IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Financial Statements
Unaudited

Three and Nine Months Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

Expressed in Canadian dollars

	September 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	**$ 5,370,694**	$ 11,936
Accounts receivable and prepaids	**668,779**	128,367
Right of use asset *(Note 17)*	**18,175**	26,749
	6,057,648	167,052
Long-term prepaid	**26,667**	34,167
TOTAL ASSETS	**$ 6,084,315**	$ 201,219
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (*Note 13)*	**$ 691,666**	$ 777,864
Lease liability *(Note 17)*	**21,567**	29,655
Advance payable *(Note 13)*	**---**	113,595
	713,233	921,114
Long-term liabilities		
Loan payable *(Note 7)*	**40,000**	---
TOTAL LIABILITIES	**753,233**	921,114
Shareholders' equity (deficiency)		
Share capital *(Note 8)*	**12,905,124**	6,790,953
Warrants *(Note 9)*	**2,779,486**	354,744
Contributed surplus	**465,368**	182,635
Deficit	**(10,818,896)**	(8,048,227)
	5,331,082	(719,895)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$ 6,084,315**	$ 201,219

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.

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	
	2020	**2019**	**2020**	**2019**
Expenses				
Project costs *(Note 6)*	**$ 1,326,316**	$ 214,716	**$ 1,516,352**	$ 218,732
Property acquisition costs	**6,662**	---	**282,484**	---
Shareholder and investor relations	**216,504**	21,021	**347,662**	131,708
Management fees *(Note 13)*	**113,401**	64,724	**280,113**	197,355
Professional fees and consulting	**47,376**	12,500	**86,137**	61,924
Stock-based compensation *(Note 10)*	**268,233**	---	**282,733**	---
General administrative costs	**15,602**	8,112	**55,450**	21,813
Amortization expense	**2,858**	---	**8,574**	---
Foreign exchange (gain)	**17,699**	6,645	**(10,902)**	3,297
	(2,014,651)	(327,718)	**(2,848,623)**	(634,829)
Interest income	**144**	71	**454**	310
Gain on property divestment *(Note 6)*	**---**	---	**77,500**	---
Net loss and comprehensive loss for the period	**$(2,014,507)**	$ (327,647)	**$(2,770,669)**	$ (634,519)
Loss per common share *(Note 11)*	**$ (0.03)**	$ (0.01)	**$ (0.03)**	$ (0.01)
Weighted average number of shares outstanding during the period – basic and diluted	**67,664,615**	47,119,781	**83,938,856**	42,932,945

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

IDAHO CHAMPION GOLD MINES CANADA INC.

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

For the nine months ended September 30, 2020 and 2019

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Shares to be issued	Warrants	Contributed Surplus	Deficit	Total
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)**
Balance at December 31, 2019	**48,784,863**	**$6,790,953**	**$ ---**	**$ 354,744**	**$ 182,635**	**$(8,048,227)**	**$ (719,895)**
Net loss for the period	---	---	---	---	---	(2,770,669)	**(2,770,669)**
Vesting of stock-based compensation	---	---	---	---	282,733	---	**282,733**
Shares issued for property purchase *(Notes 6 and 8(ix))*	250,000	40,500	---	---	---	---	**40,500**
Warrant exercise *(Note 8(x))*	1,486,485	268,898	---	(45,925)	---	---	**222,973**
Issue of share capital – private placement *(Note 8(v), (vii) and (vii))*	11,495,315	495,854	---	386,868	---	---	**882,722**
Issued for debt *(Note 8(viii))*	3,557,028	164,852	---	119,710	---	---	**284,562**
Issue of share capital – prospectus offering *(Note 8(xi))*	27,410,000	5,130,173	---	1,964,089	---	---	**7,094,262**
Issued to contractor *(Note 8(xii))*	55,569	13,894	---	---	--	---	**13,894**
Balance at September 30, 2020	**93,039,260**	**$12,905,124**	**$ ---**	**$ 2,779,486**	**$ 465,368**	**$(10,818,896)**	**$ (227,823)**

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

IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

For the nine months ended September 30, 2020 and 2019

Expressed in Canadian dollars

	2020	2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (2,770,669)**	$ (634,519)
Stock-based compensation	**282,733**	---
Amortization expense	**8,574**	---
Net change in non-cash working capital balances:		
Accounts receivable and prepaids	**(540,412)**	(88,770)
Long term prepaid	**7,500**	(36,667)
Accounts payable and accrued liabilities	**117,018**	(8,698)
Advance payable	---	(75,711)
	(2,895,256)	(844,365)
FINANCING ACTIVITIES		
Issuance of private placement units	**9,419,992**	458,132
Warrants	---	378,760
Share issue costs	**(1,165,641)**	(3,410)
Payment of principal portion of lease liability	**(8,088)**	---
Advance payable	**(32,249)**	---
Loan payable	**40,000**	---
	8,254,014	833,482
Net increase (decrease) in cash	**5,358,758**	(10,883)
Cash, beginning of the period	**11,936**	19,375
Cash, end of the period	**$ 5,370,694**	$ 8,492

Supplemental cash flow information:

	2020	2019
Shares issued in settlement of debt *(Note 8)*	**$ 284,562**	$ ---

The accompanying notes are an integral part of these unaudited condensed interim 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 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, 2020 and 2019 were authorized for issue in accordance with a resolution of the directors dated November 27, 2020.

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, 2019 and should be read in conjunction with those statements.

2. Basis of Presentation (Cont'd)

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 interim 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 exchanges differences are recognized in income (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:

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.

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

Significant accounting judgments (cont'd)

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 had a significant effect on the Consolidated Financial Statements of the Company.

The Conceptual Framework for Financial Reporting (revised in 2018) has been updated to expand on the existing Conceptual Framework by focusing on the elements of financial statements, recognition and derecognition, measurement, and presentation and disclosure. The standard is effective for annual periods beginning on or after January 1, 2020. These new standards and changes did not have any material impact on the Company's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors has been updated. The definition of "material" is being clarified for purpose of improving consistency and application of the concept where applicable. The standard is effective for annual periods beginning on or after January 1, 2020. This new standard and changes did not have any material impact on the Company's financial statements.

6. Mining Interests

On April 27, 2020, Champion announced that it sold all its Nudulama Claims for cash proceeds of $80,000.

On April 30, 2020, the Company announced that it acquired key patented claims (private property) that are located within the Company's past-producing Champagne Project in Idaho, USA. The key patented properties include five (5) patent lode mining claims and one (1) patent mill site which are located inside the project area controlled by Champion. Under the terms of the agreement, Idaho Champion has purchased the six (6) patented claims from a private family trust for US$150,000.

On May 6, 2020, Champion announced that it signed a binding Property Lease and Option Agreement (the "Agreement") with a private family (the "Lessor") to lease, with an option to acquire, additional claims that are located within the Company's past producing Champagne Project in Idaho, USA. Under the terms of the Agreement, Champion paid the Lessor US$8,000 and issued 100,000 Champion common shares. The Company will pay the Lessor US$8,000 on each anniversary date of the Agreement thereafter for the first 20 years of the Agreement; and can renew for an additional 20 years.

Champion can purchase a 100% interest in the claims by paying the Lessor the amount (US$) below:

- If option is exercised during year 1 to 10: $150,000
- If option is exercised during year 11 to 20: $200,000
- If option is exercised during year 21 to 30: $250,000
- If option is exercised during year 31 to 40: $300,000.

On May 19, 2020, the Company announced that it has acquired additional mining claims that are located within the Company's past producing Champagne Project in Idaho, USA. Under the terms of the agreement, Champion purchased the Reliance Claims from a private family for US$15,000 and the issuance of 150,000 Champion common shares.

Expressed in Canadian dollars unless otherwise indicated

7. Loan Payable

As a result of COVID-19, the Canadian federal government created the Canada Emergency Business Account ("CEBA"), designed to provide some financial assistance to qualifying Canadian companies. In April 2020, Champion applied for this funding and received $40,000 as an unsecured, non-interest-bearing demand loan. This loan is due on or before December 31, 2022. If paid before this time, $10,000 of the loan is forgiven. If not paid by this date, interest at a rate of 5% per annum, will need to be paid monthly.

8. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:	Number of Shares	Amount
Balance, December 31, 2018	**35,762,935**	**$ 5,234,415**
Issued for property purchase *(Note 7(i))*	4,000,000	1,000,000
Issued on private placements *(Notes 7 (ii), (iii), and (iv))*	3,525,000	318,000
Issued for debt *(Notes 7 (ii), (iii), and (iv))*	5,496,928	530,442
Warrants issued on private placements *(Notes 7 (ii), (iii), and (iv))*	---	(276,944)
Share issue costs	---	(14,960)
Balance, December 31, 2019	**48,784,863**	**$ 6,790,953**
Issued on private placements *(Notes 7 (vi), (vii), and (viii))*	11,495,315	919,625
Issued for debt	3,557,028	284,562
Warrants issued on private placements *(Notes 7 (vi), (vii), and (viii))*	---	(506,578)
Share issue costs	---	(36,903)
Issued for property purchase *(Note 7 (ix))*	250,000	40,500
Warrant exercise – cash *(Note 7 (x))*	1,486,485	222,973
Warrant exercise – book value *(Note 7 (x))*	---	45,925
Issued on brokered financing *(Notes 7 (xi))*	27,410,000	8,223,000
Share issue costs *(Notes 7 (xi))*	---	(1,128,738)
Warrants issued on brokered financing *(Notes 7 (xi))*	---	(1,964,089)
Issued to contractor *(Notes 7 (xii))*	55,569	13,894
Balance, September 30, 2020	**93,039,260**	**$ 12,905,124**

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

(ii) 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, and each 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 entitling the holder to acquire one common share at a price of $0.20 for a period of 36 months. As part of this closing, 3,119,428 units were issued to settle $311,942 of debt. In November 2019, 3,048,818 of the warrants associated with this closing had their terms amended (Note 9).

(iii) 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 entitle the holder to acquire one common share at a price of $0.20 for a period of 36 months. As part of this closing, 1,415,000 units were issued to settle $141,500 of debt. In November 2019, the terms of the warrants associated with this closing were amended (see Note 9).

8. Share Capital (Cont'd)

(iv) On August 27, 2019, the Company reported the closing of a non-brokered private placement totaling $215,000 priced at $0.08 per unit, resulting in the issuance of 2,687,500 units. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one 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 which entitle the holder to acquire one common share at a price of $0.15 for a period of 60 months. As part of this closing, 962,000 units were issued to settle $77,000 of debt.

(v) On February 14, 2020, the Company announced that it closed the first tranche of the private placement offering announced on January 13, 2020. As part of the closing of this first tranche, the Company issued 6,654,037 units for gross proceeds of $532,323. The Company paid a cash finders' fee of $10,240 and issued 178,000 finders' warrants. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.15 for a period of 60 months from date of the issue. Creditors agreed to receive a total of 3,529,037 units in settlement of $260,823 debt owed to them. Directors and Officers participated in this financing for an aggregate of $200,625, representing 2,507,814 units as part of the debt settlement. As part of this closing, 3,260,287 units were issued to settle $260,823 of debt.

(vi) On February 26, 2020, the Company announced that it closed the second tranche of the private placement offering announced on January 13, 2020. As part of the closing of this second tranche, the Company issued 2,148,306 units for gross proceeds of $171,864. Creditors agreed to receive a total of 496,741 units in settlement of $39,739 debt owed to them. Directors and Officers participated in this financing for an aggregate of $23,739, representing 296,741 units. As part of this closing, 296,741 units were issued to settle $23,739 of debt.

(vii) On March 6, 2020, the Company announced that it closed the final tranche of the oversubscribed non-brokered private placement offering announced on January 13, 2020. As part of the closing of this final tranche, the Company issued 6,250,000 units for gross proceeds of $500,000. The Company paid a cash finders' fee of $21,880 and issued 273,500 finders' warrants.

(viii) Certain related parties participated in the above noted financings by accepting units in settlement of debts owed to them (see Note 12).

(ix) As part of consideration paid for the acquisition of certain properties in Idaho, USA, Champion paid a total of 250,000 common shares (see Note 6).

(x) During the second quarter of 2020, 173,000 common shares were issued upon the exercise of warrants. During the third quarter of 2020, 1,313,485 common shares were issued upon the exercise of warrants.

(xi) On July 30, 2020, the Company completed a prospectus offering of 26,910,000 units of the Company (the "Units") at a price of $0.30 per Unit for aggregate gross proceeds of $8,073,000, which included the exercise of the underwriters' over-allotment option in full (the "Offering"). The brokers agreed to invest part of their work fee into an additional 500,000 Units for an additional $150,000. Each Unit comprises one common share in the capital of the Company (each, a "Common Share") and one-half of one Common Share purchase warrant (each whole Warrant, a "Warrant"). Each whole warrant is exercisable to acquire one Common Share (a "Warrant Share") for a period of 36 months following the closing of the Offering at an exercise price of $0.45 per Warrant Share.

(xii) On August 28, 2020, 55,569 shares were issued in settlement of debt as part of a contracted obligation to a third-party vendor.

Expressed in Canadian dollars unless otherwise indicated

9. Warrants

The total warrant value represents the fair value of outstanding warrants on the date of their issuance. The valuation is derived using a Black-Scholes option pricing model. As warrants are exercised, the fair value is transferred to share capital. Should warrants expire unexercised, the fair value is transferred as a component of contributed surplus in shareholders' deficiency.

At September 30, 2020, there were 39,289,986 warrants outstanding, with each warrant entitling the holder to acquire one common share of the company at the prices noted below:

Number	Value Assigned	Exercise Price	Remaining Contractual Life In Years	Expiry Date
1,678,610	$ 49,092	$0.20	1.63	May 17, 2022
500,000	77,800	$0.50	2.97	September 18, 2023
2,503,818	73,214	$0.15	3.63	May 17, 2024
1,631,000	52,192	$0.15	3.69	June 7, 2024
2,697,500	82,591	$0.15	3.91	August 27, 2024
6,749,037	220,442	$0.15	4.38	February 14, 2025
1,417,821	45,338	$0.15	4.41	February 26, 2025
6,523,500	214,728	$0.15	4.43	March 6, 2025
1,883,700	266,355	$0.30	1.83	July 29, 2022
13,705,000	1,697,734	$0.45	2.83	July 29, 2023
39,289,986	**$2,779,486**	**$0.27**	**3.48**	

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	**9,683,928**	**$ 0.18**
Issued	31,092,543	0.29
Exercised	1,486,485	0.15
Balance, September 30, 2020	**39,289,986**	**$ 0.27**

On May 17, 2019, the Company closed the first tranche of a private placement offering and debt settlement, 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 also issued 8,000 finders' warrants with the same terms as those forming part of the units. The value of these warrants was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.07; risk free rate of return – 2.72%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%.

On June 7, 2019, the Company closed the second and final tranche of a financing and debt settlement, issuing 1,615,000 units at a price of $0.10 per unit and for gross proceeds of $161,500. 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. In relation to this closing, the company issued 16,000 finders' warrants have the same terms as those forming part of the units. The value of these warrants was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.085; risk free rate of return – 1.64%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%.

9. Warrants (Cont'd)

On August 27, 2019, the Company reported the closing of a non-brokered private placement and debt settlement totaling $215,000 priced at $0.08 per unit, resulting in the issuance of 2,687,500 units. Each unit consists of one common share and one common share purchase 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 issued 138,000 finders' warrants with the same terms as those forming part of the units. The value of these warrants was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.05; risk free rate of return – 2.72%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%.

In November 2019, 4,679,818 of the warrants issued in the May 17, 2019 and June 7, 2019 financings were amended to conform with the terms of the August 27, 2019 financing. The terms of the warrants were changed such that 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.

On February 14, 2020, the Company closed the first tranche of a non-brokered private placement and debt settlement totaling $532,323 priced at $0.08 per unit, resulting in the issuance of 6,654,037 units. Each unit consists of one common share and one common share purchase 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 issued 178,000 finders' warrants. with the same terms as those forming part of the units. The value of these warrants was initially calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.10; risk free rate of return – 1.37%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%. The Company then used the relative fair value method to value the warrants together with the value of the share capital issued.

On February 26, 2020, the Company announced that it closed the second tranche of a non-brokered private placement and debt settlement totaling $171,864 priced at $0.08 per unit, resulting in the issuance of 2,148,306 units. Each unit consists of one common share and one common share purchase 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 value of these warrants was initially using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.085; risk free rate of return – 1.21%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%. The Company then used the relative fair value method to value the warrants together with the value of the share capital issued.

On March 6, 2020, the Company announced that it closed the third tranche of a non-brokered private placement and debt settlement totaling $500,000 priced at $0.08 per unit, resulting in the issuance of 6,250,000 units. Each unit consists of one common share and one common share purchase 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 value of these warrants was initially calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.11; risk free rate of return – 0.66%, expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%. The Company then used the relative fair value method to value the warrants together with the value of the share capital issued.

During the second quarter of 2020, 173,000 warrants were exercised for cash proceeds of $25,950.

On July 30, 2020, the Company completed a prospectus offering resulting in the issuance of 27,410,000 units of the Company (the "Units") at a price of $0.30 per Unit, with each Unit comprised of one common share in the capital of the Company (each, a "Common Share") and one-half of one Common Share purchase warrant (each whole Warrant, a "Warrant"). Each of these 13,705,000 warrants is exercisable to acquire one Common Share (a "Warrant Share") for a period of 36 months following the closing of the Offering at an exercise price of $0.45 per Warrant Share. The Company also issued 1,883,700 broker warrants, with each broker warrant is exercisable to purchase one common share at $0.30 until July 29, 2022.

During the third quarter of 2020, 1,313,485 warrants were exercised for cash proceeds of $197,023.

Expressed in Canadian dollars unless otherwise indicated

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 holding period from the date of grant as required by the Canadian Securities Exchange.

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, December 31, 2019	**4,875,000**	**$ 0.11**	**4.80**
Granted	1,325,000	$ 0.30	4.85
Balance, September 30, 2020	**6,200,000**	**$ 0.15**	**4.22**
Exercisable, September 30, 2020	**6,200,000**	**$ 0.15**	**4.22**

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.

On November 12, 2019, the Company issued a total of 4,575,000 stock options to directors, officers, employees and consultants. Of this total, 2,225,000 stock options were granted to directors and officers (see Note 13). These options have a five-year life, and an exercise price of $0.10. Of these, 3,675,000 stock options vested immediately with the remaining 900,000 stock options vesting 25% immediately and the balance vesting 25% quarterly. A $146,400 value of these options was calculated using the Black-Scholes option pricing model. The Company recognized share-based compensation expense of $128,635 during 2019 in relation to the vesting of these options with the $17,765 balance vesting during the 2020 fiscal year. For the three and nine months ended September 30, 2020, the Company recognized a share-based compensation expense of $3,365 and $17,865, respectively, related to the vesting that occurred.

On August 4, 2020, the Company issued a total of 300,000 stock options to a director (see Note 13) and an additional 1,025,000 to an employee and consultant. These options vested immediately, have a five-year life, and an exercise price of $0.30. A $264,868 value of these options was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.275; risk free rate of return – 0.30%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. For the three months ended September 30, 2020, the Company recognized a share-based compensation expense of $264,868, respectively, related to the vesting that occurred.

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

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, 2020 and December 31, 2019, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	September 30, 2020	December 31, 2019
Financial Assets—amortized cost		
Cash	**$5,370,694**	$ 11,936
Accounts receivable and prepaids	**668,779**	128,367
Long-term prepaid	**26,667**	34,167
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	**$ 691,666**	$ 777,864
Advances payable	**---**	113,595
Loan payable	**40,000**	---

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.

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

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.

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, 2020 and 2019.

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

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2020	**2019**	**2020**	**2019**
Cash compensation	$ 57,500	$ 37,500	$ 155,000	$ 120,000
Stock-based compensation	$ 59,970	$ 18,000	$ 59,970	$ 18,000

During the three and nine months ended September 30, 2020, the Company remunerated its CEO $35,000 and $90,000, respectively (three and nine months ended September 30, 2019 - $22,500 and $75,000, respectively) and its CFO $22,500 and $45,000, respectively (three and nine months ended September 30, 2019 - $15,000 and $65,000, respectively). At September 30, 2020, the Company's CEO and CFO are owed $NIL, as unpaid compensation and unreimbursed expenses (December 31, 2019, the Company's CEO and CFO were owed $64,213 and $32,430, respectively).

13. Related Party Transactions (Cont'd)

During the quarter ended March 31, 2020, the Company's Chairman agreed to receive a total of 985,570 units in settlement of $78,846 debt owed to him. On the same basis, Champion's CEO and CFO agreed to settle debt due to them by receiving 940,994 units for $75,280 in the case of the CEO, and 281,250 units for $22,500 in the case of the CFO. Company directors agreed to receive a total of 327,991 units in settlement of $26,239 debt owed to them.

As part of the July 2020 brokered financing, the Company's CFO subscribed for 80,000 Units at a cost of $24,000.

On August 4, 2020, the Company issued a total of 300,000 stock options to a director. These options vested immediately, have a five-year life, and an exercise price of $0.30 and a Black-Scholes calculated value of $59,970.

At September 30, 2020 $NIL is owed to a law firm in which a former Company director is a partner (December 31, 2019 - $200,000 included in accounts payable).

14. Loss Per Share

The calculation of basic loss per share for the three and nine months ended September 30, 2020 was based on total loss attributable to common shareholders of $2,014,507 and $2,770,669, respectively (2019 – losses of $327,647 and $634,519, respectively) and a weighted average number of common shares outstanding of 83,938,856 and 67,664,615, respectively, (2019 – 47,119,781 and 42,932,945, respectively).

15. Commitments

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 September 30, 2020, is committed to make $24,206 of lease payments over the next twenty months. See Note 17.

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.

Expressed in Canadian dollars unless otherwise indicated

17. Right of Use Asset and Lease Liability

On May 31, 2018, the Company entered into a lease agreement for office space in Ontario, Canada. The monthly rent payable under the terms of the lease is $812 for June 1, 2018 to May 31, 2019 and $830 for June 1, 2019 to May 31, 2022. The rent payable is subject to changes. The lease is for fixed term of four years commencing June 1, 2018. The Company used a discount rate of 15 % in determining the present value of the lease payments.

Lease liability as at December 31, 2019	$ 29,655
Interest expense	2,805
Lease payments	(10,893)
Lease liability as at September 30, 2020	$ 21,567

Below summarizes the right of use asset as at September 30, 2020 and December 31, 2019:

Net book value, December 31, 2019	$ 26,749
Amortization expense	(8,574)
Net book value, September 30, 2020	$ 18,175

18. Subsequent Events

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

On October 1, 2020, 65,088 warrants were exercised for proceeds of $9,763.