

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

◆Nighthawk Gold Corp. (NHK-TSXV)
Continues To Intersect Broad Zones Of Higher Grade Below Past Producer

Current Price	\$0.16	Shares Outstanding (MM)	
52 Wk High	\$0.41	Basic	123.9
52 Wk Low	\$0.11	Diluted	175.0
Cash (MM)	\$6.0	Mngt. & Dir.	9.9
Total Debt (MM)	\$6.6	Market Cap.	C\$19.8
NAVPS	\$0.66	Float	C\$18.2
Price/NAV	0.24x	EV	\$20.4
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:

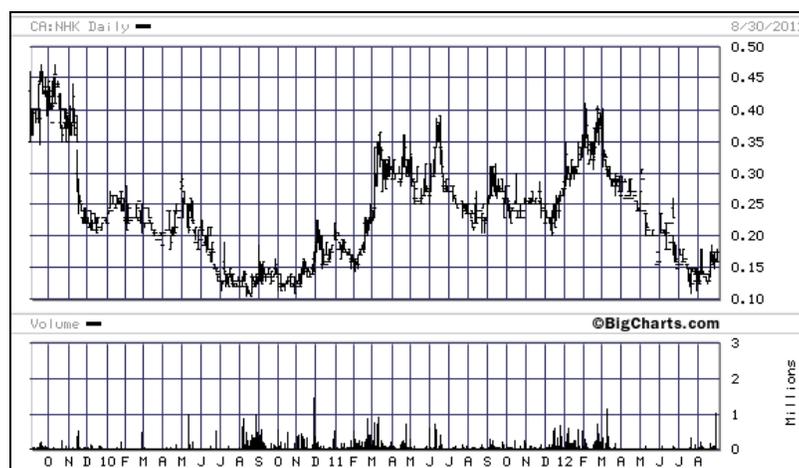
Nighthawk Gold Corp is a microcap explorer holding a camp size position (900 km²) in the Northwest Territories. The position has been solidified with the inventive acquisition of the past producing Colomac Mine (1.45 MMoz at 1.05 g/t) which was acquired from government entities at an effective \$3/oz.

Highlights:

- Results Expand Extent Of Broad Higher Grade Zones**
Current resources at Colomac are based primarily on historical drilling. Nighthawk has followed up on Royal Oak's discovery at depth, identifying further broad zones of higher grade mineralization (including 8.86 g/t over 9 m) yet to be incorporated into the resource.
- Potential To Evaluate Colomac As Combined O/P & Bulk-Tonnage U/G Operation**
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.
- 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, August 30, 2012

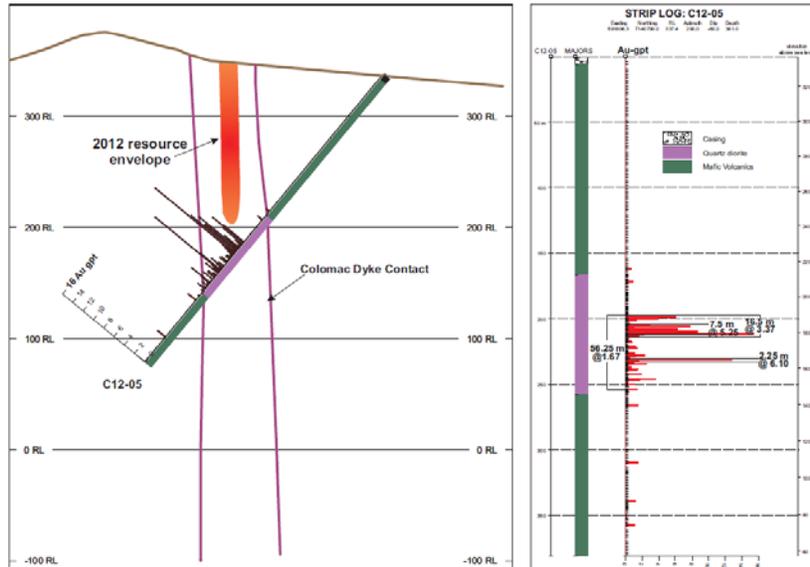
◆During the past twenty-four months, Cormark Securities Inc., either on its own or as a syndicate member, participated in the underwriting of securities for Nighthawk Gold Corp.

Our disclosure statements are located at the end of this report

Depth Potential At Past Producer: Nighthawk is following up on early work by Royal Oak and confirming that the deeper, higher grade structures are continuous down-dip. It has also identified additional shoots (three to date) along the 7 km long mineralized strike length of the Colomac dyke. Highlights from yesterday's results include:

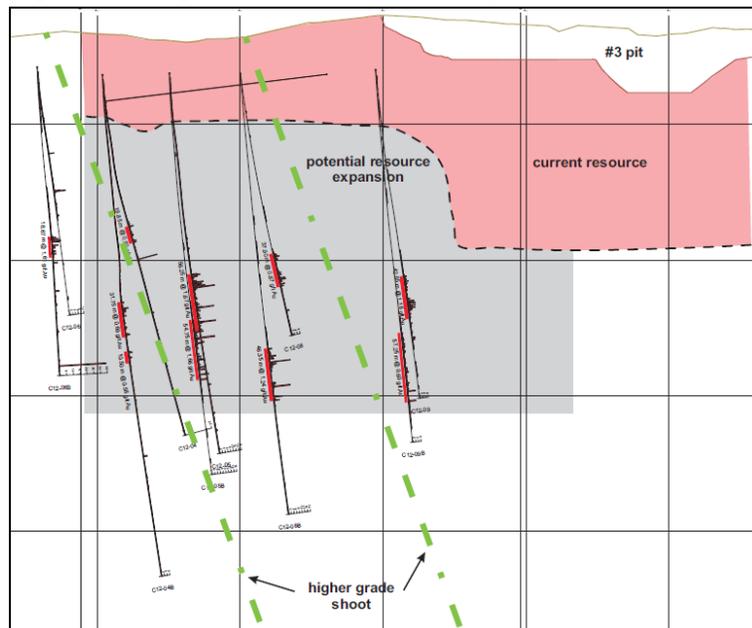
- 1.08 g/t Au over 125.75 m including 2.02 g/t over 20 m (Hole C12-03B) – Zone 2.0
- 8.86 g/t Au over 9.0 m (Hole C12-10) – Zone 2.5
- 1.66 g/t Au over 54.75 m, including 2.82 g/t over 21 m (Hole C12-05B) – Zone 3.5

Figure 1: Section (Hole C12-05B) - Higher Grade Below Resource



Source: Nighthawk Gold Corp.

Figure 2: Long Section (Zone 3.5) – Expansion Potential



Source: Nighthawk Gold Corp.

The existing Colomac resource is based off of 867 holes (mostly historic) and has yet to incorporate the broad zones 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.

Exploration Guidance: Drilling is now complete for the season, with an additional 11 holes yet to report this quarter to round up the 12,000 m completed during summer. The Company is also relogging and assaying 8,800 m of historical drill core which was previously excluded from the resource estimate. This sampling program will meet QA/QC requirements and allow the results to be included in a new resource.

We further highlight that Nighthawk holds several advanced prospects outside Colomac showing a variety of mineralization styles across the 900 km² Indin Lake greenstone belt. The Company will use the off season to compile the summer prospecting work at the regional holdings.

We expect drilling to restart at Colomac post freeze-up in February 2013, and the Company holds \$ 6 MM in cash to fund this work.

Valuation: We have valued Nighthawk primarily on projected resource potential at Colomac and apply a \$36/oz peer comparable value. We attribute \$69 per acre to the remaining assets based on a prospectivity analysis detailed in our initiation report. Updating the cash position (\$6 MM) slightly lowers our NAV per share to \$0.66.

Figure 3: Valuation Table – Nighthawk Gold Corp

	C\$MM	C\$/Share
Assets		
Colomac	86.40	0.44
Indin Lake Property Position	15.30	0.08
Corporate Adjustments		
Cash Post Financing	12.00	0.06
Cash From Reclamation Bond Release	5.00	0.03
Cash from Warrants/Options	15.80	0.08
Debt Secured Notes	-6.58	-0.03
Net Asset Value	127.92	0.66
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.

Upcoming Catalysts:

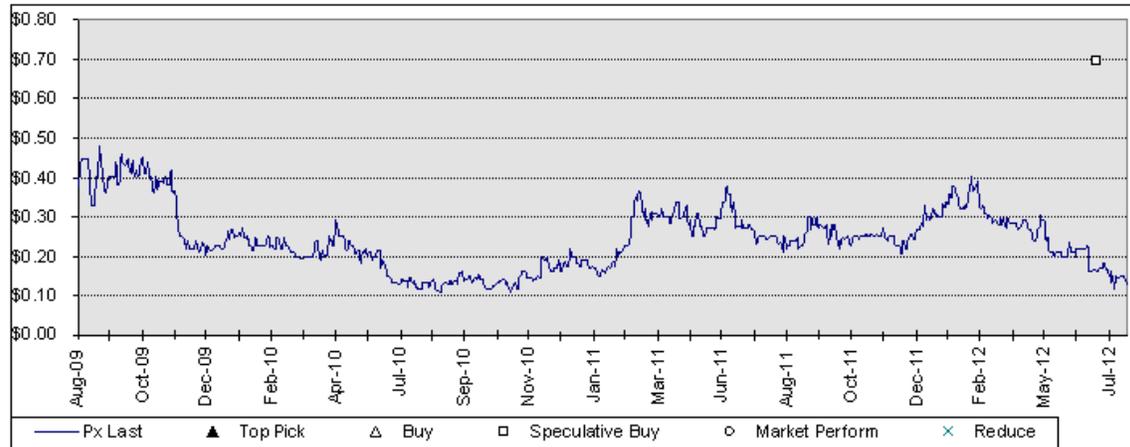
- **Drill Results:** The Company has yet to report 11 holes from the concluded summer drill program; we expect these results will demonstrate similar broad zones of mineralization below Colomac – *2-3 Weeks*
- **Resource Update:** Given the positive results from the summer drilling and the incorporation 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*

Maintain 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-T, Buy rating, \$15.00 target, Richard Gray) 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	- (Chng Cover.)
28-Jun-12	0.70 (B-S)
20-Jul-11	- (Watchlist)

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Market Perform	22%
Reduce	1%
Not Rated	2%

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Market Perform	21%
Reduce	0%

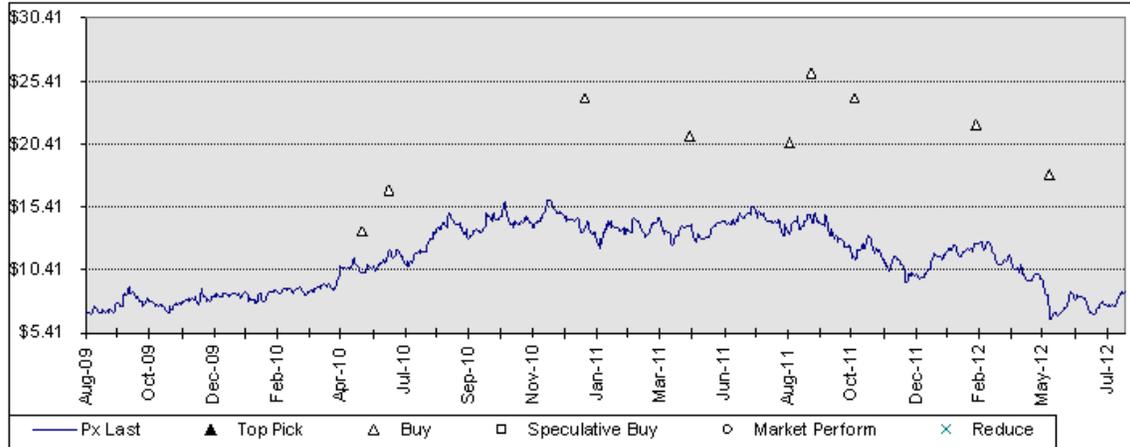
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*Information updated monthly on or about the 5th of each month.

Updated August 30, 2012

Osisko Mining Corporation

*Source: Cormark Securities Inc.



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Date	C\$
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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Reduce	1%
Not Rated	2%

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Reduce	0%

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

Updated August 30, 2012

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Cormark's recommendation terminology is as follows:

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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