

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

Condensed Interim Consolidated Financial Statements
Unaudited

Three and Nine Months Ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, the statements must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by the auditor. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

"Signed"

Jonathan Buick

Jonathan Buick
Chief Executive Officer

Julio DiGirolamo

Julio DiGirolamo CPA,CA
Chief Financial Officer

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Condensed Interim Consolidated Statements of Financial Position (unaudited)

Expressed in Canadian dollars

	September 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	\$ 8,492	\$ 19,375
Accounts receivable and prepaids	150,868	62,098
Subscription receivable	---	---
	159,360	81,473
Long-term prepaid	36,667	---
	\$ 196,027	\$ 81,473
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 13 and 15)	\$ 546,284	\$ 554,982
Advance payable (Note 13)	78,846	154,557
	625,130	709,539
Shareholders' (deficiency) equity		
Share capital (Note 8)	6,689,137	5,232,415
Shares to be issued (Notes 7 and 8)	---	1,000,000
Warrants (Note 9)	456,560	77,800
Contributed surplus	54,000	54,000
Deficit	(7,628,800)	(6,994,281)
	(429,103)	(628,066)
	\$ 196,027	\$ 81,473

Going Concern (Note 1)

Commitments and Contingencies (Note 15 and 16)

The accompanying notes are an integral part of these unaudited condensed interim 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.**(Formerly GoldTrain Resources Inc.)****Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(unaudited)****For the three and nine months ended September 30,***Expressed in Canadian dollars*

	Three Months		Nine Months	
	2019	2018	2019	2018
Expenses				
Project costs	\$ 214,716	\$ 1,188,501	\$ 218,732	\$ 2,156,492
Listing costs (Note 6)	---	869,181	---	869,181
Shareholder and investor relations	21,021	183,455	131,708	400,301
Management fees (Note 13)	64,724	46,167	197,355	145,755
Professional fees and consulting	12,500	28,766	61,924	143,589
Stock-based compensation (Note 10)	---	100,800	---	100,800
General administrative costs	8,112	8,390	21,813	22,246
Foreign exchange (gain)	6,645	(68,673)	3,297	(11,268)
	(327,718)	(2,356,587)	(634,829)	(3,827,096)
Interest income	71	---	310	---
Net loss and comprehensive loss for the period	\$(327,647)	\$(2,356,587)	\$ (634,519)	\$(3,827,096)
Loss per common share (Note 11)	\$ (0.01)	\$ (0.08)	\$ (0.01)	\$ (0.16)
Weighted average number of shares outstanding during the period – basic and diluted	47,119,781	29,548,002	42,932,945	24,493,466

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

(unaudited)

For the nine months ended September 30, 2019 and 2018

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Shares to be issued	Warrants	Contributed Surplus	Deficit	Total
Balance at December 31, 2017	19,025,000	\$1,886,022	\$ 94,359	\$ ---	\$ ---	\$(1,695,164)	\$ 285,217
Net loss for the period	---	---	---	---	---	(3,827,096)	(3,827,096)
Share-based compensation	---	---	---	---	100,800	---	100,800
Acquisition (Note 6)	3,545,935	886,484	---	---	---	---	886,484
Issue of share capital – property payment (Note 7(i))	250,000	64,470	---	---	---	---	64,470
Issue of share capital – performance shares (Note 7(ii))	3,500,000	88,427	---	---	---	---	88,427
Issue of share capital – private placement (Note 7(iii))	8,442,000	2,160,252	(94,359)	---	---	---	2,065,893
Share issue costs	---	(11,240)	---	---	---	---	(11,240)
Balance at September 30, 2018	34,762,935	\$5,074,415	\$ ---	\$ ---	\$ 100,800	\$(5,522,260)	\$ (347,045)
Balance at December 31, 2018	35,762,935	\$5,234,415	\$ 1,000,000	\$ 77,800	\$ 54,000	\$(6,994,281)	\$ (628,066)
Net loss for the period	---	---	---	---	---	(634,519)	(634,519)
Issue of share capital – property payment (Note 8(vii))	4,000,000	1,000,000	(1,000,000)	---	---	---	---
Issue of share capital – private placement (Note 8(viii) and (ix))	9,021,928	454,722	---	378,760	---	---	833,482
Balance at September 30, 2019	48,784,863	\$6,689,137	\$ ---	\$ 456,560	\$ 54,000	\$(7,628,800)	\$ (429,103)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.
(Formerly GoldTrain Resources Inc.)
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
For the nine months ended September 30, 2019 and 2018
Expressed in Canadian dollars

	2019	2018
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (634,519)	\$(3,781,219)
Stock-based compensation	---	100,800
Foreign currency translation	---	(45,877)
Net change in non-cash working capital balances:		
Accounts receivable and prepaids	(88,770)	(61,160)
Long-term prepaid	(36,667)	---
Accounts payable and accrued liabilities	(8,698)	531,240
Advance payable	(75,711)	109,520
	(844,365)	(3,146,666)
FINANCING ACTIVITIES		
Issuance of common shares	458,132	3,199,633
Warrants	378,760	---
Shares to be issued	---	(6,544)
Share issue costs	(3,410)	(11,240)
	833,482	3,181,849
Net increase (decrease) in cash	(10,883)	35,186
Cash, beginning of the period	19,375	338,115
Cash, end of the period	\$ 8,492	\$ 373,298

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the nine months ended September 30, 2019 and 2018

Expressed in Canadian dollars unless otherwise indicated

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 Ltd., 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 unaudited condensed interim 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 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 unaudited condensed interim consolidated financial statements of the Company for the periods ended September 30, 2019 and 2018 were authorized for issue in accordance with a resolution of the directors dated November 12, 2019.

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the nine months ended September 30, 2019 and 2018

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2. Basis of Presentation

Statement of compliance:

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Except as noted below, the accounting policies followed by these unaudited condensed interim consolidated financial statements were applied on a consistent basis as those applied in the Company’s audited annual consolidated financial statements for the year ended December 31, 2018 and should be read in conjunction with those statements.

Basis of Measurement:

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

Use of Estimates and Judgments:

The preparation of unaudited condensed interim 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

Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of Champion and its wholly owned subsidiaries, Idaho Champion Gold Mines Ltd., Idaho Champion Gold Mines USA, Inc., Idaho Champion Cobalt USA, Inc. and Idaho Champion Gold Mines LLC. 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 Condensed Interim 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.

Functional and Presentation Currency

These unaudited condensed interim 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 date of the balance sheet. 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).

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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

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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:

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

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. 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 replacing 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 with early adoption permitted.

The Company elected not to recognize assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. Lease payments associated with these leases will continue to be recognized as an expense over the lease term. As a result, the adoption of IFRS 16 did not have a significant impact to the statement of financial position or statement of loss and comprehensive loss.

Future accounting standard changes, not effective as of March 31, 2019:

On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The Company will apply the requirements of the amendments to transactions entered into after January 1, 2020.

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6. Acquisition

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-consolidation shareholders, creditors and private placees.

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 as of September 30, 2019 and including GoldTrain transactions that flow through the Statements of Loss and Comprehensive Loss from September 18, 2018 through September 30, 2019.

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 acquisition, and the value of net assets as of September 18, 2018, is accounted for as Listing Costs on the Condensed Interim Consolidated Statement of Loss and Comprehensive 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

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7. Exploration Properties

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. was to 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. These shares were issued on January 8, 2019, with the amount reclassified to Share Capital.

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.

8. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:	Number of Shares	Amount
Balance, December 31, 2017	19,025,000	\$ 1,886,022
Issued as performance shares (Note 8 (i))	3,500,000	88,427
Issued on private placements (Note 8(iii))	8,442,000	2,160,252
Issued on property purchase (Note 8(iv))	250,000	64,470
Issued on amalgamation (Notes 6 and 8 (iii))	3,545,935	886,484
Issued for property purchase (Notes 7 and 8 (vi))	1,000,000	160,000
Share issue costs	---	(11,240)
Balance, December 31, 2018	35,762,935	\$ 5,234,415
Issued for property purchase (8 (vii))	4,000,000	1,000,000
Issued on private placements (Note 8(iii) and (ix))	9,021,928	848,442
Warrants issued on private placements	---	(378,760)
Share issue costs	---	(14,960)
Balance, September 30, 2019	48,784,863	\$ 6,689,137

(i) 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.

(ii) 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.

(iii) 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.

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

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the nine months ended September 30, 2019 and 2018

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8. Share Capital (Cont'd)

(v) 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)

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

(vii) On January 8, 2019, pursuant to the transfer of certain claims to the Company (see Note 7), Champion issued 4,000,000 common shares, classified as shares to be issued at December 31, 2018.

(viii) On May 17, 2019, the Company closed the first tranche of a private placement offering, issuing 4,719,428 units at a price of \$0.10 per unit, with each unit consisting of one common share and one common share purchase warrant entitling the holder to acquire one common share at a price of \$0.20 for a period of 36 months. The Company paid a cash finder's fee of \$800 and issued 8,000 finders' warrants.

(ix) On June 7, 2019, the Company closed the second and final tranche of a financing, issuing 1,615,000 units at a price of \$0.10 per unit and for gross proceeds of \$161,500 and paying a cash finder's fee of \$1,600 and issuing 16,000 finders' warrants. Each unit consists of one common share and one common share purchase warrant entitling the holder to acquire one common share at a price of \$0.20 for a period of 36 months. The finders' warrants have the same terms.

(x) On August 27, 2019, the Company reported the closing of a non-brokered private placement totaling \$215,000 (the "Financing") priced at \$0.08 per unit, resulting in the issuance of 2,687,500 units. Each unit consists of one (1) common share and one (1) purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.15 for a period of 60 months from date of the issue. The Company paid cash finder's fees equal to 8% of the gross proceeds totaling \$11,040 and 138,000 non-transferable warrants in the first closing.

9. Warrants

At September 30, 2019, there were 9,683,928 warrants outstanding:

Number	Exercise Price	Expiry Date
500,000	\$0.50	September 18, 2023
4,727,428	\$0.20	May 17, 2022
1,631,000	\$0.20	June 7, 2022
2,825,500	\$0.15	August 27, 2022
9,683,928		

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.

At September 30, 2019, there were 300,000 stock options outstanding with an exercise price of \$0.24 and expiring September 18, 2023.

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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 adjusts 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.

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 September 30, 2019 and December 31, 2018, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	September 30, 2019	December 31, 2018
Financial Assets—other receivables		
Cash	\$ 8,492	\$ 19,375
Accounts receivable and prepaids	150,868	62,098
Financial Liabilities—other financial liabilities		
Accounts payable and accrued liabilities	\$ 546,284	\$ 554,982
Advance payable	78,846	154,557

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12. Financial Instruments and Risk Management (Cont'd)

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.

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 loss 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.

IDAHO CHAMPION GOLD MINES CANADA INC.

(Formerly GoldTrain Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the nine months ended September 30, 2019 and 2018

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 periods ended September 30, 2019 and 2018.

Effective June 1, 2017, the Company signed a five-year lease, with a company with which it has common management and directors. During the three and nine months ended September 30, 2019, the Company paid \$4,812 and \$10,011, respectively, in rent charges (three and nine months ended September 30, 2018 - \$2,438 and \$6,727, respectively).

Compensation of key management personnel and directors for the period was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Stock-based compensation	\$ ---	\$ 18,000	\$ ---	\$ 18,000
Cash compensation	\$ 37,500	\$ 35,000	\$ 120,000	\$ 120,000

During the three- and nine-month periods ended September 30, 2019, the Company paid its CEO \$22,500 and \$75,000, respectively (three month and nine months ended September 30, 2018 - \$30,000 and \$90,000, respectively) and paid its CFO \$15,000 and \$45,000, respectively (three months and nine months ended September 30, 2018 - \$5,000 and \$30,000, respectively). None of these 2019 fees were paid in cash, with management taking partial payments in shares, as part of the 2019 financings. On September 30, 2019, The Company's CEO and CFO are owed \$49,324 and \$15,660, respectively, as unpaid compensation and unreimbursed expenses.

At September 30, 2019, the Company's Chairman was owed \$78,846 on account of amounts advanced to the Company (December 31, 2018 - \$15,000). This advance is unsecured and non-interest bearing. At December 31, 2018, the Company's CEO was owed \$139,557 on account of amounts advanced to the Company. This advance is unsecured and non-interest bearing. In May 2019, as part of the first tranche of a private placement offering, this amount, plus additional amounts advanced during 2019, was converted into common shares of the Company.

During the nine months ended September 30, 2019, the Company's Chairman, CEO and CFO purchased 547,500 common shares, 2,084,450 common shares and 520,000 common shares, respectively, as part of private placement offerings by converting debt owed to them into common shares in the Company.

During the nine months ended September 2018, the Company's CFO purchased a total of 250,000 shares for \$52,500. During the same nine-month period, two of the Company's directors purchased a total of 500,000 shares for proceeds of \$12,688.

On September 18, 2018, the Company issued a total of 300,000 stock options to a director and two former directors (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.

At September 30, 2019 \$150,000 is owed to a law firm in which a former Company director is a partner (December 30, 2018 - \$200,000) and is included in accounts payable.

As noted in Notes 7 and 8, the Company acquired certain cobalt claims in exchange for 4,000,000 common shares. These 4,000,000 common shares were issued pursuant to this purchase on January 8, 2019. 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.

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14. Loss Per Share

The calculation of basic loss per share for the three and nine months ended September 30, 2019 and 2018 was based on total loss attributable to common shareholders of \$327,647 and \$634,519, respectively (2018 - \$2,356,587 and \$3,827,096, respectively) and a weighted average number of common shares outstanding of 47,119,781 and 42,932,945 (2018 - 29,548,002 and 24,493,466, respectively).

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. As part of the most recent financing, \$20,000 was converted into shares, with the balance of \$6,566 included in accounts payable.

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. Subsequent Event

Subsequent to quarter-end, and further to proposal Champion (press release dated July 29, 2019) to amend the terms of the common share purchase warrants issued in May and June of 2019, all warrant holders have consented to the amended terms. The warrant exercise price was reduced from \$0.20 to \$0.15 and the term of the warrants was extended by two years to five years from the date of issuance. Insiders of the Company who participated as to more than 10% in the financing in which the warrants were issued are subject to a limit of 10% of their holding on a pro rata basis in accordance with regulatory policies.