Champion Minerals Inc.

(an exploration stage company)

Financial Statements

For the 9 months ended December 31, 2007
(unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited interim financial statements of Champion Minerals Inc. (the "Company") for the 9 months ended December 31, 2007 have been prepared by management and approved by the Board of Directors of the Company.

These unaudited interim financial statements have not been reviewed by the Company's external auditors.

Champion Minerals Inc.
(an exploration stage company)
Balance Sheets

	As at December 31, 2007 $ (unaudited)	As at March 31, 2007 $
Assets		
Current		
Cash	1,363,681	333,516
Accounts receivable	47,953	18,589
Prepaid expenses and deposit	17,164	-
	1,428,798	352,105
Mineral resource properties (note 3)	848,081	270,925
	2,276,879	623,030
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	364,215	109,384
Due to NFX Gold Inc. (note 4)	25,000	19,090
	389,215	128,474
Future income taxes	108,000	108,000
	497,215	236,474
Shareholders' equity		
Capital stock (note 5)	5,679,841	4,082,376
Contributed surplus	161,440	137,800
Deficit	(4,061,617)	(3,833,620)
	1,779,664	386,556
	2,276,879	623,030

See accompanying notes to financial statements

Champion Minerals Inc.
(an exploration stage company)
Statements of Loss and Deficit

	3 months ended December 31, 2007	3 months ended December 31, 2006	9 months ended December 31, 2007	9 months ended December 31, 2006
	$	$	$	$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses				
Professional fees	124,770	5,866	136,691	73,103
Consulting fees	25,500	1,760	36,000	7,500
General office	46,916	17,720	55,306	29,465
Loss for the period	197,187	25,346	227,998	110,068
Deficit, beginning of period	3,864,431	3,772,226	3,833,620	3,687,504
Deficit, end of period	4,061,618	3,797,572	4,061,618	3,797,572
Loss per share-basic and diluted	0.020	0.005	0.026	0.021
Weighted average number of shares outstanding during the period- basic and diluted	10,055,688	5,562,732	8,686,436	5,155,667

See accompanying notes to financial statements

Champion Minerals Inc.
(an exploration stage company)
Statements of Cash Flows

	3 months ended December 31, 2007 $ (unaudited)	3 months ended December 31, 2006 $ (unaudited)	9 months ended December 31, 2007 $ (unaudited)	9 months ended December 31, 2006 $ (unaudited)
Cash provided by (used in)				
Operating activities				
Loss for the period	(197,187)	(25,346)	(227,998)	(110,068)
Changes in non-cash operating working capital				
Accounts receivable	(17,380)	(14,933)	(29,363)	(14,933)
Prepaid expenses and deposit	(17,164)	30,000	(17,164)	-
Accounts payable	239,521	186,549	254,831	253,070
	7,790	176,270	(19,694)	128,069
Financing activities				
Issue of common shares	1,602,649	300,000	1,602,649	300,000
Advance from NFX Gold Inc.	5,910	-	5,910	-
Loan payable	-	-	-	50,453
Share issue costs	(56,544)	(33,133)	(56,544)	(33,133)
	1,552,015	266,867	1,552,015	317,320
Investing activities				
Mineral resource properties	(268,575)	(117,564)	(502,156)	(117,564)
Net increase (decrease) in cash	1,291,230	325,573	1,030,165	327,825
Cash, beginning of period	72,451	2,252	333,516	-
Cash, end of period	1,363,681	327,825	1,363,681	327,825
Supplementary information				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

See accompanying notes to financial statements

Champion Minerals Inc.
(an exploration stage company)
Notes to Financial Statements
December 31, 2007
(unaudited)

1. Nature of operations

Champion Minerals Inc. (the "Company") operates solely in the exploration and development of mineral properties and extraction of precious metals in Canada. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable.

The Company is in the exploration stage and the continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to complete the development of the properties and upon future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The amounts shown for mineral properties represent costs to date, less amounts written off, and do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

These financial statements have been prepared on a going-concern basis, which assumes the continuity of operations and realization of assets and the settlement of liabilities in the normal course of business.

2. Accounting presentation and disclosures

These financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these financial statements should be read in conjunction with the annual financial statements.

Accounting changes

On April 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants Handbook ("CICA Handbook") Section 1506, "Accounting Changes" which requires that voluntary changes in accounting policy be made only if the changes result in financial statements that provide more reliable and more relevant information. It also requires prior period errors to be corrected retrospectively. The adoption of the standard had no effect on the Company's financial statements.

Financial instruments

On April 1, 2007, the Company adopted CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" which requires that financial instruments are classified as financial assets and financial liabilities held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities.

Financial assets and liabilities held for trading

Financial assets and liabilities held for trading are accounted for at fair value with the change in fair value recognized in earnings.

Held-to-maturity investments

Held-to-maturity investments are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. These financial instruments are written down to fair value by a charge to earnings when impaired.

Loans and receivables

Loans and receivables are initially recognized at fair value with any premium or discount from face value being amortized to earnings using the effective interest rate method. These financial instruments are written down to fair value by a charge to earnings when impaired.

Available-for-sale financial assets

Available-for-sale financial assets are accounted for at fair value with the change in fair value recorded in other comprehensive earnings. These financial instruments are written down to fair value by a charge to earnings when impaired.

Other financial liabilities

Other financial liabilities are initially recognized at cost or amortized cost depending on the nature of the financial instrument with any premium or discount from face value being amortized to earnings using the effective interest method.

Transaction costs

Transaction costs incurred in connection with the issuance of financial liabilities are capitalized recorded as a deduction of the carrying value of the related financial liabilities and amortized using the effective interest method.

Effect of adoption

As a result of the adoption of the standards, the Company classified its cash and cash as held for trading; accounts receivable as loans and receivables; and accounts payable and accrued liabilities and due to NFX Gold Inc. as other financial liabilities. The adoption of the standard had no effect on the Company's financial statements.

Comprehensive income and equity
On April 1, 2007, the Company adopted CICA Handbook Section 1530, "Comprehensive Income" which requires disclosure of comprehensive income and CICA Handbook Section 3251, "Equity" which requires presentation of the components of equity, including retained earnings (deficit) accumulated other comprehensive income, contributed surplus, share capital and reserves and the changes therein. Comprehensive earnings is composed of the Company's net earnings and other comprehensive earnings, including unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the net investment in self-sustaining operations and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of income taxes. The Company does not have any other comprehensive income and the adoption of the standards had no effect on the Company's financial statements.

Hedges
On April 1, 2007, the Company adopted CICA Handbook Section 1530, "Hedges" which allows optional treatment providing that hedges be designated as either fair value hedges, cash flow hedges or hedges of a self-sustaining foreign operation. The Company does not have hedging programs in place which qualify for hedge accounting and the adoption of the standard had no effect on the Company's financial statements.

3. Mineral resource properties
The Powderhorn Lake Property ("Powderhorn Property") consists of 115 claims covering an area of 29 square kilometers situated in the Buchans-Robert's Arm Belt in Central Newfoundland. The Company has the option to acquire a 70% interest in the Powderhorn Property by: i) paying $50,000, of which, $40,000 has been paid and $10,000 is to be paid by June 11, 2008; ii) incurring exploration expenditures of $1,000,000 on the Powderhorn Property on or before June 11, 2009 in the following yearly increments: $200,000 by June 11, 2007 which has been incurred, $300,000 by June 11, 2008, and $500,000 by June 11, 2009; and iii) issuing 600,000 common shares as follows: 100,000 common shares which were issued on November 26, 2006 at a deemed price of $0.20 per common share, 150,000 common shares which were issued on June 11, 2007 at a deemed price of $0.30 per common share, 250,000 common shares before June 11, 2008, and 100,000 common shares before June 11, 2009; or upon completion of exploration expenditures required pursuant to the Option Agreement, or promptly after an economic discovery as evidenced by a pre-feasibility study has been made on the Powderhorn Property.

The Powderhorn Property is currently encumbered with a 2.85% net smelter royalty ("NSR"), of which 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

On July 20, 2007, the Company acquired a 100% interest in 52 claims comprising the Attikamagen Lake Iron Property in eastern Labrador for a cash payment of $40,000 and the issuance of 100,000 common shares of the Company at a deemed value of $0.30 per common share. The Company agreed to pay an aggregate royalty of $3.00 per tonne of iron content in any and all iron ore, pellets or other product produced.

4. Due to NFX Gold Inc.
The amount due to NFX Gold Inc. ("NFX") is unsecured, bears no interest and has no fixed terms of repayment. Two directors of NFX are directors of Company.

5. Share capital
Share capital consists of the following issued and outstanding common shares:

	Number of shares	$
Balance as at March 31, 2007	8,605,667	4,082,376
Issued for cash	3,024,331	1,602,649
Issued for finder's fees	123,027	68,492
Fair value of warrants issued	—	(23,640)
Issued for mineral resource properties (note 3)	250,000	75,000
Share issue costs	—	(125,036)
Balance as at December 31, 2007	12,003,025	5,679,841

Private placements
On October 18, 2007, the Company completed a private placement of 690,331 common shares at a price of $0.45 per share and 1,084,000 flow-through common shares issued on a "flow-through" basis under the Income Tax Act *(Canada)* at a price of $0.50 per share for total gross proceeds of $852,649. A director and two officers of the Company purchased 120,000 shares. In connection with the private placement, the Company incurred a finder's fee consisting of a cash payment of $20,400 and the issuance of 35,537 common shares at a deemed value of $0.45 per share and 95,100 common share purchase warrants entitling the holder to purchase one common share at a price of $0.45 per share until April 18, 2009.

On December 31, 2007, the Company completed a private placement of 1,250,000 flow-through common shares issued on a "flow-through" basis under the Income Tax Act *(Canada)* at a price of $0.60 per share for total gross proceeds of $750,000. In connection with the private placement, the Company incurred a finder's fee consisting of the issuance of 87,500 common shares at a deemed value of $0.60 per share.

Stock options
As at March 31, 2007 and December 31, 2007, there were no stock options outstanding. Subsequent to December 31, 2007, the Company granted stock options directors, officers and consultants entitling the holder to purchase 1,200,000 common shares at an exercise price of $0.45 per common share until January 10, 2013.

6. Contributed surplus

	$
Balance as at March 31, 2007	137,800
Fair value of warrants issued	23,640
Balance as at December 31, 2007	161,440

7. Related party transactions

For the 9 months ended December 31, 2007, consulting fees included $31,500 (2006-$nil) paid or payable to companies controlled by a director and two officers of the Company and mineral resource properties included $53,351 (2006-$nil) paid or payable to a companies controlled by two directors of the Company. Accounts payable and accrued liabilities includes $37,018 (2006-$nil) payable to a company controlled by one director of the Company. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.