measurement, financial liabilities measured at amortized cost are carried at amortized cost using the effective interest method.

iii) Transaction costs – Transaction costs are included in the initial carrying amount of financial instruments except for items classified as fair value through profit or loss in which case they are expensed as incurred.

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**MD&A: Management Discussion and Analysis for the 1<sup>ST</sup> Quarter Ended August 31, 2017**


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## iv) Financial Instruments Disclosures

The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The adoption of this standard is consistent with the financial instrument disclosure standards in IFRS. All of the financial instruments measured at fair value are included in Level 1.

The classification of the financial instruments as well as their carrying values as at August 31, 2017, is shown in the below:

FVTPL financial assets	\$	77
Financial liabilities measured at amortized cost	\$	1,577,823

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between willing parties.

The accounts payables, accrued liabilities, due to related parties, and loans payable approximates their carrying value due to their short term maturity.

The Company is exposed to potential loss from various risks including commodity price risk, exploration and development risk, environmental risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

## 12. RISK AND OPPORTUNITIES

**Credit risk** - Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and GST recoverable. Risk associated with cash is managed through the use of major Canadian bank. The Company's GST recoverable is due from the Government of Canada; therefore, the credit risk exposure is low.

**Liquidity risk** - Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's cash. The Company's cash is held in corporate bank accounts available on demand.

**Market Risk** - Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

**Currency Risk** - The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars; therefore, currency risk is minimal.

**Commodity Price Risk** – The Company’s future success is linked to the price of minerals, because the value of mineral resources and the Company’s future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

**Interest Rate Risk** - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

**Price Risk** - The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company’s ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**Exploration and Development** – Exploration activities require large amount of capital. There is a risk that the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company’s management and technical team carefully evaluate all potential projects prior to committing the Company’s participation and funds, there is a high degree of risk that the Company’s exploration effort will not result in discovering economically recoverable mineral reserves.

**Environmental Risk** – Exploration and development of mineral properties present environmental hazard and are subject to environmental regulations. The Company hires qualified individuals to ensure these regulations are complied with. However, there is a risk that these regulations are not fully complied with, which may result in fines and penalties.

MD&A: Management Discussion and Analysis for the 1<sup>ST</sup> Quarter Ended August 31, 2017**13. ISSUED AND OUTSTANDING**

The following is a snapshot of the Company's capitalization presented on a fully diluted basis as at the end of the Issuer's first quarter ended August 31, 2017 (column 2) and as at the date of this report October 30, 2017 (column 3).

Authorized capital: Unlimited common shares (post-consolidated)

<b>Issued and Outstanding</b>	<b>August 31, 2017</b>	<b>October 30, 2017</b>
Common Shares	18,256,442	18,256,442
Share Purchase Warrants	4,448,583	4,448,583
Director/Employee/Consultant Options	1,601,165	1,601,165
<b>Fully Diluted</b>	<b>24,306,190</b>	<b>24,306,190</b>

**Summary of warrants issued and outstanding as at October 30, 2017**

<b>Type of Convertible Security</b>	<b>Expiry Date</b>	<b>Exercise Price/Share</b>	<b>Number of Securities</b>	<b>Exercise Value</b>
Share Purchase Warrants	May 22, 2018	\$0.12	987,916	\$118,549
Share Purchase Warrants	November 2, 2018	\$0.15	3,211,167	\$481,675
Finders Warrants	November 2, 2018	\$0.15	249,500	\$37,425
			<b>4,448,583</b>	<b>\$637,649</b>

**Summary of options issued and outstanding as at October 30, 2017**

<b>Date Granted</b>	<b>Expiry Date</b>	<b>Exercise Price/Share</b>	<b>Number of Options</b>	<b>Exercise Value \$</b>
July 9, 2012	July 9, 2022	\$0.10	145,000	\$14,500
April 26, 2016	April 25, 2026	\$0.10	861,165	\$86,116
September 9, 2016	September 9, 2026	\$0.12	170,000	\$20,400
January 25, 2017	January 24, 2027	\$0.12	425,000	\$51,000
<b>Total</b>			<b>1,601,165</b>	<b>\$172,016</b>

**14. OUTLOOK**

Our goals over the coming months are to:

1. Continue analyzing potential cash flowing gold and silver mineral prospects with blue sky upside within North America which HAWKEYE has identified for possible acquisition;
2. Arrange for and complete a significant non-brokered private placement to fund HAWKEYE'S general working requirements, trades, acquisitions and work and drill programs over its properties;

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3. Arrange for and commence work and drill programs over the Company's properties located in the Barkerville and Golden Triangle mining districts of BC, Canada

We would like to take this opportunity again to thank our valued friends, shareholders, professionals, geologists and brokerages who have faithfully supported and financed us in the past and to let you know that we appreciate and look forward to your continued support and point out that the Company continues to make strides to place HAWKEYE on solid footing to facilitate future financings, advance our properties and enhance shareholder value.

If you have any questions feel free to contact us through any of the methods below:

**Vancouver** (778) 379-5393  
**E-mail:** hgo@hawkeyegold.com  
**Web Site:** www.hawkeyegold.com

**ON BEHALF OF THE BOARD OF DIRECTORS OF HAWKEYE GOLD & DIAMOND INC.**

Greg Neeld  
President & C.E.O.

**DATED: October 30, 2017**