Champion Minerals Inc.

(an exploration stage company)

Financial Statements

For the 9 months ended December 31, 2008
(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, 2008 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, 2008 $ (unaudited)	As at March 31, 2008 $
Assets		
Current		
Cash	1,751,528	951,437
Receivable	70,036	46,638
Due from Bear Lake Gold Ltd.	-	55,000
Prepaid expenses and deposit	83,479	36,564
	1,905,043	1,089,639
Mineral resource properties (note 3)	3,038,626	1,056,264
	4,943,668	2,145,903
Liabilities		
Current		
Accounts payable and accrued liabilities	203,156	257,876
Future income taxes	300,000	300,000
	503,156	557,876
Shareholders' equity		
Capital stock (note 4)	8,133,718	5,303,139
Shares to be issued	-	45,000
Warrants (note 4)	653,445	23,641
Contributed surplus (note 4)	707,403	548,144
Deficit	(5,054,053)	(4,331,897)
	4,440,513	1,588,027
	4,943,668	2,145,903

See accompanying notes to financial statements

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

	3 months ended December 31, 2008	3 months ended December 31, 2007	9 months ended December 31, 2008	9 months ended December 31, 2007	Cumulative since March 14, 2006
	$	$	$	$	$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses					
Professional fees	19,603	124,770	109,894	136,691	338,090
Consulting fees	47,091	25,500	144,805	36,000	217,805
Stock-based compensation (note 4)	-	-	172,000	-	582,345
General office	166,119	46,916	253,757	55,306	369,608
	232,812	197,187	680,456	227,998	1,507,849
Loss before taxes	(232,812)	(197,187)	(680,456)	(227,998)	(1,507,849)
Future income tax recovery	-	-	-	-	183,000
Part XII.6 tax	(41,700)	-	(41,700)	-	(41,700)
Loss for the period	(274,512)	(197,187)	(722,156)	(227,998)	(1,366,549)
Deficit, beginning of period	(4,779,541)	(3,864,431)	(4,331,897)	(3,833,620)	(3,687,504)
Deficit, end of period	(5,054,053)	(4,061,618)	(5,054,053)	(4,061,618)	(5,054,053)
Loss per share-basic and diluted	(0.017)	(0.020)	(0.046)	(0.026)	
Weighted average number of shares outstanding - basic and diluted	16,475,035	10,055,688	15,630,055	8,686,436	

See accompanying notes to financial statements

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

	3 months ended December 31, 2008 $ (unaudited)	3 months ended December 31, 2007 $ (unaudited)	9 months ended December 31, 2008 $ (unaudited)	9 months ended December 31, 2007 $ (unaudited)	Cumulative since March 14, 2006 $ (unaudited)
Cash provided by (used in)					
Operating activities					
Loss for the period	(274,512)	(197,187)	(722,156)	(227,998)	(1,366,549)
Items not affecting cash					
Stock-based compensation	-	-	172,000	-	582,345
Future income tax recovery	-	-	-	-	(183,000)
Changes in non-cash operating working capital					
Receivable	(28,194)	(17,380)	(23,398)	(29,363)	(70,036)
Prepaid expenses and deposit	(24,836)	(17,164)	(46,915)	(17,164)	(83,479)
Accounts payable and accrued liabilities	(1,335)	239,521	(54,720)	254,831	187,559
	(328,877)	7,790	(675,189)	(19,694)	(933,160)
Financing activities					
Issue of common shares	1,450,000	1,602,649	2,950,000	1,602,649	5,102,649
Exercise of stock options	-	-	21,375	-	21,375
Exercise of warrants	-	-	900	-	900
Loan payable	-	-	-	-	122,880
Share issue costs	(141,433)	(56,544)	(264,933)	(56,544)	(359,790)
	1,308,567	1,546,105	2,707,342	1,546,105	4,888,014
Investing activities					
Repayment of advance to Bear Lake Gold Ltd.	-	5,910	55,000	5,910	-
Mineral resource properties	(531,718)	(268,575)	(1,287,063)	(502,156)	(2,203,327)
	(531,718)	(262,665)	(1,232,063)	(496,246)	(2,203,327)
Net increase in cash	447,972	1,291,230	800,091	1,030,165	1,751,527
Cash, beginning of period	1,303,555	72,451	951,437	333,516	-
Cash, end of period	1,751,527	1,363,681	1,751,528	1,363,681	1,751,527
Non-cash transactions					
Issue of common shares for mineral resource properties			645,300	-	
Issue of common shares for finders fee			50,000	-	
Issue of warrants for share issue expenses			39,214	-	
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, 2008
(unaudited)

1. Nature of operations

Champion Minerals Inc. (the "Company") was incorporated under the laws of Ontario. The Company operates solely in the exploration and development of mineral properties and extraction of base metals in Canada. The Company considers that it entered the exploration stage on March 14, 2006 upon acquiring an option to acquire an interest in a mineral resource property.

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The amount shown for mineral resource properties does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

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, 2008, the Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

On April 1, 2008, the Company adopted CICA Handbook Section 1535, "Capital Disclosures" which requires disclosure of qualitative information about its objectives, policies and processes for managing capital; disclosure of quantitative data about what is regarded as capital; and disclosure of compliance with any externally imposed capital requirements and the consequences of such non-compliance.

On April 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which requires disclosures to enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of risks arising from financial instruments and non-financial derivatives.

Beyond additional disclosure, the adoption of these new accounting standards did not have an effect on the Company's financial statements.

Future accounting changes

On April 1, 2009, the Company will adopt CICA Handbook Section 3031, "Inventories", which will replace Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On April 1, 2009, the Company will adopt CICA Handbook Section 3064, "Goodwill and Intangible Assets" which will replace Section 3062. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

International Financial Reporting Standards ("IFRS"):
In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 ("First Time Adoption of IFRS") exemptions. The Company hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting and business activities, such as financing and compensation arrangements during 2009.

3. Mineral resource properties

	Powderhorn $	Attikamagen $	Gullbridge $	Pterodactyl $	Fermont $	Total $
Balance, March 31, 2007	270,925	–	–	–	–	270,925
Acquisition costs	55,000	160,563	–	–	–	215,563
Exploration	411,076	158,700	–	–	–	569,776
Balance, March 31, 2008	737,001	319,263	–	–	–	1,056,264
Acquisition costs	255,000	0	38,500	63,800	518,370	875,670
Exploration	108,994	123,508	211,658	0	662,532	1,106,692
Balance, December 31, 2008	1,100,995	442,771	250,158	63,800	1,180,902	3,038,626

Option and joint venture agreement and private placement
On May 12, 2008, the Company granted an option to earn up to a 60% interest in its Attikamagen Property. In order to earn its interest, the optionee must incur exploration expenditures as follows:

	Exploration expenditures $
To earn 51% interest	
March 26, 2009	2,500,000
March 26, 2010	2,500,000
March 26, 2011	2,500,000
	7,500,000
To increase to 56% interest	
March 26, 2012	2,500,000
To increase to 60% interest	
March 26, 2013	2,500,000
	12,500,000

In the event that the optionee incurs exploration expenditures of at least $3,750,000 by March 26, 2010, the optionee may give notice to the Company that it will not incur any additional exploration expenditures and then a joint venture shall be formed on the earlier of the date of the notice or March 26, 2011 and the optionee shall be deemed to have earned an interest in the Attikamagen Property equal to 51% of exploration expenditures incurred divided by $7,500,000. In the event that optionee acquires an interest which is less than 51%, the Company will have the option to purchase the interest at a purchase price equal to the exploration expenditures incurred by the optionee for 6 months after the earlier of the date of the notice or March 26, 2011.

In connection with the agreement, the Company paid finder's fees of 100,000 common shares.

Concurrently, the Company completed a private placement of 3,000,000 units at a price of $0.50 per unit for gross proceeds of $1,500,000. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of $0.75 until May 12, 2009. The fair value of the common share purchase warrants was $203,000 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.65%
Expected volatility	100%
Expected life of warrants	1 year
Expected dividend yield	Nil

In connection with the private placement, the Company paid a finder's fee of $105,000 representing 7% of the gross proceeds of the private placement and 180,000 common share purchase warrants entitling the holder to purchase one common share at a price of $0.50 per common share until May 12, 2009. The fair value of the common share purchase warrants was $35,000 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.65%
Expected volatility	100%
Expected life of warrants	1 year
Expected dividend yield	Nil

Option for the Gullbridge Property
On May 5, 2008, the Company acquired an option to earn an 85% interest in the Gullbridge Property in the Buchans Mining Camp, Newfoundland. In order to earn its interest, the Company must make the option payment, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn 51% interest			
On closing (paid)	10,000	50,000	–
May 5, 2009	10,000	100,000	200,000
May 5, 2010	10,000	150,000	200,000
May 5, 2011	–	–	400,000
	30,000	300,000	800,000
To increase to 75% interest			
2 years after earning 51% interest	–	150,000	700,000
To increase to 85% interest	–	–	All necessary expenditures up to the completion of a positive bankable feasibility study

In connection with the acquisition of the option, the option agreement for the Powderhorn Property was amended to defer the date for the exploration expenditures of $500,000 from July 11, 2009 to July 11, 2010.

Acquisition of the Pterodactyl Claims
On June 18, 2008, the Company acquired a 100% interest in the Pterodactyl Claims which consists of 16 claims in eastern Labrador, adjacent to the Attikamagen Property for 100,000 common shares with a value of $55,000.

Option for the Fermont Property
On May 27, 2008, the Company acquired an option to earn a 70% interest in the Fermont Property. In order to earn its interest, the Company must make the option payments, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn a 65% interest			
Paid	100,000	300,000	–
November 27, 2008	100,000	–	–
May 27, 2009	200,000	300,000	750,000
May 27, 2010	200,000	400,000	–
May 27, 2011	200,000	600,000	–
May 27, 2012	200,000	900,000	5,250,000
	1,000,000	2,500,000	6,000,000
To increase to a 70% interest	–	500,000	All necessary expenditures to completion of a positive bankable feasibility study

The vendors will retain a 3% net smelter return royalty ("NSR"), of which, the Company will have the option to purchase 1% for $3,000,000. The Company will have the right of first refusal on the NSR and the vendors' interest in the Fermont Property. After the Company earns its interest, a joint venture will be formed to incur additional exploration expenditures. If the vendors do not to fund their proportionate interest in the joint venture, their interest will be diluted and, when the vendors' interest is reduced below 10%, the vendors' interest would be reduced solely to the NSR. In the event that the Company or the vendors propose to acquire any property within 10 kilometres of the Fermont Property, the purchaser must offer the property proposed to be acquired to the other party at cost.

In connection with the option, the Company issued 100,000 common shares with a fair value of $50,000 as a finder's fee.

4. Capital stock

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	123,037	68,494
Fair value of warrants issued	—	(23,640)
Issued for mineral resource properties (note 3)	250,000	75,000
Renunciation of flow-through expenditures	—	(375,000)
Share issue costs	—	(126,740)
Balance as at March 31, 2008	12,003,035	5,303,139
Issued for cash-units (note 3)	3,000,000	1,500,000
Issued for finders fee (note 3)	100,000	50,000
Issued for cash-flow-through units	3,625,000	1,450,000
Fair value of warrants issued	—	(630,301)
Exercise of stock options	47,500	21,375
Fair value of stock options exercised	—	12,741
Exercise of warrants	2,000	900
Fair value of warrants exercised	—	497
Issued for mineral resource properties (note 3)	810,000	645,300
Issued for shares to be issued at March 31, 2008	150,000	45,000
Share issue costs	—	(242,000)
Balance as at December 31, 2008	19,737,535	8,156,651

Issued for cash-flow-through units

On December 5, 2008, the Company completed a non-brokered private placement of 3,625,000 units at a price of $0.40 per unit for gross proceeds of $1,450,000. Each unit consisted of one common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) and one-half warrant, with each whole warrant entitling the holder to purchase one common share at a price of $0.70 per common share until June 5, 2010. In connection with the private placement, the Company paid a commission of $116,000, representing 8% of the gross proceeds and issued 362,500 finders fee warrants entitling the holder to purchase one common share at a price of $0.40 per common share until June 5, 2010.

The fair value of the warrants of $311,558 and the finders fee warrants of $80,743 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.25%
Expected volatility	124%
Expected life of options	1.5 years
Expected dividend yield	Nil

Stock options

On May 16, 2008, the Company granted 325,000 stock options to officers and consultants entitling the holder to purchase one common share at a price of $0.70 per common share until May 16, 2013.

On September 30, 2008, the Company adopted a fixed stock option plan, under which, the Company may grant up to 3,220,000 stock options.

The fair value of the stock options issued was $172,000 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.14%
Expected volatility	100%
Expected life of warrants	5 years
Expected dividend yield	Nil

A summary of the Company's stock option plan is presented below:

	Number of options	Weighted-average exercise price
Balance, March 31, 2007	–	–
Granted	1,200,000	0.45
Balance, March 31, 2008	1,200,000	0.45
Granted	325,000	0.70
Exercised	(47,500)	0.45
Balance, December 31, 2008	1,477,500	0.50
Options exercisable	1,477,500	

A summary of the Company’s outstanding stock options as at December 31, 2008 is presented below:

Exercise price	Options outstanding	Options exercisable	Expiry date
$0.45	1,152,500	1,152,500	January 10, 2013
$0.70	325,000	325,000	May 16, 2013

Warrants
A summary of the Company's warrants is presented below:

	Number of warrants	Amount $
Fair value of warrants issued to agents	95,100	23,640
Balance, March 31, 2008	95,100	23,640
Fair value of warrants issued	3,855,000	630,301
Fair value of warrants exercised	(2,000)	(497)
Balance, December 31, 2008	3,948,100	653,444

	Number of warrants	Weighted-average exercise price
Issued	95,100	0.45
Balance, March 31, 2008	95,100	0.45
Issued	3,855,000	0.68
Exercised	(2,000)	0.45
Balance, June 30, 2008	3,948,100	0.68

A summary of the Company’s warrants outstanding at December 31, 2008 is presented below:

	Warrants outstanding	Expiry date
$0.45	93,100	April 18, 2009
$0.75	1,500,000	May 12, 2009
$0.50	180,000	May 12, 2009
$0.70	1,812,500	June 5, 2010
$0.40	362,500	June 5, 2010
	3,948,100	

Contributed surplus

	$
Balance, March 31, 2006 and 2007	137,800
Stock-based compensation	410,345
Balance, March 31, 2008	548,145
Fair value of stock options exercised	(12,741)
Stock-based compensation	172,000
Balance, December 31, 2008	707,404

5. Related party transactions
For the 9 months ended December 31, 2008, consulting fees included $70,560 (2007 - $31,500) paid to companies controlled by a director and three officers of the Company; mineral resource properties included $368,536, (2007 - $53,351) paid to companies controlled by two directors and two officers of the Company; share issue costs included $32,932 (2007 - $nil) paid to a law firm controlled by a director; and legal fees included $84,596 (2007 - $nil) paid to a law firm controlled by a director. Accounts payable and accrued liabilities includes no amount (March 31, 2008 - $9,994) 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.

6. Capital disclosures
Capital of the Company consists of the components of shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to explore and develop its mineral resource property for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company, it has no revenues and its principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company will spend its existing working capital and raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the period.

7. Financial instruments and risk management

Fair value
The carrying value of cash, receivables, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments. Marketable securities are recorded at fair value.

The Company's financial instruments are exposed to certain financial risks, including market risk, currency risk, credit risk, liquidity risk interest rate risk and commodity price risk.

Market risk
Market risk arises from the possibility that changes in market prices will affect the value of financial instruments. The Company is exposed to fair value fluctuations on its marketable securities.

Currency risk
As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk
Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure as outlined in note 8.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price risk
The Company is exposed to commodity price risk with respect to uranium prices. A significant decline in uranium prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource property.

8. Commitment
Pursuant to flow-through financings completed during the year ended December 31, 2008, the Company is committed to make $1,450,000 of Canadian exploration expenditures by December 31, 2009.

9. Subsequent events
On February 9, 2009, the Company completed a non-brokered private placement of 286,000 common shares at a price of $0.35 per common share for gross proceeds of $100,100 to a director and a company controlled by a director.