IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Financial Statements
Unaudited

Three and Six Months Ended June 30, 2021 and 2020

(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.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

Expressed in Canadian dollars

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	$ **1,447,274**	$ 3,029,210
Accounts receivable and prepaids	**457,565**	112,470
	1,904,849	3,141,680
Long-term prepaid	**19,167**	24,167
Right of use asset *(Note 16)*	**9,600**	15,316
TOTAL ASSETS	$ **1,933,616**	$ 3,181,163
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (*Note 12)*	$ **191,767**	$ 911,760
Lease liability *(Note 16)*	**12,521**	18,663
	204,288	930,423
Long-term liabilities		
Loan payable *(Note 14)*	**40,000**	40,000
TOTAL LIABILITIES	**244,288**	970,423
Shareholders' equity		
Share capital *(Note 7)*	**13,778,814**	13,307,290
Warrants *(Note 8)*	**2,641,879**	2,373,443
Contributed surplus *(Note 9)*	**777,928**	465,368
Deficit	**(15,509,293)**	(13,935,361)
TOTAL SHAREHOLDERS' EQUITY	**1,689,328**	2,210,740
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ **1,933,616**	$ 3,181,163

Nature of Operations and Going Concern *(Note 1)*
Commitments and Contingencies *(Notes 14 and 15)*
Subsequent Events *(Note 17)*

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

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

IDAHO CHAMPION GOLD MINES CANADA INC.

(unaudited)

For the three and six months ended June 30,

Expressed in Canadian dollars

	Three Months		Six Months	
	2021	**2020**	**2021**	**2020**
Expenses				
Property acquisition costs	$ 29,273	$ 275,822	$ 29,273	$ 275,822
Project costs	181,516	178,886	605,229	190,036
Shareholder and investor relations	182,880	100,287	346,089	131,158
Management fees *(Note 12)*	92,274	100,245	191,282	166,732
Professional fees and consulting	30,675	33,161	46,714	38,761
General administrative costs	18,013	20,432	37,134	39,848
Share-based compensation	81,300	7,295	328,560	14,500
Amortization expense	2,858	2,857	5,716	5,716
Foreign exchange (gain)	(1,941)	(43,115)	3,823	(28,601)
	(616,848)	(675,870)	(1,593,820)	(833,972)
Interest income	405	310	3,888	310
Gain on property divestment *(Note 6)*	---	77,500	---	77,500
Net loss and comprehensive loss for the period	$(616,443)	$(598,060)	$(1,589,932)	$ (756,162)
Loss per common share *(Note 13)*	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Weighted average number of shares outstanding during the period – basic and diluted	102,986,546	59,438,075	93,420,919	76,601,973

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 six months ended June 30, 2021 and 2020
Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total
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	---	---	---	---	(756,162)	(756,162)
Vesting of stock-based compensation	---	---	---	14,500	---	14,500
Shares issued for property purchase *(Notes 6 and 7(ix))*	250,000	40,500	---	---	---	40,500
Warrant exercise *(Note 7(x))*	173,000	31,185	(5,235)	---	---	25,950
Issue of share capital – private placement *(Note 7(v), (vii) and (vii))*	11,495,315	532,757	386,868	---	---	919,625
Issued for debt *(Note 7(viii))*	3,557,028	164,852	119,710	---	---	284,562
Share issue costs	---	(36,903)	---	---	---	(36,903)
Balance at June 30, 2020	**64,260,206**	**$7,523,344**	**$ 856,087**	**$ 197,135**	**$(8,804,389)**	**$ (227,823)**
Balance at December 31, 2020	**93,104,348**	**$13,307,290**	**$ 2,373,443**	**$ 465,368**	**$(13,935,361)**	**$ 2,210,740**
Net loss for the period	---	---	---	---	(1,589,932)	(1,589,932)
Vesting of stock-based compensation	---	---	---	328,560	---	328,560
Expiry of stock-based compensation	---	---	---	(16,000)	16,000	---
Issue of share capital – private placement *(Note 7(ix))*	4,686,664	453,644	249,356	---	---	703,000
Share issue costs	---	(23,517)	---	---	---	(23,516)
Property acquisition *(Note 7(x))*	50,000	6,750	---	---	---	6,750
Issued to contractor for services *(Note 7(xii))*	52,893	8,727	---	---	---	8,727
Warrant exercise *(Note 7(xi))*	300,000	54,185	(9,186)	---	---	45,000
Issuance of bonus warrants *(Note 7(xi))*	---	(28,265)	28,265	---	---	---
Balance at June 30, 2021	**98,193,905**	**$13,778,814**	**$ 2,641,879**	**$ 777,928**	**$(15,509,293)**	**$ 1,689,328**

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 six months ended June 30, 2021 and 2020

Expressed in Canadian dollars

	2021	2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (1,589,932)**	$ (756,162)
Stock-based compensation	**328,560**	14,500
Property acquisition	**6,750**	---
Amortization expense	**5,716**	5,716
Net change in non-cash working capital balances:		
Accounts receivable and prepaids	**(345,095)**	(12,828)
Accounts payable and accrued liabilities	**(711,267)**	(202,159)
Long term prepaid	**5,000**	2,500
	(2,300,268)	(948,433)
FINANCING ACTIVITIES		
Issuance of private placement units	**703,000**	986,075
Warrant exercise	**45,000**	---
Share issue costs	**(23,516)**	(36,903)
Payment of principal portion of lease liability	**(6,142)**	(5,291)
Advance payable	**---**	(32,249)
Loan payable	**---**	40,000
	718,342	951,632
Net increase (decrease) in cash	**(1,581,926)**	3,199
Cash, beginning of the period	**3,029,210**	11,936
Cash, end of the period	**$ 1,447,284**	$ 15,135

Supplemental cash flow information:

	2021	2020
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. 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 Company had continuing losses during the year ended December 31, 2020 and limited working capital 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 unaudited condensed interim consolidated financial statements of the Company for the periods ended June 30, 2021 and 2020 were authorized for issue in accordance with a resolution of the directors dated August 26, 2021.

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. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. While COVID 19 has caused the Company to alter the way it conducts business, and has resulted in travel being curtailed, especially for Canadian-based management, it does not seem to have had any significant adverse effect on operations. 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 Company and its operating subsidiaries in future periods.

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, 2020 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 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.

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 Standards Issued But Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

IFRSs effective as of January 1, 2021 Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments have had no impact on the condensed interim consolidated financial statements.

6. Mining Interests

On June 29, 2021, Champion announced the signing of a binding property lease and option agreement to lease, with an option to acquire, 100% interest in new surface and mineral rights on properties within Idaho Champion's Champagne Gold Project in Idaho, USA.

Under the terms of the Agreement, the parties have agreed to a five-year term of the lease, during which Champion will pay to the Lessor total consideration of US$240,000 and 500,000 common shares of the Company, structured as follows:

- An initial payment of US$10,000 and 50,000 common shares of the Company (completed);
- Annual payments of US$10,000 cash and 50,000 common shares of the Company on each of the first through fourth anniversary dates of the Agreement, each of which is an option paid at the sole discretion of the Company; and
- On or before the fifth anniversary, Champion has the option pay the Lessor a final payment of US$190,000 in cash and 200,000 common shares of the Company.

Upon full execution of the Agreement, Idaho Champion will hold 100% fee simple interest in the property and its mineral rights.

Expressed in Canadian dollars unless otherwise indicated

6. Mining Interests (Cont'd)

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

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.

7. Share Capital

Authorized

Unlimited number of common shares

Common Shares Issued:	**Number of Shares**	**Amount**
Balance, December 31, 2019	**48,784,863**	**$ 6,790,953**
Issued on private placements *(Notes 7 (ii), (iii), and (iv))*	11,295,515	919,625
Issued for debt *Notes 7 (i) and (ii))*	3,757,028	284,562
Warrants issued on private placements *(Notes 7 (ii), (iii), and (iv))*	---	(506,578)
Share issue costs	---	(79,743)
Issued for property purchase *(Note 7 (v))*	250,000	58,000
Warrant exercise – cash *(Note 7 (vi))*	1,551,573	232,736
Warrant exercise – book value *(Note 7 (vi))*	---	47,828
Issued on prospectus financing *(Notes 7 (vii))*	26,910,000	8,073,000
Share issue costs *(Notes 8 (vii))*	---	(1,117,038)
Warrants issued on prospectus financing *(Notes 7 (vii))*	---	(1,559,949)
Issued to contractor for services *(Notes 7 (viii))*	55,569	13,894
Balance, December 31, 2020	**93,104,348**	**$ 13,307,290**
Issued on private placements *(Note 7 (ix))*	4,686,664	703,000
Warrants issued on private placements *(Note 7 (ix))*	---	(249,356)
Share issue costs	---	(23,517)
Issued for property purchase *(Note 7 (x))*	50,000	6,750
Warrant exercise – cash *(Note 7 (xi))*	300,000	45,000
Warrant exercise – book value *(Note 7 (xi))*	---	9,185
Issuance of bonus warrants *(Note 7 (xi))*	---	(28,265)
Issued to contractor for services *(Notes 7 (xii))*	52,893	8,727
Balance, June 30, 2021	**98,193,905**	**$ 13,778,814**

7. Share Capital (Cont'd)

(i) On February 14, 2020, the Company announced that it closed the first tranche of a private placement offering. 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 3,260,287 units in settlement of $260,823 debt owed to them. Directors and Officers participated in this debt settlement for an aggregate of $200,625, representing 2,507,814 units.

(ii) On February 26, 2020, the Company announced that it closed the second tranche of a private placement offering. 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 debt settlement for an aggregate of $23,739, representing 296,741 units.

(iii) On March 6, 2020, the Company announced that it closed the final tranche of a non-brokered private placement offering. 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.

(iv) Certain related parties participated in the above noted financings by accepting units in settlement of debts owed to them (see Note 13).

(v) As part of consideration paid for the acquisition of certain properties in Idaho, USA during 2020, Champion paid a total of 250,000 common shares.

(vi) During the year ended December 31, 2020, the Company received $108,163 gross proceeds and settled $124,573 of debt through the exercise of 1,551,573 warrants.

(vii) On July 30, 2020, the Company completed a prospectus offering of 26,910,000 units of the Company 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 take part of their work fee and subscribe for an additional 500,000 units for an additional $150,000. Each unit comprises one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share (for a period of 36 months following the closing of the Offering at an exercise price of $0.45 per share.

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

(ix) On June 25, 2021, the Company closed the first tranche of a private placement offering. As part of the closing of this first tranche, the Company issued 4,686,664 units for gross proceeds of $703,000. The Company paid a cash finders' fee of $18,516 and issued 123,439 finders' warrants. 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 $0.25 for a period of 48 months from date of the issue, subject to an acceleration clause whereby the Company may force exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

(x) As part of consideration paid for the acquisition of certain properties in Idaho, USA during 2021, Champion paid a total of 50,000 common shares.

(xi) On April 6, 2021, 300,000 warrants with an exercise price of $0.15 per share were exercised for proceeds of $45,000. To entice the exercise of these warrants, the Company granted an additional 300,000 warrants entitling the holder to purchase one common share at a price of $0.25 for a period of 48 months from date of the issue.

(xii) On May 7, 2021, 52,893 shares were issued to contractors as compensation for services rendered.

(xiii) At June 30, 2021, 2,506,094 shares remained in escrow.

Expressed in Canadian dollars unless otherwise indicated

8. 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.

On June 25, 2021, the Company closed the first tranche of a private placement offering. As part of the closing the Company issued 4,686,664 warrants and 123,439 finders' warrants. Each warrant entitles the holder to purchase one common share at a price of $0.25 for a period of 48 months from date of the issue, subject to an acceleration clause whereby the Company may force exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

On April 6, 2021, 300,000 warrants with an exercise price of $0.15 per share were exercised for proceeds of $45,000. To entice the exercise of these warrants, the Company granted an additional 300,000 warrants entitling the holder to purchase one common share at a price of $0.25 for a period of 48 months from date of the issue.

At June 30, 2021, there were 44,035,001 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	0.88	May 17, 2022
500,000	77,800	$0.50	2.22	September 18, 2023
2,438,730	71,311	$0.15	2.88	May 17, 2024
1,631,000	52,192	$0.15	2.94	June 7, 2024
2,397,500	73,405	$0.15	3.16	August 27, 2024
6,749,037	220,442	$0.15	3.63	February 14, 2025
1,417,821	45,338	$0.15	3.66	February 26, 2025
6,523,500	214,728	$0.15	3.68	March 6, 2025
1,883,700	266,355	$0.30	1.08	July 29, 2022
13,705,000	1,293,594	$0.45	2.08	July 29, 2023
300,000	28,265	$0.25	4.85	May 7, 2026
4,686,664	242,958	$0.25	3.99	June 25, 2026
123,439	6,399	$0.25	3.99	June 25, 2026
44,035,001	**$ 2,641,879**	**$0.27**	**2.88**	

The value of the issued warrants was calculated using the Black-Scholes option pricing model under the following weighted average assumptions:

Issue date:	May 7, 2021	June 25, 2021
Share price:	$0.155	$0.10
Risk free rate of return:	0.70%	0.89%
Annualized volatility:	100%	100%
Expected life:	4	4
Dividend yield:	0%	0%

Expressed in Canadian dollars unless otherwise indicated

8. Warrants (Cont'd)

A summary of warrant activity follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	**9,683,928**	**$ 0.18**
Issued	31,092,543	0.29
Exercised	(1,551,573)	0.15
Balance, December 31, 2020	**39,224,898**	**$ 0.27**
Issued	5,110,103	0.25
Exercised	(300,000)	0.15
Balance, June 30, 2021	**44,035,001**	**$ 0.27**

9. 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**	**3.80**
Granted	1,325,000	$0.30	4.85
Balance, December 31, 2020	**6,200,000**	**$ 0.15**	**4.02**
Granted	2,550,000	0.20	4.98
Expired	500,000	0.10	---
Balance, June 30, 2021	**8,250,000**	**0.17**	**3.87**
Exercisable, June 30, 2021	**8,250,000**	**$ 0.17**	**3.87**

On March 24, 2021, the Company issued a total of 1,950,000 stock options directors and consultants (see Note 12). These options vested immediately, have a five-year life, and an exercise price of $0.20. The value of these options was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.175; risk free rate of return – 0.92%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. The Company recognized a share-based compensation expense of $247,260 related to the vesting that occurred.

On March 31, 2021, 500,000 options with an exercise price of $0.10 expired unexercised with $16,000 being reclassified from contributed surplus to retained earnings.

On April 26, 2021, the Company issued a total of 600,000 stock options to consultants. These options vested immediately, have a five-year life, and an exercise price of $0.20. The value of these options was calculated using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.185; risk free rate of return – 0.94%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. The Company recognized a share-based compensation expense of $81,300 related to the vesting that occurred.

Expressed in Canadian dollars unless otherwise indicated

10. 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.

11. 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 June 30, 2021 and December 31, 2020, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	June 30, 2021	December 31, 2020
Financial Assets—amortized cost		
Cash	**$ 1,447,284**	$3,029,210
Accounts receivable and prepaids	**457,565**	112,470
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	**$ 191,767**	$ 911,760
Loan payable	**40,000**	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.

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

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.

12. 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 June 30, 2021 and 2020.

Expressed in Canadian dollars unless otherwise indicated

12. Related Party Transactions (Cont'd)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Cash compensation - management	$ 52,500	$ 70,500	$ 105,000	$ 97,500
Share-based compensation	$ ---	$ ---	$ 73,080	$ ---

During the three and six months ended June 30, 2021, the Company remunerated its CEO $30,000 and $60,000, respectively (three and six months ended June 30, 2020 - $40,000 and $55,000, respectively) and its CFO $22,500 and $45,000, respectively (three and six months ended June 30, 2020 - $30,500 and $42,500, respectively). At June 30, 2021 and December 31, 2020, the Company's CEO and CFO were owed $NIL as unpaid compensation and unreimbursed expenses.

On March 24, 2021, the Company issued 600,000 stock options to certain directors as part of the total of 1,950,000 stock options issued. The value of these 600,000 options was $76,080.

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.

13. Loss Per Share

The calculation of basic loss per share for the three and six months ended June 30, 2021 was based on total loss attributable to common shareholders of $616,443 and $1,589,932, respectively (2020 – losses of $598,060 and $756,162, respectively) and a weighted average number of common shares outstanding of 102,986,546 and 93,420,919, respectively, (2020 – 76,601,973 and 59,438,075, respectively).

14. Loan Payable and Commitments

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.

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 June 30, 2021, is committed to make $9,130 of lease payments over the next eleven months. See Note 16.

15. 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

16. 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.

	Jun. 30, 2021	**Dec. 31, 2020**
Lease liability at beginning of year	**$ 18,663**	$ 29,655
Interest expense	**1,120**	3,531
Lease payments	**(7,262)**	(14,523)
Lease liability at end of period	**$ 12,521**	$ 18,663

Below summarizes the right of use asset as at June 30, 2021 and December 31, 2020:

	Jun. 30, 2021	**Dec. 31, 2020**
Net book value at beginning of year	**$ 15,316**	$ 26,749
Amortization expense	**(5,716)**	(11,433)
Net book value at end of period	**$ 9,600**	$ 15,316

17. Subsequent Events

On July 20, 2021, the Company closed the second tranche of a private placement offering. As part of the closing of this second tranche, the Company issued 5,312,333 units for gross proceeds of $796,850. On August 18, 2021, the Company closed the third and final tranche of a private placement offering. As part of the closing of this third tranche, the Company issued 1,101,666 units for gross proceeds of $165,250. 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 $0.25 for a period of 48 months from date of the issue, subject to an acceleration clause whereby the Company may force exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

On July 21, 2021, 64,574 shares were issued to contractors as compensation for services rendered.