IDAHO CHAMPION GOLD MINES LTD.

Consolidated Financial Statements

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

UHY McGovern Hurley LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Idaho Champion Gold Mines Ltd.

We have audited the accompanying consolidated financial statements of Idaho Champion Gold Mines Ltd. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Idaho Champion Gold Mines Ltd. and its subsidiaries as at December 31, 2017 and 2016, and their financial performance and cash flows for year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company had continuing losses during the year ended December 31, 2017 and a cumulative deficit as at December 31, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
July 18, 2018

IDAHO CHAMPION GOLD MINES LTD.

Consolidated Statements of Financial Position

December 31, 2017 and 2016

Expressed in Canadian dollars

	2017	2016
ASSETS		
Current assets		
Cash	**$ 338,115**	$ 4,362
Accounts receivable and prepaids	**30,945**	20
Subscription receivable	**87,815**	---
	$ 456,875	$ 4,382
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (*Notes 10 and 12*)	**$ 171,658**	$ 461,480
	171,658	461,480
Shareholders' equity (deficiency)		
Share capital *(Note 7)*	**1,886,022**	20
Shares to be issued *(Note 7)*	**94,359**	---
Deficit	**(1,695,164)**	(457,118)
	285,217	(457,098)
	$ 456,875	$ 4,382

Going Concern *(Note 1)*
Commitments and Contingencies *(Note 12)*

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

On behalf of the Board,

"Signed"

Bruce Reid

Bruce Reid
Director

IDAHO CHAMPION GOLD MINES LTD.

Consolidated Statements of Loss and Comprehensive Loss

For the year ended December 31, 2017 and period from incorporation (June 16, 2016) to December 31, 2016

Expressed in Canadian dollars

	2017	2016
Expenses		
Management fees *(Note 10)*	**26,765**	---
Property acquisition costs *(Note 6)*	**323,053**	363,835
Project costs	**804,665**	68,452
General administrative costs	**11,371**	711
Professional fees	**31,716**	22,320
Shareholder and investor relations	**36,851**	---
Foreign exchange loss	**3,625**	1,800
	1,238,046	457,118
Net loss and comprehensive loss	**$(1,238,046)**	$ (457,118)
Basic and diluted loss per common share *(Note 11)*	**$ (0.12)**	$ (457.12)
Weighted average number of shares outstanding during the period - basic and diluted	**10,389,422**	1,000

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

IDAHO CHAMPION GOLD MINES LTD.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the year ended December 31, 2017 and period from incorporation (June 16, 2016) to December 31, 2016

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Shares to be issued	Deficit	Total
Balance at June 16, 2016	**1,000**	**$20**	**$ ---**	**$---**	**$ 20**
Net loss for the period	---	---	---	(457,118)	(457,118)
Balance at December 31, 2016	**1,000**	**$20**	**$ ---**	**$(457,118)**	**$(457,098)**
Net loss for the year	**---**	**---**	**---**	**(1,238,046)**	**(1,238,046)**
Issue of share capital – settlement of debt *(Note 7(i))*	**9,999,000**	**533,645**	**---**	**---**	**533,645**
Issue of share capital – performance shares *(Note 7(ii))*	**4,500,000**	**219,687**	**---**	**---**	**219,687**
Issue of share capital – private placement *(Note 7(iii))*	**4,525,000**	**1,140,670**	**94,359**	**---**	**1,235,029**
Share issue costs	**---**	**(8,000)**	**---**	**---**	**(8,000)**
Balance at December 31, 2017	**19,025,000**	**$1,866,022**	**$ 94,359**	**$(1,695,164)**	**$285,217**

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

IDAHO CHAMPION GOLD MINES LTD.

Consolidated Statements of Cash Flows

For the year ended December 31, 2017 and period from incorporation (June 16, 2016) to December 31, 2016

Expressed in Canadian dollars

	2017	2016
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (1,238,046)**	$ (457,118)
Net change in non-cash working capital balances:		
Accounts receivable and prepaids	**(30,925)**	(20)
Accounts payable and accrued liabilities	**243,843**	461,480
	(1,025,128)	4,342
FINANCING ACTIVITIES		
Issuance of common shares	**1,366,881**	20
Share issue costs	**(8,000)**	---
	1,358,881	20
Net increase in cash	**333,753**	4,362
Cash, beginning of the year	**4,362**	---
Cash, end of the year	**$ 338,115**	$ 4,362

Supplemental cash flow information:

	2017	2016
Shares issued in settlement of debt *(Note 10)*	**$ 533,665**	$ ---

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

1. Nature of Operation and Going Concern

Idaho Champion Gold Mines Ltd. (the "**Company**" or "**Champion**") was incorporated under the laws of the Province of Ontario on June 16, 2016. The Company is engaged in the acquisition, exploration and evaluation of natural resources. The address of the registered office is Suite 2702, 401 Bay Street Toronto, Ontario, M5H 2Y4.

The consolidated financial statements of the Company for the year ended December 31, 2017 and the period ended December 31, 2016 were authorized for issue in accordance with a resolution of the directors dated July 18, 2018.

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 evaluation 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.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. 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 financial statements, such adjustments could be material. The Company has a need for financing for working capital, and the exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These circumstances indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern.

2. Basis of Presentation

Statement of compliance:

The consolidated financial statements for the year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

Basis of Measurement:

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

2. Basis of Preparation (Cont'd)

Use of Estimates and Judgments:

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

3. Summary of Significant Accounting Policies

The accounting policies set out below have been adopted for the year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016 and have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

These consolidated financial statements include the accounts of Champion and its wholly-owned subsidiaries, Idaho Champion Gold Mines 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 Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) from the effective date of acquisition or to the date of disposal. Intergroup balances and transactions are eliminated on consolidation.

b) Functional and Presentation Currency:

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

Monetary assets and liabilities are translated at the closing rate at the 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).

c) Exploration and Evaluation Expenditures (E&E)

i) E&E Expenditures

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

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

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

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

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

d) Related Party Transactions

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

e) Finance Income and Expenses

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

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

f) Taxes

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

i) Current Income tax

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

ii) Deferred tax

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

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

iii) Deferred Tax Liabilities:

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

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

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

g) Loss Per Share

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

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

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:

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

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.

Expressed in Canadian dollars unless otherwise indicated

5. Future Accounting Changes

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

The IASB has issued IFRS 9 Financial Instruments ("IFRS 9") which proposes to replace IAS 39 Financial Instruments Recognition and Measurement. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets — amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held-to-maturity, available-for-sale and loans and receivable categories. The effective date is January 1, 2018, with earlier application permitted. The Company has not adopted IFRS 9 in its financial statements for the current period, but will continue to monitor and evaluate the impact of any required changes to its financial statements based on the characteristics of its financial instruments at the date of adoption.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15") was issued by the IASB in May, 2014. IFRS 15 provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The Company intends to adopt IFRS 15 on its effective date and has not reviewed the effects of this future policy change.

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

6. Exploration Properties

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

7. Share Capital

Authorized

Unlimited number of Common shares

Common Shares Issued:	**Number of Shares**	**Amount**
Balance, June 16, 2016 and December 31, 2016 *(Note 7(i))*	**1,000**	**$ 20**
Issued on settlement of debt *(Note 7 (ii) and Note (10))*	9,999,000	533,645
Issued as performance shares *(Note 7 (ii)*	4,500,000	219,687
Issued on private placements *(Note 7(iii))*	4,525,000	1,140,670
Share issue costs	---	(8,000)
Balance, December 31, 2017	**19,025,000**	**$ 1,866,022**

7. Share Capital (Cont'd)

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

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

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

8. 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.

9. Financial Instruments and Risk Management

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

Fair values

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

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

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

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

As at December 31, 2016 and 2017, the Company did not have any financial instruments measured at fair value.

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

Categories of Financial Instruments	December 31, 2017	December 31, 2016
Financial Assets—other receivables		
Cash	$ 338,115	$ 4,362
Accounts receivable and prepaids	30,945	20
Financial Liabilities—other financial liabilities		
Accounts payable and accrued liabilities	$ 171,658	$ 461,480

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

Credit Risk

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

Liquidity Risk

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

Market Risk

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

Interest rate risk

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

Foreign exchange risk

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

Expressed in Canadian dollars unless otherwise indicated

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

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.

10. 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 year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016.

Effective June 1, 2017, the Company signed a five-year lease, paying $650 per month, with a company with which it has common management and directors.

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

For the period ended December 31,	**2017**	**2016**
Cash-based remuneration	**$ 26,765**	$ ---
	$ 26,765	$ ---

During the year, a payment of $26,765 was made to the company's CEO in consideration of his efforts on behalf of Champion. During the year ended December 31, 2017, the Company's CEO purchased a total of 4,000,000 shares for $333,425.

During the year ended December 31, 2017, the Company's CFO purchased a total of 750,000 shares for $29,585.

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

11. Loss Per Share

The calculation of basic loss per share for the year ended December 31, 2017 and the period from incorporation (June 16, 2016) to December 31, 2016 was based on total loss attributable to common shareholders of $1,238,046 (2016 - $457,118) and a weighted average number of common shares outstanding of 10,389,422 (2016 – 1,000).

Expressed in Canadian dollars unless otherwise indicated

12. Commitments

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

On November 20, 2017, Champion signed a binding letter agreement with GoldTrain Resources Inc. ("GoldTrain") relating to a reverse takeover transaction (the "Transaction"), pursuant to which GoldTrain proposes to acquire all of the issued and outstanding securities of Champion. GoldTrain's shares trade on the Canadian Securities Exchange under the symbol GT.

The Transaction is expected to be effected by way of a three-cornered amalgamation, pursuant to which a wholly-owned Ontario-incorporated subsidiary of the GoldTrain will amalgamate with Idaho Champion, with the resulting amalgamated company being a wholly-owned subsidiary of GoldTrain. GoldTrain will continue as the parent corporation (the "Resulting Company"). Concurrently with the closing of the Transaction, the Resulting Company expects to change its name to "Idaho Champion Gold Mines Canada Inc." or another name acceptable to Champion, the Company and any regulatory authorities having jurisdiction. It is anticipated that the Resulting Company will continue to list its shares on the CSE following completion of the Transaction.

13. Income Taxes

a) Provision for Income Taxes

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

	2016 $	2017 $
Loss before income taxes	457,118	1,238,046
Expected income tax recovery based on statutory rate	(123,000)	(333,000)
Adjustment to expected income tax benefit:		
Stock-based Compensation	-	-
Non-deductible expenses and other	117,000	177,000
Change in benefit of tax assets not recognized	6,000	156,000
Deferred income tax (recovery)	-	-

Expressed in Canadian dollars unless otherwise indicated

13. Income Taxes (Cont'd)

b) Deferred Income Taxes

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

	2016 **$**	**2017** **$**
Non-capital loss carry-forwards	23,000	587,000
Share issue costs	-	6,000
Mineral property costs	-	-
Capital loss carry-forwards	-	-

As at December 31, 2017, the Company had estimated non-capital losses for Canadian income tax purposes of approximately $587,000 available to use against future taxable income. The non-capital losses expire in 2037.

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

14. 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.

15. Subsequent Events

Subsequent to year-end, the Company raised approximately US$975,000 of additional capital by issuing 7,767,000 common shares.

On May 11, 2018, Idaho Champion Cobalt USA, Inc. ("Champion Cobalt") was incorporated as a wholly-owned Idaho corporation. This subsidiary was incorporated to acquire cobalt assets pursuant to a purchase and sale agreement with American Cobalt Corp. American Cobalt Corp. will earn up to 4,000,000 common shares with shares transferred as mining claims are transferred to Champion Cobalt.