IDAHO CHAMPION GOLD MINES CANADA INC.
(FORMERLY GOLDTRAIN RESOURCES INC.)

Consolidated Financial Statements

December 31, 2018 and 2017

(Expressed in Canadian Dollars)

UHY McGovern Hurley LLP
Chartered Professional Accountants

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Independent Auditor's Report

To the Shareholders of Idaho Champion Gold Mines Canada Inc.

Opinion

We have audited the consolidated financial statements of Idaho Champion Gold Mines Canada Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' (deficiency) equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 29, 2019

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Financial Position

December 31, 2018 and 2017

Expressed in Canadian dollars

		2018		2017
ASSETS				
Current assets				
Cash	**$**	**19,375**	$	338,115
Accounts receivable and prepaids		**62,098**		30,945
Subscription receivable		**---**		87,815
	$	**81,473**	$	456,875
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable and accrued liabilities (*Notes 13 and 15)*	**$**	**554,982**	$	171,658
Advance payable *(Note 13)*		**154,557**		---
		709,539		171,658
Shareholders' (deficiency) equity				
Share capital *(Note 8)*		**5,234,415**		1,886,022
Shares to be issued *(Notes 7 and 8)*		**1,000,000**		94,359
Warrants *(Note 9)*		**77,800**		---
Contributed surplus *(Note 10)*		**54,000**		---
Deficit		**(6,994,281)**		(1,695,164)
		(628,066)		285,217
	$	**81,473**	$	456,875

Nature of Operations and Going Concern *(Note 1)*
Commitments and Contingencies *(Note 15)*

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board,

"Signed"
Jonathan Buick
Jonathan Buick
Director

"Signed"
Bruce Reid
Bruce Reid
Director

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	2018	2017
Expenses		
Management fees *(Note 13)*	**$ 201,923**	$ 26,765
Listing costs *(Note 6)*	**869,181**	---
Stock-based compensation *(Notes 9 and 10)*	**131,800**	---
Property acquisition costs *(Note 7)*	**1,390,510**	323,053
Project costs *(Note 7)*	**2,058,684**	804,665
General administrative costs	**29,452**	11,371
Professional fees	**196,909**	31,716
Shareholder and investor relations	**424,836**	36,851
Foreign exchange (gain) loss	**(4,178)**	3,625
Total expenses	**5,299,117**	1,238,046
Net loss and comprehensive loss	**$ (5,299,117)**	$(1,238,046)
Basic and diluted loss per common share *(Note 14)*	**$ (0.18)**	$ (0.12)
Weighted average number of shares outstanding during the year - basic and diluted	**29,940,653**	10,389,422

The accompanying notes are an integral part of these consolidated financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Shares to be Issued	Warrants	Contributed Surplus	Deficit	Total
Balance at December 31, 2016	**1,000**	**$20**	**$ ---**	**$ ---**	**$ ---**	**$(457,118)**	**$(457,098)**
Net loss for the year	---	---	---	---	---	(1,238,046)	(1,238,046)
Issue of share capital – settlement of debt *(Note 8(ii) and 13)*	9,999,000	533,645	---	---	---	---	533,645
Issue of share capital – performance shares *(Note 8(ii))*	4,500,000	219,687	---	---	---	---	219,687
Issue of share capital – private placement *(Note 8(iii))*	4,525,000	1,140,670	94,359	---	---	---	1,235,029
Share issue costs	---	(8,000)	---	---	---	---	(8,000)
Balance at December 31, 2017	**19,025,000**	**$1,886,022**	**$ 94,359**	**$ ---**	**$ ---**	**$(1,695,164)**	**$285,217**
Net loss for the year	**---**	**---**	**---**	**---**	**---**	**(5,299,117)**	**(5,299,117)**
Share-based compensation *(Note 9 and 10)*	**---**	**---**	**---**	**77,800**	**54,000**	**---**	**131,800**
Acquisition *(Note 6 and 8(vi))*	**3,545,935**	**886,484**	**---**	**---**	**---**	**---**	**886,484**
Issue of share capital – property payment *(Note 8(v))*	**250,000**	**64,470**	**---**	**---**	**---**	**---**	**64,470**
Issue of share capital – property payment *(Note 8(vii) and 7)*	**1,000,000**	**160,000**	**---**	**---**	**---**	**---**	**160,000**
Shares to be issued – property payment *(Note 7)*	**---**	**---**	**1,000,000**	**---**	**---**	**---**	**1,000,000**
Issue of share capital – performance shares *(Note 8(ii))*	**3,500,000**	**88,427**	**---**	**---**	**---**	**---**	**88,427**
Issue of share capital – private placements *(Note 8(iii) and (iv))*	**8,442,000**	**2,160,252**	**(94,359)**	**---**	**---**	**---**	**2,065,893**
Share issue costs	**---**	**(11,240)**	**---**	**---**	**---**	**---**	**(11,240)**
Balance at December 31, 2018	**35,762,935**	**$5,234,415**	**$ 1,000,000**	**$ 77,800**	**$ 54,000**	**$(6,994,281)**	**$ (628,066)**

The accompanying notes are an integral part of these consolidated financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	2018	2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	**$ (5,299,117)**	$ (1,238,046)
Stock-based compensation	**131,800**	---
Shares issued for property	**224,470**	---
Shares to be issued for property	**1,000,000**	---
Listing costs	**869,181**	---
Net change in non-cash working capital balances:		
Accounts receivable and prepaids	**22,372**	(30,925)
Subscription receivable	**87,815**	---
Accounts payable and accrued liabilities	**(14,802)**	243,843
Net cash flows used in operating activities	**(2,978,281)**	(1,025,128)
INVESTING ACTIVITIES		
Cash acquired from amalgamation	**447,424**	---
Net cash flows from investing activity	**447,424**	---
FINANCING ACTIVITIES		
Issuance of common shares	**2,068,800**	1,366,881
Advance from related parties	**154,557**	---
Share issue costs	**(11,240)**	(8,000)
Net cash flows from financing activities	**2,212,117**	1,358,881
Net increase in cash	**(318,740)**	333,753
Cash, beginning of the year	**338,115**	4,362
Cash, end of the year	**$ 19,375**	$ 338,115

Supplemental cash flow information:

	2018	2017
Shares issued in settlement of debt *(Note 8)*	**$ 85,520**	$ 533,665

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

Idaho Champion Gold Mines Canada Inc., a company incorporated under the Canada Business Corporation Act, and its wholly-owned subsidiaries (collectively the "**Company**" or "**Champion**") are engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals.

On September 18, 2018, Idaho Champion Gold Mines Ltd. ("Old Champion") and GoldTrain Resources Inc. ("GoldTrain") completed a reverse takeover transaction pursuant to which a wholly-owned subsidiary of GoldTrain amalgamated with Old Champion and continued as one company, Idaho Champion Gold Mines Canada Inc., with the shareholders of Old Champion receiving shares of GoldTrain and acquiring control of GoldTrain, which had changed its name to Idaho Champion Gold Mines Canada Inc. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol ITKO. The address of the registered office is Suite 2702, 401 Bay Street Toronto, Ontario, M5H 2Y4.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the realization of assets and discharge of liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements; such adjustments could be material.

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. The Company had continuing losses during the year ended December 31, 2018 and had a working capital deficiency as of that date. These conditions indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to realize the costs it has incurred to date on its properties is dependent upon the Company being able to identify economically recoverable reserves, to finance their development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the reserves. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The consolidated financial statements of the Company for the years ended December 31, 2018 and 2017 were authorized for issue in accordance with a resolution of the directors dated April 29, 2019.

2. Basis of Presentation

Statement of compliance:

The consolidated financial statements for the years ended December 31, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

Basis of Measurement:

These consolidated financial statements were prepared on a going concern basis, under the historical cost convention.

2. Basis of Preparation (Cont'd)

Use of Estimates and Judgments:

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in Note 4. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been adopted for the years ended December 31, 2018 and 2017 and have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

These consolidated financial statements include the accounts of Champion and its wholly-owned subsidiaries, Idaho Champion Gold Mines Limited, Idaho Champion Gold Mines USA, Inc., Idaho Champion Gold Mines LLC., and Idaho Champion Cobalt USA, Inc. Control is achieved when Champion has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statements of Loss and Comprehensive Loss from the effective date of acquisition or to the date of disposal. Intergroup balances and transactions are eliminated on consolidation.

b) Functional and Presentation Currency:

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. Champion's functional currency is the Canadian dollar. See Note 4.

Monetary assets and liabilities are translated at the closing rate at the reporting date. Non-monetary assets are translated at historical rates. Income and expenses are translated at the exchange rates at the dates of the transactions. All resulting exchange differences are recognized in income (loss).

c) Exploration and Evaluation (E&E) Expenditures

i) E&E Expenditures

The Company expenses the cost of its evaluation and exploration expenditures which include the cost of acquiring interests in mineral rights, licenses and properties, asset acquisitions or option agreements. The Company expenses the cost of evaluation activity related to acquired exploration assets.

Evaluation expenditures relate to costs incurred for and evaluation of potential mineral reserves and includes costs related to the following: conducting geological studies; exploratory drilling and sampling and; evaluating the technical feasibility and commercial viability of extracting a mineral resource.

ii) Pre-E&E (project generation) Expenditures

Pre-E&E (project generation) expenditures are incurred on activities that precede exploration for an evaluation of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area. Pre-E&E expenditures are expensed immediately through the Consolidated Statement of loss.

3. Summary of Significant Accounting Policies (Cont'd)

d) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

e) Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues using the effective interest method. Finance income is considered an operating activity for cash flow purposes.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized using the effective interest method. Finance costs are considered an operating activity for cash flow purposes.

f) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

i) Current Income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if where the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

iii) Deferred Tax Liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future;
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes;
- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

3. Summary of Significant Accounting Policies (Cont'd)

g) Loss Per Share

Basic Loss Per Share is calculated by dividing total loss from continuing operations attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted Loss Per Share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The effects of anti-dilutive potential shares are ignored in calculating diluted Loss Per Share. All options are considered anti-dilutive when the Company is in a loss position.

h) Share based compensation and warrants

The Company has in effect a stock option plan ("the Plan") which is described in Note 10. The Plan allows Company employees, directors and officers to acquire shares of the Company for a specified option amount set on the date of grant. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise or to deficit upon expiry.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Warrants are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model. Consideration paid on the exercise of warrants is credited to share capital and the value recorded in warrants reserve is transferred to share capital upon exercise. Upon expiration, the value of warrants is reclassified to deficit.

i) Asset retirement obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, or expensed in the statement of loss if there is no related asset, as soon as the obligation to incur such costs arises.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market-based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

As at December 31, 2018 and 2017, the Company has no material restoration, rehabilitation and environmental costs as the environmental disturbance to date is minimal.

3. Summary of Significant Accounting Policies (Cont'd)

j) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

3. Summary of Significant Accounting Policies (Cont'd)

j) Financial assets and liabilities (cont'd)

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, and advance payable received and loans payable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

4. Critical Judgments and Accounting Estimates

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

4. Critical Judgments and Accounting Estimates (Cont'd)

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Significant accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the functional currency assessment, related parties, the provision for reclamation and obligation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

The Company made a determination that its functional currency and that of its subsidiaries is the Canadian dollar. Management considered all of the relevant primary and secondary factors in making this determination.

5. New Accounting Standards

New accounting policy

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers,* which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted these standards retrospectively. There was no impact to these financial statements as a result of the adoption of these standards other than as outlined below:

IFRS 9, *Financial Instruments*

IFRS 9 replaces International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

Expressed in Canadian dollars unless otherwise indicated

5. New Accounting Standards (Cont'd)

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	**Under IFRS 9**
Financial assets		
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Advance payable	Other financial liabilities	Amortized cost

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that were effective for periods beginning January 1, 2019 or later. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. None of these is expected to have a significant effect on the Consolidated Financial Statements of the Company.

IFRS 16 Leases ("IFRS 16") was issued by the IASB in January 2016 and will replace IAS 17 Leases ("IAS 17"). Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 introduces a single accounting model for lessees and all leases will require an asset and liability to be recognized on the statement of financial position at inception. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for the annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of this standard.

6. Amalgamation

On November 20, 2017, Old Champion signed a binding letter agreement with GoldTrain relating to a reverse takeover transaction (the "Transaction"), pursuant to which GoldTrain proposed to acquire all of the issued and outstanding securities of Old Champion. The Transaction was to be effected by way of a three-cornered amalgamation, pursuant to which a wholly-owned Ontario-incorporated subsidiary of GoldTrain was to amalgamate with Old Champion, with the resulting amalgamated company being a wholly-owned subsidiary of GoldTrain. GoldTrain would continue as the parent corporation (the "Resulting Company").

On September 18, 2018, GoldTrain announced the completion of the reverse takeover transaction previously announced, on the terms set out in the business combination agreement outlining the Transaction. Prior to the completion of the Transaction, GoldTrain changed its name to Idaho Champion Gold Mines Canada Inc. and completed a consolidation of common shares on a 1 for 3 basis. Pursuant to the amalgamation, all issued and outstanding securities in the capital of Old Champion were converted into like issued and outstanding securities of the Company on a one-for-one basis. The Transaction was approved at shareholder meetings of GoldTrain and Old Champion. This Transaction resulted in 3,545,935 shares being issued to GoldTrain's pre-transaction shareholders, creditors and private placees.

Expressed in Canadian dollars unless otherwise indicated

6. Amalgamation (Cont'd)

These financial statements, as a result of it being a reverse takeover, are a continuation of Old Champion's historical disclosures, combining GoldTrain's assets and liabilities and including GoldTrain transactions that flow through the Statements of Loss and Comprehensive Loss from September 18, 2018 through December 31, 2018.

After evaluating all the facts surrounding this Transaction, Management determined that IFRS 3, *Business Combinations*, is not applicable and that the Transaction was accounted for as an asset acquisition with Old Champion as the acquirer for accounting purposes.

The issued and outstanding common shares of GoldTrain are included in the identified assets acquired by Old Champion, with each valued as of September 18, 2018. The difference between these combined values, net costs associated with the Transaction, and the value of net assets as of September 18, 2018, is accounted for as Listing Costs on the Consolidated Statement of Loss.

The following table summarizes the fair value of the total consideration transferred to GoldTrain shareholders and the provisional fair value of identified assets acquired, and liabilities assumed, based on preliminary estimates of fair value.

Purchase Price		
Common shares issued	$	**886,484**
	$	**886,484**
Net Assets Acquired		
Cash	$	**447,424**
Receivables		**53,525**
Accounts payable and accrued liabilities		**(483,646)**
	$	**17,303**
Net Listing costs	$	**869,181**

7. Exploration Properties

In August 2016, the Company signed an agreement to acquire 100% of the Baner Property in Idaho, USA. Pursuant to this agreement, a US$250,000 payment was made in October 2016 and a final US$250,000 payment was made in October 2017. With the October 2017 payment, Champion now owns 100% of the Baner property.

Champion staked certain claims comprising the Champagne property in February 2018.

On May 11, 2018, Idaho Champion Cobalt USA, Inc. ("Champion Cobalt") was incorporated as a wholly-owned Idaho corporation. This subsidiary was incorporated to acquire certain claims pursuant to a purchase and sale agreement with American Cobalt Corp. American Cobalt Corp. will receive 4,000,000 common shares of the Company with shares transferred as mining claims are transferred to Champion Cobalt. At December 31, 2018, none of these shares were issued with the cost of this acquisition is shown on the statement of financial position as "Shares to be Issued" and were valued at $1,000,000 based on the quoted market price at the date of the acquisition of the claims.

On October 15, 2018, the Company announced that it purchased certain claims in Idaho County, Idaho. The cost of the acquisition was 1,000,000 common shares of the Company. These shares were issued and valued at $160,000 based on the trading price of the Company's shares on the date of issuance.

Expressed in Canadian dollars unless otherwise indicated

8. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:	**Number of Shares**		**Amount**
Balance, December 31, 2016 *(Note 8(i))*	**1,000**	**$**	**20**
Issued on settlement of debt *(Note 8 (ii) and Note (13))*	9,999,000		533,645
Issued as performance shares *(Note 8 (ii))*	4,500,000		219,687
Issued on private placements *(Note 8(iii))*	4,525,000		1,140,670
Share issue costs	---		(8,000)
Balance, December 31, 2017	**19,025,000**	**$**	**1,886,022**
Issued as performance shares *(Note 8 (ii))*	3,500,000		88,427
Issued on private placements *(Note 8(iv))*	8,442,000		2,160,252
Issued on property purchase *(Note 8(v))*	250,000		64,470
Issued on amalgamation *(Notes 6 and 8 (vi))*	3,545,935		886,484
Issued for property purchase *(Notes 7 and 8 (vii))*	1,000,000		160,000
Share issue costs	---		(11,240)
Balance, December 31, 2018	**35,762,935**	**$**	**5,234,415**

(i) At the time of incorporation on June 16, 2016, the Company issued 1,000 shares for a nominal value of $20, or $0.02 per share.

(ii) Champion had a total of 18 million shares reserved for issuance to persons instrumental in the establishment of the Company and managing the start-up process (“Performance Shares”). These shares were issuable at either US$0.02 or US$0.10 at the discretion of Management. As at December 31, 2017, a total of 14,500,000 of these Performance Shares had been issued at an average price of $0.05 per share. At December 31, 2017, the Company had received subscription agreements for the remaining 3,500,000 Performance Shares but consideration therefor was not received. Consequently, these are noted as “Shares to be issued” on the Statement of Financial Position as at December 31, 2017. During 2018, the remaining 3,500,000 Performance Shares were issued for proceeds of $88,427.

(iii) Pursuant to its ongoing financing, as at December 31, 2017, the Company issued a total of 4,525,000 common shares for proceeds of $1,140,670.

(iv) Pursuant to its ongoing financing, from January 1, 2018 through September 30, 2018, the Company issued a total of 8,442,000 common shares for proceeds of $2,160,252.

(v) Pursuant to an agreement to purchase mining data from an unrelated third party, the Company issued 250,000 common shares in March 2018.

(vi) On September 18, 2018, Old Champion completed the reverse takeover transaction resulting in the acquisition of control of GoldTrain by the shareholders of Old Champion. Pursuant to the amalgamation, all issued and outstanding securities in the capital of GoldTrain were converted into like issued and outstanding securities of the Company on a one-for-one basis. (see Note 6)

(vii) On November 7, 2018, pursuant to the transfer of certain claims to the Company (see Note 7), Champion issued 1,000,000 common shares.

(viii) As of December 31, 2018, 14,964,060 shares were held in escrow.

Expressed in Canadian dollars unless otherwise indicated

9. Warrants

On September 18, 2018, the Company issued a total of 500,000 warrants to a director of the Company as compensation for past services. These warrants have a five-year life, an exercise price of $0.50 and vest immediately. The $77,800 value of these warrants was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.24; risk free rate of return – 2.28%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%. The Company recognized an expense of $77,800 during 2018 in relation to these warrants.

10. Stock Options and Stock-Based Compensation

Champion established a stock option plan which provides for granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. Terms of the options granted are subject to the determination and approval by the Board of Directors. All options granted are subject to a four-month hold period from the date of grant as required by the Canadian Securities Exchange.

	Number of stock options	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, December 31, 2016 and 2017	**---**	**---**	**---**
Granted	300,000	$ 0.24	4.72
Balance, December 31, 2018	**300,000**	**$ 0.24**	**4.72**

On September 18, 2018, the Company issued a total of 300,000 stock options to a director and two former directors of GoldTrain. These options have a five-year life, an exercise price of $0.24 and vest immediately. The $54,000 value of these options was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.24; risk free rate of return – 2.28% expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%. The Company recognized stock-based compensation expense of $54,000 during 2018 in relation to the vesting of these options.

11. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

Expressed in Canadian dollars unless otherwise indicated

12. Financial Instruments and Risk Management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and 2017, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	December 31, 2018	December 31, 2017
Financial Assets—amortized cost		
Cash	**$ 19,375**	$ 338,115
Accounts receivable and prepaids	**62,098**	30,945
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	**$554,982**	$ 171,658
Advance payable	**154,557**	---

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer is unable to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company's cash is held with Canadian chartered banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. The Company also mitigates liquidity risk by maintaining an insurance program to minimize exposure to insurable losses.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of the Canadian chartered bank.

Foreign exchange risk

The Company engages in transactions and activities in currencies other than its reported currency. The Company's exploration activities are in the United States of America. Ongoing exploration expenses, assets and liabilities are exposed to foreign exchange fluctuations. The Company’s exploration expenses are primarily transacted in US dollars.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

Expressed in Canadian dollars unless otherwise indicated

13. Related Party Transactions

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The following is a summary of the Company's related party transactions for the years ended December 31, 2018 and 2017.

The Company signed a five-year lease, with a company with which it has common management and directors. During the year ended December 31, 2018, the Company paid $8,006 in rent charges (year ended December 31,2017 - $4,550).

Compensation of key management personnel and directors was as follows:

For the year ended December 31,	**2018**	**2017**
Cash-based remuneration	**$ 165,000**	$ 26,765
Stock-based compensation	**96,000**	---
	$ 261,000	$ 26,765

During the year ended December 31, 2018, the Company paid its CEO $125,000 (year ended December 31, 2017 - $26,765) with $30,000 remaining payable at year-end. During the year ended December 31, 2018, the Company paid its CFO $40,000 (year ended December 31, 2017 - $NIL) with $10,000 remaining payable at year-end.

At December 31, 2018, $139,557 remains due to the Company’s CEO, and $15,000 remains due to the Company’s Chairman, on account of amounts advanced to the Company (December 31, 2017 - $NIL). These advances are unsecured and non-interest bearing.

During the year ended December 31, 2017, the Company’s CEO purchased a total of 4,000,000 shares for $333,425. During the year ended December 31, 2018, the Company’s CFO purchased a total of 250,000 shares for $41,713 with $25,000 debt settled for 100,000 shares (year ended December 31, 2017 - 750,000 shares for $29,585). During the year ended December 31, 2018, two of the Company’s directors purchased a total of 500,000 shares for proceeds of $12,688. A former director purchased 100,000 shares for $2,639.

Mr. Bruce Reid made payments on behalf of the Company totaling $452,583 in 2016 and $81,082 in 2017. These payments and his work during the years was instrumental in establishing the Company and securing its principal asset. Mr. Reid did not wish to be reimbursed in cash for these expenditures. Consequently, a total of 10 million Performance Shares were issued to Mr. Reid as compensation in 2017.

On completion of the Transaction, a company controlled by a director was issued 500,000 warrants, each such warrant exercisable to purchase one common share of the company at $0.50 within 5 years. This individual is no longer a director of the Company.

During the year ended December 31, 2018, the Company paid $6,457 to a law firm in which a former Company director is a partner. At December 31, 2018, $200,000 is owed to this firm (December 31, 2017 - $NIL) and is included in accounts payable.

On September 18, 2018, the Company issued a total of 300,000 stock options to a director and two former directors of GoldTrain (see Note 10). The 100,000 options issued to the company director had a value of $18,000, calculated using the Black-Scholes option pricing model.

As noted in Note 7, the Company acquired certain cobalt claims in exchange for up to 4,000,000 common shares as mining claims are transferred to Champion Cobalt. These 4,000,000 common shares were issued pursuant to this purchase (see Note 7) subsequent to year-end. Management and a Director of Champion assisted the vendor, American Cobalt, by making payments for staking costs and to maintaining the properties in good standing. In return for this assistance, American Cobalt allocated 1,000,000 of these shares to these individuals.

Expressed in Canadian dollars unless otherwise indicated

14. Loss Per Share

The calculation of basic loss per share for the years ended December 31, 2018 and 2017 was based on total loss attributable to common shareholders of $5,299,117 (2017 - $1,238,046) and a weighted average number of common shares outstanding of 29,940,653 (2017 – 10,389,422).

Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

15. Commitments

On November 13, 2017, the Company signed an agreement to purchase geologic data owned by a third party ("Bill of Sale"). Pursuant to this Bill of Sale, Champion paid US$10,000 upon signing of this agreement and agreed to issue, before March 31, 2018, 250,000 shares at a price of US$0.20 per share at total value of US$50,000. These shares were issued in March 2018. Furthermore, Champion was committed to pay an additional US$40,000 in four equal payments due on March 30, 2018, June 29, 2018, September 29, 2018 and December 31, 2018. The March and June 2018 payments were made, with the remaining two payments being deferred by mutual agreement. At December 31, 2018, this US$20,000 obligation is included in accounts payable on the consolidated statement of financial position.

Pursuant to an agreement in place with an arm's-length service provider, the company committed to issuing 500,000 stock options, which have not yet been issued.

The Company has entered into an office lease agreement and, as at December 31, 2018, is committed to make $33,929 of lease payments over the next forty-one months.

16. Environmental Contingencies

The Company has exploration and evaluation properties in the United States and has conducted exploration activities. Management maintains that no material damage has been done to the land, and on that basis, management has not recorded a provision for an asset retirement obligation or for property reclamation.

17. Income Taxes

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2017 – 26.5%) were as follows:

	2018 $	**2017 $**
Loss before income taxes	5,299,117	1,238,046
Expected income tax recovery based on statutory rate	(1,404,000)	(333,000)
Adjustment to expected income tax benefit:		
Stock-based Compensation	35,000	-
Non-deductible expenses and other	1,146,000	177,000
Change in benefit of tax assets not recognized	223,000	156,000
Deferred income tax (recovery)	-	-

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17. Income Taxes (Cont'd)

b) Deferred Income Taxes

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2018 **$**	**2017** **$**
Non-capital loss carry-forwards	1,423,000	587,000
Share issue costs	14,000	6,000
Mineral property costs	-	-
Capital loss carry-forwards	-	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

As at December 31, 2018, the Company had approximately $1,423,000 (December 31, 2017 - $587,000) of non-capital losses in Canada. The non-capital losses expire as follows:

2036	$ 23,000
2037	554,000
2038	846,000
	$1,423,000