

HAWK PRECIOUS MINERALS INC. - MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE QUARTERLY PERIOD ENDED MAY 31, 2005

This management discussion and analysis ("MD&A") of results of operations and financial condition of Hawk Precious Minerals Inc. ("Hawk" or "the Company") describes the operating and financial results of the Company for the period ended May 31, 2005 ("third quarter 2005"). The MD&A supplements, but does not form part of the consolidated financial statements of the Company and should be read in conjunction with Hawk's audited consolidated financial statements and related notes for fiscal 2004. The Company prepares and files its financial statements in accordance with Canadian generally accepted accounting principles.

Forward-looking Statements

Some statements contained in this MD&A are forward-looking, and therefore involve uncertainties or risks that could cause actual results to differ materially. Such statements include comments regarding mining and milling operations, mineral resources and exploration program performance. Factors that could cause actual results to differ materially include metal price volatility, economic and political events affecting metal supply and demand, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability and production. The Company disclaims any obligation to update forward-looking statements.

Date of MD&A

This MD&A was prepared on June 27, 2005

Overall Performance

Overview of Operations

Hawk Precious Minerals Inc. (the "Company" or "Hawk") is engaged in the business of exploring for and developing precious and base metal mining projects. Hawk is currently focusing its efforts on its properties in northern Ontario. Hawk currently owns interests in the following properties:

Mineral Property	Location	Hawk Interest	Property Size approx. acres
McFauld's Lake – Double Eagle Project	James Bay Lowlands, Ontario	Nil	NA
McFauld's Lake – Nemis Project	James Bay Lowlands, Ontario	13.5%	3,200
Holdsworth Project – deep rights	Wawa, Ontario	100%	760
New Millenium – farmed out to YSV Ventures	Sioux Lookout, Ontario	2% NSR	1400

Hawk also has a core holding of 3.442 million shares in Wits Basin Precious Minerals Inc., which is currently funding a gold exploration program in South Africa operated by

AfriOre Limited, plus 4,000,000 shares and 2,000,000 warrants of MacDonald Mines Exploration Limited which currently has holdings in the James Bay Lowlands area of Northern Ontario.

Subsequent Events

The Company will be seeking to raise up to \$2,000,000 through a brokered private placement offering.

Half of the placement is to consist of a conventional common share equity issue and the other half will consist of Flow-Through units.

The Company will use an amount equal to the aggregate of the gross proceeds from the sale of the Flow-Through Units to incur Canadian Exploration Expenses (as defined in the Income Tax Act (Canada)) on its mineral exploration properties in Ontario, which will be renounced to subscribers of the Flow-Through Units.

Dominick & Dominick Securities Inc., is acting as the Company's lead agent for the Offering on a reasonable efforts basis. For its services, the Agent will receive broker warrants equal to 10% of the Common Shares and Flow-Through Shares underlying the Securities sold in the Offering.

The Company has also agreed to farm into a 75% working interest in a three well project from TASC Resources on a 1700 acre parcel of Petroleum and Natural Gas Lease including storage leases in Lambton County of southwestern Ontario. Terms of the agreement include the issuance of 250,000 Common Shares from treasury, \$50,000 cash, completion of 2D Seismic and the drilling of three test-wells over the prospect. The prospect is offset by gas production on both the east and the west. One line of seismic has been completed and preliminary review indicates at least two potential structural targets. Additional seismic will be completed in the near future to be followed by drilling upon permits being issued.

Results of Operations

Hawk's net loss in the third quarter of 2005 of (\$511,412) compares to the loss of (\$597,483) recorded in the second quarter 2005. The improvement can be attributed to lower expenses and a smaller loss from investments experienced in the current quarter compared to the prior one. Cash flow from operations was substantially higher in the third quarter 2005 at \$148,162 compared to \$17,171 in the second quarter 2005. The gain was primarily due to working capital inflows.

Summary of Quarterly Results

	Third Quarter May 31, 2005	Second Quarter Feb. 28, 2005	First Quarter Nov. 30, 2004	Fourth Quarter, Aug. 31, 2004
Revenues	\$0	\$ 0	\$ 0	\$ 81,623
Expenses (Recovery)	398,388	445,289	115,032	(420,741)
Net income (loss) before the undernoted	(398,388)	(445,289)	(115,032)	502,364
Unusual items	30,000	-	-	-
Gain (loss) on Investments	(158,275)	(237,804)	280,170	(1,479,329)
Income Tax (expense) recovery	15,251	85,610	(100,861)	206,110
Net income(loss)	(511,412)	(597,483)	64,277	(770,855)
Income (loss) per share before other items	(0.04)	(0.04)	(0.01)	0.09
Net income (loss) per share	(0.6)	(0.07)	0.01	(0.13)
Cash flow from (used in) operations	148,162	17,171	(118,358)	(172,804)
Cash & cash equivalents	1,466	2,117	(41,299)	12,771
Assets	1,572,325	1,867,032	2,405,644	1,892,516
Long-term liabilities	506,016	521,267	557,737	456,876
Dividends	0	0	0	0

	Third Quarter, May 31, 2004	Second Quarter Feb. 28, 2004	First Quarter Nov. 30, 2003	Fourth Quarter Aug. 31, 2003
Revenues	\$ 0	\$ 0	\$ 507,226	\$ 2,863,646
Expenses (Recovery)	200,953	435,762	64,048	48,641
Net income (loss) before the undernoted	(200,953)	(435,762)	443,178	2,815,005
Gain (Loss) on Investments	(3,456,446)	(44,322)	2,392,338	(1,020,846)
Income Tax (expense) recovery	1,256,650	174,627	(1,031,277)	0
Net income (loss)	(2,400,749)	(305,457)	1,804,239	1,794,159
Income (loss) per share before other items	(0.04)	(0.09)	0.10	0.87
Net income (loss) per share	(0.43)	(0.06)	0.39	0.56
Cash flow from (used in) operations	17,778	(40,027)	(60,393)	73,834
Cash & cash equivalents	27,549	126,345	133,528	41,490
Assets	2,983,916	5,854,147	8,586,014	5,733,440
Long-term liabilities	85,168	759,818	883,481	2,115,726
Dividends	0	0	0	0

Liquidity and Capital Resources

Hawk reported working capital of \$698,262 at the end of the third quarter 2005 (\$492,686 – second quarter, 2005).

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Two directors of the Company are receiving a management fee of \$2,500 each per month for managing the Company's affairs on a daily basis. The management fees are on a month to month basis.

Proposed Transactions

There are no decisions by the board of directors of the Company with respect to any imminent or proposed transactions.

Critical Accounting Estimates

Critical accounting estimates represent estimates that are highly uncertain and for which changes in those estimates could materially impact our financial statements. The following accounting estimates are critical: the measurement of deferred income tax assets and liabilities and assessment of the need to record valuation allowances against those assets; valuation of options; and capitalized mining costs.

Costs relating to the acquisition, exploration and development of non-producing resource properties are capitalized until such time as either economically recoverable reserves are established or the properties are sold or abandoned. Based on the results at the conclusion of each phase of an exploration program, management re-evaluates properties that are not suitable as prospects to determine if future exploration is warranted, and that carrying values are appropriate. The decision to capitalize exploration expenditures and the timing of the recognition that capitalized exploration is unlikely to have future economic benefits can materially affect the reported earnings of the Company.

Changes in Accounting Policies

There were no changes to accounting policies in the most recent fiscal quarter.

Financial and Other Instruments

The Company has not made use of any hedging or other financial instruments, and is not exposed to significant interest rate nor credit risks arising from its financial instruments.

Risks and Uncertainties

Hawk's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Hawk common shares should be considered speculative.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

Additional Disclosure for Venture Issuers Without Significant Revenue

Please refer to Supplement I of the consolidated financial statements for the three and nine months ended May 31, 2005.

Disclosure of Outstanding Share Data

Please refer to Supplement II of the consolidated financial statements for the three and nine months ended May 31, 2005.

Additional Information

Additional information relating to the Company is available on the Internet at the SEDAR website located at www.sedar.com.