



## **IDAHO CHAMPION GOLD MINES CANADA INC.**

Condensed Interim Consolidated Financial Statements **(Unaudited)**

**Three Months Ended March 31, 2022 and 2021**

**(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.

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Condensed Interim Consolidated Statements of Financial Position (Unaudited)

Expressed in Canadian dollars

As at	Note	March 31, 2022	December 31, 2021 (audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$7,918	\$14,620
Accounts receivables and prepaids		88,304	94,846
<b>Total current assets</b>		<b>96,222</b>	109,466
Long-term prepaid		9,167	11,667
<b>Total assets</b>		<b>\$105,389</b>	\$121,133
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$802,802	\$622,894
<b>Total current liabilities</b>		<b>802,802</b>	622,894
Loans payable	7	90,000	40,000
<b>Total liabilities</b>		<b>892,802</b>	662,894
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	8	14,341,668	14,331,252
Warrants		3,000,377	3,000,377
Contributed surplus		777,928	777,928
Accumulated deficit		(18,907,386)	(18,651,318)
<b>Total equity</b>		<b>(787,413)</b>	(541,761)
<b>Total liabilities and equity (deficiency)</b>		<b>\$105,389</b>	\$121,133

Nature of Operations and Going Concern	1
Commitments and Contingencies	14,15
Subsequent events	17

On behalf of the Board,

"Signed"

*Jonathan Buick*

Jonathan Buick  
Director

"Signed"

*Bruce Reid*

Bruce Reid  
Director

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

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)

Expressed in Canadian dollars

For three months ended March 31,	Note	2022	2021
<b>Operating expenses</b>			
Exploration expenditures	6	\$94,811	\$423,713
Shareholder and investor relations		77,387	163,209
Management compensation		70,500	99,008
Share-based compensation expense	10	—	247,260
General and administrative expenses		14,264	19,121
Professional and consulting fees		5,125	16,039
Amortization expense		—	2,858
<b>Net loss for the period, before the undernoted</b>		<b>262,087</b>	971,208
Foreign exchange (gain) loss		(6,019)	5,764
Interest (income) expense		—	(3,483)
Loss (gain) on property divestment		—	—
<b>Net loss and comprehensive loss for the period</b>		<b>\$(256,068)</b>	\$(973,489)
<b>Net loss per share - basic and diluted</b>		<b>\$(0.00)</b>	\$(0.01)
<b>Weighted average number of shares outstanding during the year - basic and diluted</b>		<b>104,907,556</b>	93,104,348

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

## IDAHO CHAMPION GOLD MINES CANADA INC.

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

For the three months ended March 31, 2022 and 2021

Expressed in Canadian dollars

	Note	Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance - December 31, 2020</b>		<b>93,104,348</b>	<b>\$13,307,290</b>	<b>\$2,373,443</b>	<b>\$465,368</b>	<b>\$(13,935,361)</b>	<b>\$2,210,740</b>
Share-based compensation	9	---	---	---	247,260	---	247,260
Options expired	9	---	---	---	(16,000)	16,000	---
Net loss for the period		---	---	---	---	(973,489)	(973,489)
<b>Balance – March 31, 2021</b>		<b>93,104,348</b>	<b>\$13,307,290</b>	<b>\$2,373,443</b>	<b>\$696,628</b>	<b>\$(14,892,850)</b>	<b>\$1,484,511</b>
Shares issued for property purchase	6,8,9	50,000	6,750	—	—	—	<b>6,750</b>
Shares issued for private placements	8,9	11,100,663	1,057,244	607,855	—	—	1,665,099
Share issue costs	8,9	—	(95,394)	—	—	—	<b>(95,394)</b>
Shares issued for services	8	219,115	29,442	—	—	—	<b>29,442</b>
Share-based compensation	10	—	—	—	81,300	—	<b>81,300</b>
Options expired	10	—	—	—	—	—	—
Warrants issued	9	—	(28,265)	28,265	—	—	—
Warrant exercise	8	300,000	54,185	(9,186)	—	—	<b>44,999</b>
Net loss for the period		—	—	—	—	(3,758,468)	<b>(3,758,468)</b>
<b>Balance - December 31, 2021</b>		<b>104,774,126</b>	<b>\$14,331,252</b>	<b>\$3,000,377</b>	<b>\$777,928</b>	<b>\$(18,651,318)</b>	<b>\$(541,761)</b>
Shares issued for services		166,788	10,416	—	—	—	<b>10,416</b>
Net loss for the period		—	—	—	—	(256,068)	<b>(256,068)</b>
<b>Balance – March 31, 2022</b>		<b>104,940,914</b>	<b>\$14,341,668</b>	<b>\$3,000,377</b>	<b>\$777,928</b>	<b>\$(18,907,386)</b>	<b>\$(787,413)</b>

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

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

Expressed in Canadian dollars

For the three months ended March 31,	Note	2022	2021
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		<b>\$(256,068)</b>	\$(973,489)
Adjustments to non-cash items:			
Share-based compensation	9	—	247,260
Shares issued for services		<b>10,416</b>	--
Amortization expense		—	2,858
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		<b>6,542</b>	(60,128)
Accounts payable and accrued liabilities		<b>179,908</b>	(778,182)
Long-term prepaid		<b>2,500</b>	2,500
		<b>(56,702)</b>	(1,559,181)
<b>FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liability		—	(3,014)
Loan payable	7	<b>50,000</b>	-
		<b>50,000</b>	(3,014)
<b>Net increase (decrease) in cash</b>		<b>(6,702)</b>	(1,562,195)
Cash, beginning of period		<b>14,620</b>	3,029,210
<b>Cash, end of period</b>		<b>\$7,918</b>	\$1,467,015

Supplemental cash flow information:

Interest paid	\$—	\$—
Taxes paid	\$—	\$—

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

# **IDAHO CHAMPION GOLD MINES CANADA INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**

**For the three months ended March 31, 2022 and 2021**

*Expressed in Canadian dollars unless otherwise indicated*

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### **1. Nature of Operations and Going Concern**

Idaho Champion Gold Mines Canada Inc. (the “**Company**” or “**Champion**”) was incorporated under the Canada Business Corporation Act, on June 16, 2016. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol ITKO, on the OTCQB Market Exchange under GLDRF and the Frankfurt Stock Exchange under 1QB1. The corporate office is located at Suite 2704 - 401 Bay St., Toronto, Ontario, M5H 2Y4.

The Company is engaged in the acquisition, exploration and evaluation of natural resources in the State of Idaho, United States of America (“USA”).

These condensed interim consolidated financial statements (“Interim 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. For these reasons, there may exist material uncertainties that cast significant doubt on the ability of the Corporation to continue as a going concern.

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. These Interim Financial Statements were authorized for issue in accordance with a resolution of the directors dated May 30, 2022.

### **2. Basis of Presentation**

#### **Statement of compliance**

These Interim Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standards 34 (“IAS 34”) ‘Interim Financial Reporting’ 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 Interim Financial Statements were applied on a consistent basis as those applied in the Company's audited

# **IDAHO CHAMPION GOLD MINES CANADA INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**

**For the three months ended March 31, 2022 and 2021**

*Expressed in Canadian dollars unless otherwise indicated*

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### **2. Basis of Presentation, (Cont'd)**

annual consolidated financial statements for the year ended December 31, 2021 (“Annual Financial Statements”) and should be read in conjunction with those statements.

#### **Basis of Measurement**

These Interim Financial Statements were prepared on a going concern basis, under the historical cost convention.

#### **Use of Estimates and Judgments**

The preparation of Interim Financial Statements in conformity with IFRS requires management “Management” to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Interim 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 Financial Statements are disclosed in note 4. These Interim Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

### **3. Summary of Significant Accounting Policies**

#### **Basis of Consolidation**

These 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 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).

### **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.

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

*Expressed in Canadian dollars unless otherwise indicated*

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### 4. Summary of Significant Accounting Policies, (Cont'd)

#### 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 Issued

Certain pronouncements have been issued by the IAS Board or the IFRIC that are effective for accounting periods on or after January 1, 2022. The Corporation has reviewed these updated standards and has determined that none of these updates are applicable or consequential to the Corporation and have been excluded from discussion within these Interim Financial Statements.

### 6. Exploration Projects/Mining Interests

#### Champagne Project

On April 30, 2020, Champion acquired certain patented claims (private property) that are located within the Company's past-producing Champagne Project in Idaho, USA. Consideration for the claims was US\$150,000. The claims include five patent lode mining claims and one patent mill site which are located inside the project area controlled by Champion.

On May 6, 2020, Champion signed a binding Property Option Agreement (the "Agreement") with a private family (the "Optionor") which provides an option to acquire additional claims that are also located within the Company's past producing Champagne Project. Under the terms of the Agreement, Champion shall pay the Optionor US\$8,000 (paid) and issue 100,000 Champion common shares (issued). Further, the Company will pay USD8,000 on each anniversary date of the option agreement thereafter for the first 20 years of the agreement. The agreement can be renewed for an additional 20 years upon payment of USD15,000 and the issuance of shares with a value of USD20,000 on each anniversary date.

Champion can purchase a 100% interest in the claims by paying the Optionor the following in US\$:

• 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 acquired additional mining claims ("Reliance") that are also located within the Company's Champagne Project. Consideration for the Reliance Claims was US\$15,000 and the issuance of 150,000 Champion common shares.

On June 29, 2021, Champion signed a binding property option agreement to acquire a 100% fee simple interest in new surface and mineral rights on properties within Champion's Champagne Gold Project. Under



# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

*Expressed in Canadian dollars unless otherwise indicated*

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### 6. Exploration Projects/Mining Interests, (Cont'd)

the terms of the option agreement, the parties have agreed to a five-year option, during which Champion will pay total consideration of US\$240,000 (Cdn\$303,727) and 500,000 common shares of the Company, structured as follows:

- An initial payment of US\$10,000 (Cdn\$12,655) and 50,000 common shares of the Company (completed);
- Annual payments of US\$10,000 (Cdn\$12,655) and 50,000 common shares of the Company on the first and second anniversary dates of the Agreement, each of which is an option paid at the sole discretion of the Company;
- Annual payments of US\$10,000 (Cdn\$12,655) and 750,000 common shares of the Company on the third and 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 to remit the final consideration of US\$190,000 (Cdn\$240,450) and 200,000 common shares of the Company.

#### Idaho Cobalt (Idaho)

On May 11, 2018, Idaho Champion Cobalt USA, Inc. ("Champion Cobalt") was incorporated to acquire certain claims pursuant to a purchase and sale agreement with American Cobalt Corp. ("ACC") Consideration for the acquisition of the claims and transfer of ACC shares, was the issuance, in 2019, of 4,000,000 Champion common shares valued at \$1,000,000, based on market price.

#### Baner Project (Idaho)

In August 2016, the Company signed an agreement to acquire 100% of the Baner Property in Idaho, USA. Pursuant to this agreement, a US\$250,000 payment was made in October 2016 and a final US\$250,000 payment was made in October 2017. With the October 2017 payment, Champion now owns 100% of the Baner property. Champion staked certain claims comprising the Champagne property in February 2018.

#### Exploration and Evaluation Expenditures

During the three months ended March 31, 2022, the Company incurred \$94,811 (2021 - \$423,713) of exploration and evaluation expenditures for the Company's ongoing projects.

### 7. Share Capital

The Company is authorized to issue an unlimited number of common shares. At March 31, 2022, there are 104,940,914 common shares issued and outstanding.

(i) 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 300,000 common shares at a price of \$0.25 for a period of 60 months from date of the issue.

(ii)

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

*Expressed in Canadian dollars unless otherwise indicated*

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### 7. Share Capital, (Cont'd)

(iii) On May 7, 2021, 52,893 shares were issued to contractors as compensation for services rendered. A value of \$8,727 was assigned to these shares using market value.

(iv) 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. See note 8 -Warrants.

(v) On July 20, 2021, the Company closed the second tranche of the June Offering with the issuance of 5,312,333 units for gross proceeds of \$796,850. The Company paid finders' fees of \$54,460 and issued 363,066 finders' warrants. Each unit consists of one common share and one common share purchase warrant.

(vi) On July 21, 2021, 64,574 shares were issued to contractors as compensation for services rendered. A value of \$10,332 was assigned to these shares using market value.

(vi) August 18, 2021, the Company closed the third tranches of a June offering. 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. The company paid a cash finders' fee of \$7,320 and issued 48,800 finders' warrants.

(vii) On October 04, 2021, 101,648 shares were issued to contractors as compensation for services rendered. A value of \$10,383 was assigned to these shares using market value.

(viii) On January 19, 2022, 166,788 shares were issued to contractors as compensation for services rendered. A value of \$10,416 was assigned to these shares using market value.

(ix) During the year ended December 31, 2021, as part of consideration paid for the acquisition of certain properties in Idaho, USA Champion issued 50,000 common shares. The fair value of the common shares was estimated based on the trading price of the company's common shares, on the date of issuance.

### 8. Warrants

From time to time the Company issues warrants as a component of equity financings. The Company assigns a fair value to the warrants using a Black-Scholes option pricing model, as at the date of issuance. 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.

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

*Expressed in Canadian dollars unless otherwise indicated*

### 8. Warrants, (Cont'd)

At March 31, 2022, there are 50,860,866 regular and broker 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	0.13	May 17, 2022
1,883,700	266,355	\$0.30	0.33	July 29, 2022
13,705,000	1,293,594	\$0.45	1.33	July 29, 2023
500,000	77,800	\$0.50	1.47	September 18, 2023
2,438,730	71,311	\$0.15	2.13	May 17, 2024
1,631,000	52,192	\$0.15	2.19	June 7, 2024
2,397,500	73,405	\$0.15	2.41	August 27, 2024
6,749,037	220,442	\$0.15	2.88	February 14, 2025
1,417,821	45,338	\$0.15	2.91	February 26, 2025
6,523,500	214,728	\$0.15	2.93	March 6, 2025
300,000	28,265	\$0.25	4.10	May 7, 2026
4,686,664	242,958	\$0.25	3.24	June 24, 2025
123,439	6,399	\$0.25	3.24	June 24, 2025
5,312,333	274,971	\$0.25	3.75	July 20, 2025
363,066	23,183	\$0.25	3.75	July 20, 2025
1,101,666	57,046	\$0.25	3.67	August 18, 2025
48,800	3,298	\$0.25	3.67	August 18, 2025
<b>50,860,866</b>	<b>\$3,000,377</b>	<b>\$0.27</b>	<b>2.51</b>	

A summary of warrant activity during the reporting period is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, December 31, 2020</b>	<b>39,224,898</b>	<b>\$0.27</b>
Issued	11,935,968	0.25
Exercised	(300,000)	(0.15)
<b>Balance, December 31, 2021 and March 31, 2022</b>	<b>50,860,866</b>	<b>\$0.27</b>

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

Expressed in Canadian dollars unless otherwise indicated

### 9. Stock Options and Share-Based Compensation

Champion has 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.

On March 24, 2021, the Company issued a total of 1,950,000 stock options directors and consultants. These options vested immediately, have a five-year life, and an exercise price of \$0.20. The options were assigned a fair value of \$247,260 based on the Black-Scholes option pricing model using the following assumptions: share price – \$0.175; risk free rate of return – 0.92%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%.

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 deficit.

On April 26, 2021, the Company issued a total of 600,000 five-year stock options to consultants. These options vested immediately, have an exercise price of \$0.20. The options were assigned a fair value of \$81,300 based on the Black-Scholes option pricing model using the following assumptions: share price – \$0.185; risk free rate of return – 0.94%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%.

A summary of stock option activity follows:

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, December 31, 2020	6,200,000	\$0.15	4.02
Granted	2,550,000	\$0.20	4.74
Expired	(500,000)	(0.10)	-
<b>Balance, issued and exercisable at December 31, 2021 and March 31, 2022</b>	<b>8,250,000</b>	<b>\$0.17</b>	<b>4.38</b>

A summary of the issued and outstanding stock options at March 31, 2022 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life – Years	Number of Options Exercisable	Expiry Date
\$0.24	300,000	1.71	300,000	September 17, 2023
\$0.10	4,075,000	2.87	4,075,000	November 12, 2024
\$0.30	1,325,000	3.59	1,325,000	August 4, 2025
\$0.20	1,950,000	4.23	1,950,000	March 24, 2026
\$0.20	600,000	4.32	600,000	April 26, 2026
	<b>8,250,000</b>	<b>3.06</b>	<b>8,250,000</b>	

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

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### 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 assets or liability that are based on observable market data (unobservable inputs).

As at March 31, 2022 and December 31, 2021, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	March 31, 2022	December 31, 2021
Financial Assets—amortized cost		
Cash	\$7,918	\$14,620
Accounts receivable and prepaids	88,304	94,846
Financial Liabilities—amortized cost		
Accounts payable and accrued liabilities	\$802,802	\$ 622,894
Loan payable	90,000	40,000

# IDAHO CHAMPION GOLD MINES CANADA INC.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2022 and 2021

*Expressed in Canadian dollars unless otherwise indicated*

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### 11. 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.

## Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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*Expressed in Canadian dollars unless otherwise indicated*

### 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 March 31, 2022 and 2021.

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

Three months ended	March 31,	
	2022	2021
Salary and wages	\$30,000	\$54,500
Corporate services	40,500	-
Share-based compensation	-	76,080
	<b>\$70,500</b>	<b>\$130,580</b>

- i. During the three months ended March 31, 2022, the Company set the Chief Executive Officer's ("CEO") remuneration at \$30,000 (2021 - \$30,000 was paid to the CEO and \$22,500 to the Chief Financial Officer ("CFO")).
- ii. Commencing November 2021, the Company engaged Grove Corporate Services Ltd. ("Grove") to provide certain professional services to the Company including those provided by the CFO, Corporate Secretary and for investor relations (the "Services"). Grove charged a total of \$40,500 during the Reporting Period for the Services (March 31, 2021 - \$nil).
- iii. 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 fair value assigned to these 600,000 options was \$76,080.

### 13. Loss Per Share

The calculation of basic loss per share for the three months ended March 31, 2022 and 2021 was based on total loss attributable to common shareholders of \$256,068 and \$973,489, respectively and a weighted average number of common shares outstanding of 104,907,556 and 93,104,348.

### 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.

In early January 2022, a director loaned the Company \$50,000 pursuant to a step promissory note. This note is unsecured, non-interest bearing and due on demand.

### 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.

# **IDAHO CHAMPION GOLD MINES CANADA INC.**

## **Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**

**For the three months ended March 31, 2022 and 2021**

*Expressed in Canadian dollars unless otherwise indicated*

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### **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 was \$812 for June 1, 2018 to May 31, 2019 and \$830 for June 1, 2019 to May 31, 2022. The term of the lease was a 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. As of July 1, 2021, the lease was terminated. Until termination, the Company reported on the lease pursuant to IFRS 16.

### **17. Subsequent Event**

On April 20, 2022, the Company announced that the Company has signed a non-binding MOU ("MOU") with a battery group based in Far East Asia ("Battery Co.") to advance the Company's four Cobalt projects located in the heart of the Idaho Cobalt Belt.