

Recommendation: Buy (S)
Target Price: \$0.70

◆Nighthawk Gold Corp. (NHK-TSXV)
*Summer Drilling Complete; Looking Forward
To A Higher Grade Resource*

Current Price	\$0.16	Shares Outstanding (MM)	
52 Wk High	\$0.41	Basic	136.4
52 Wk Low	\$0.11	Diluted	170.7
Cash (MM)	\$6.7	Mngt. & Dir.	9.9
Total Debt (MM)	\$6.6	Market Cap.	C\$21.1
NAVPS	\$0.65	Float	C\$19.6
Price/NAV	0.24x	EV	\$21.0
Dividend	\$0.00	Reserves	0.0 MMoz
Dividend Yield	0.0%	Total Resource	1.5 MMoz
EV/oz	14		

Unless otherwise denoted, all figures shown in C\$

Investment Thesis:

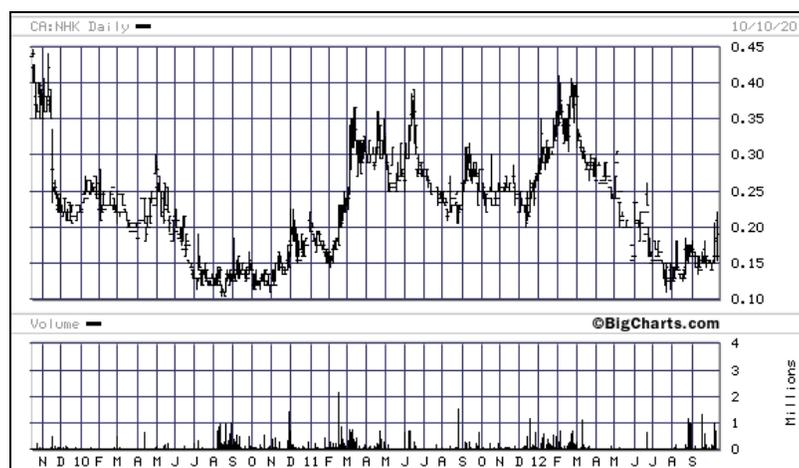
Nighthawk Gold Corp is a microcap explorer holding a camp size position (900 km²) in the Northwest Territories. The position has been solidified with the inventive acquisition of the past producing Colomac mine (1.45 MMoz at 1.05 g/t) which was acquired from government entities at an effective \$3/oz.

Highlights:

- Sub Vertical Hole At Colomac Confirms Grade Continuity**
The final 4 holes released yesterday includes 1 test hole (C12-15) that was drilled at -80 degrees down the Colomac Dyke to gain exposure to variations in vein density/orientation down-dip. The results confirm a significant higher grade portion exists within the deposit. The remaining holes, drilled across the zone, continue to confirm higher grade shoots within a halo of 1-2 g/t material.
- Targeting A Grade Increase In Next Resource**
Colomac produced ~ 500 Koz at 1.5 g/t before being shuttered in 1997 due to depressed gold prices. The prior operator (Royal Oak mines) discovered a strong shoot of higher grade mineralization at depth which was largely overlooked as a large 10,000 tpd mill was already in place. Nighthawk is poised to fully investigate and re-evaluate this potential extension with the summer drilling showing a strong higher grade component.
- Maintaining Buy (S) Rating And \$0.70 Target**
We retain our \$0.70 target primarily based on a peer comparable \$36/oz applied to projected inventory of 2.4 MMoz.

Company Description:

Nighthawk is a Canadian based junior exploration company focused on developing its large portfolio of projects in the mining friendly and prolific Indin Lake greenstone belt in the Northwest Territories, one of Canada's underexplored gold districts.



Source: BigCharts.com, October 10, 2012

◆During the past twenty-four months, Cormark Securities Inc., either on its own or as a syndicate member, participated in the underwriting of securities for Nighthawk Gold Corp.

Our disclosure statements are located at the end of this report

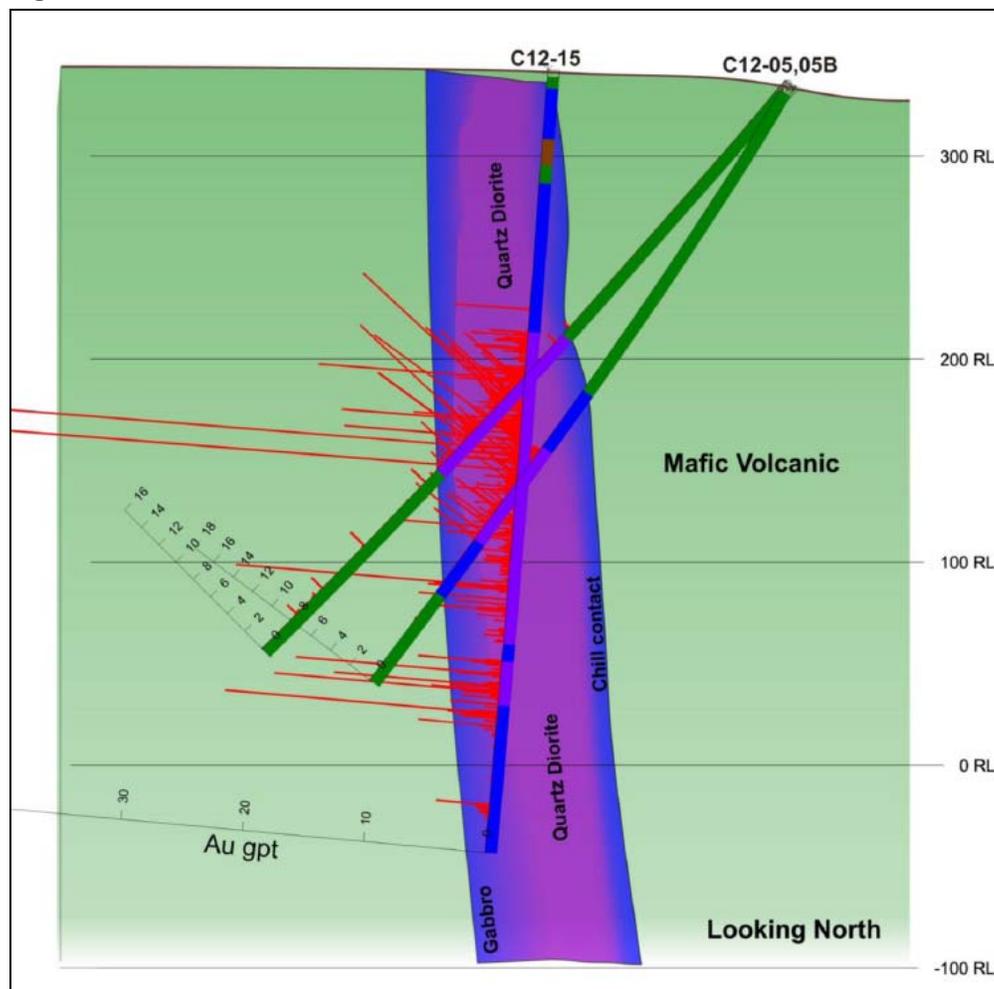
Discussion Of Results: Nighthawk released results of the final 4 drillholes from the 11,235 m summer drill program. The work this past summer has shown consistent higher grade results below the past producing Colomac mine. Of the holes released today, three were drilled across the zone and continue to show higher grade zones within a 1-2 g/t halo of mineralization. The best results include

- 13.24 g/t Au over 6.75 m (Hole C12-14C) – Zone 3.5
- 1.16 g/t Au over 21.45 m including 2.66 g/t over 5.20 m (Hole C12-14) – Zone 3.5

Yesterday's results also included a single drillhole (C12-15) drilled sub-parallel to the Colomac Dyke in order to test for continuity and orientation of veining that may have been missed by the regularly orientated drilling. The results suggest continuity of a higher grade portion of the asset. The drilling also returned a higher vein density than seen previously, suggesting the current drilling may have missed an alternate vein set responsible for a 10–50% improvement in reported grades. Reported intersections represent down-dip lengths and include:

- 2.49 g/t over 203.4 m,
- including 4.12 g/t over 69.35 m and 7.78 g/t over 25.75 m

Figure 1: Cross-Section – Zone 3.5



Source: Nighthawk Gold Corp.

Targeting Improved Grade In The Next Resource: The existing Colomac resource (1.45 MMoz at 1.05 g/t) is based off of 867 holes (mostly historic) and has yet to incorporate the broad zones of elevated grade intersected in the recent work. We expect these results to have a positive effect on the size and also the grade of an updated resource in Q2/13. We forecast 2-2.5 MMoz at ~ 2 g/t that may be amenable to a combination of open-pit and bulk tonnage underground mining.

Valuation: We have valued Nighthawk primarily on projected resource potential at Colomac and apply a \$36/oz peer comparable value. We attribute \$69/acre to the remaining assets based on a prospectivity analysis detailed in our initiation report.

Figure 2: Valuation Table – Nighthawk Goldcorp

	C\$MM	C\$/Share
Assets		
Colomac	86.40	0.44
Indin Lake Property Position	15.30	0.08
Corporate Adjustments		
Cash Post Financing	12.70	0.07
Cash From Reclamation Bond Release	5.00	0.03
Cash from Warrants/Options	13.14	0.07
Debt Secured Notes	-6.58	-0.03
Net Asset Value	125.97	0.65
Basic Shares Outstanding (Current)	123.92	
Pro Forma Fully Diluted Shares Outstanding	195.00	
Current Nighthawk Share Price \$/sh	0.16	
Price/NAV	0.24x	

Source: Cormark Securities Inc.

The Company has reported that it has recently received \$1.7 MM in proceeds from the exercise of \$0.14 warrants and we estimate the current cash position at \$6.7 MM. The current treasury could support work through to mid-2013, though we anticipate the Company may raise further cash should the opportunity present itself. We also anticipate another \$1 MM to be returned from the reclamation bond in December 2012.

Upcoming Catalysts:

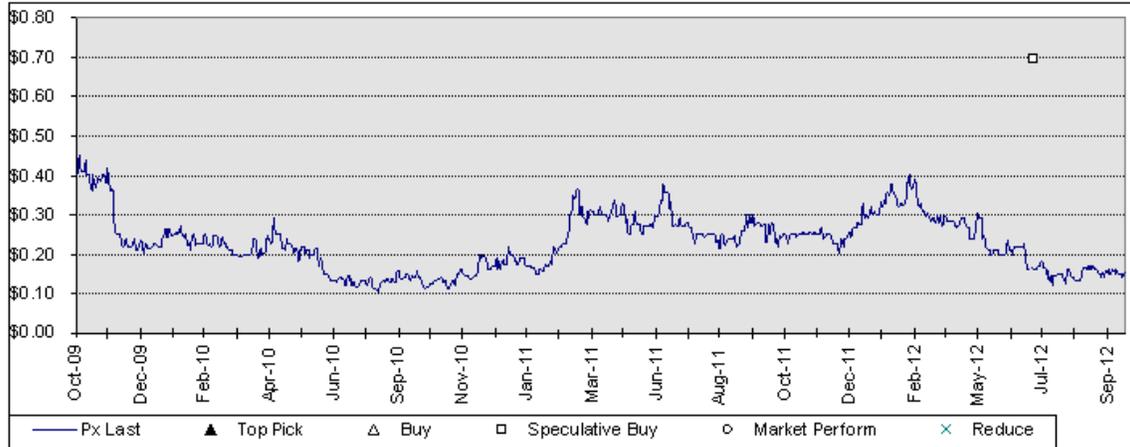
- **Resource Update:** Given the positive results from the summer drilling and the incorporation of an additional 20,000 m of data (12,000 new drilling and 8,800 m historic core) at Colomac we are expecting a significant increase in resource size and grade – Q2/13.
- **Drill Results:** The Company has reported it is in the process of formulating a winter drill program starting early in 2013.

Maintaining Buy (S) Recommendation And \$0.70 Target: We continue to believe that Nighthawk represents an attractive investment as a microcap company holding a large prospective project (900 km²) in a quality jurisdiction underpinned by the past producing Colomac asset. Of note, Osisko (OSK-TSX, Buy rating, \$16.50 target) participated in a January 2012 private placement of secured notes by the Company.

I, Tyron Breytenbach, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Nighthawk Gold Corp.

*Source: Cormark Securities Inc.



Disclosure Statement

Recommendation / Target Chg

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Date	C\$
28-Jun-12	0.70 (B-S)
28-Jun-12	-(Chng Cover.)
20-Jul-11	-(Watchlist)

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Buy or Top Pick	75%
Market Perform	21%
Reduce	1%
Not Rated	3%

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Buy or Top Pick	45%
Market Perform	21%
Reduce	25%

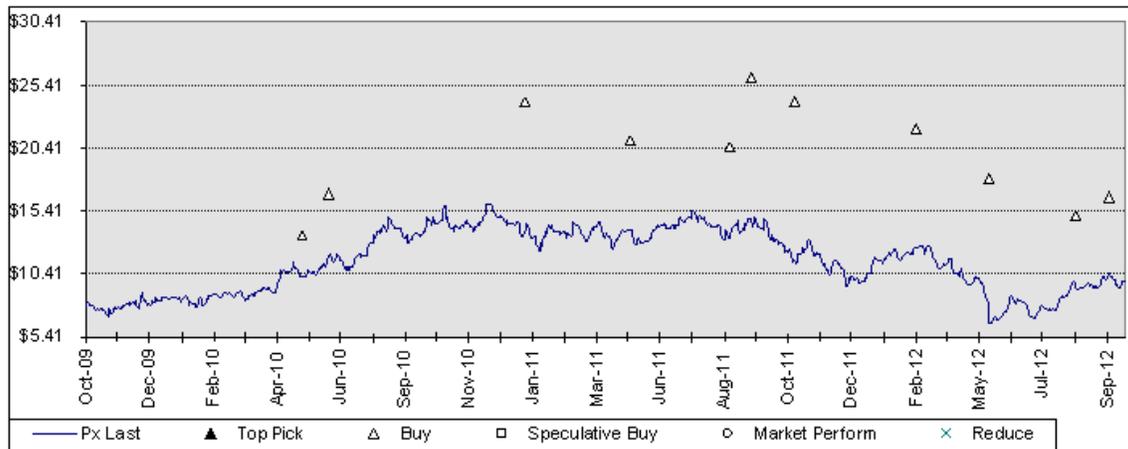
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*Information updated monthly on or about the 5th of each month.

Updated October 10, 2012

Osisko Mining Corporation

*Source: Cormark Securities Inc.



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Date	C\$
14-Sep-12	16.50 (B)
10-Aug-12	15.00 (B)
11-May-12	18.00 (B)
24-Feb-12	22.00 (B)
20-Oct-11	24.00 (B)
06-Sep-11	26.00 (B)
12-Aug-11	20.50 (B)
29-Apr-11	21.00 (B)
10-Jan-11	24.00 (B)
17-Jun-10	16.75 (B)
20-May-10	13.50 (B)

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 2) What type of security is it?

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If YES, name of person(s) who provided services:

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Buy or Top Pick	75%
Market Perform	21%
Reduce	1%
Not Rated	3%

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*Information updated monthly on or about the 5th of each month.

Updated October 10, 2012

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Top Pick	our best investment ideas, the greatest potential value appreciation
Buy	expected to outperform its peer group
Market Perform	expected to perform with its peer group
Reduce	expected to underperform its peer group

Our ratings may be followed by "(S)" which denotes that the investment is *speculative* and has a higher degree of risk associated with it.

Additionally, our target prices are set based on a 12-month investment horizon.

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