Champion Minerals Inc.
(an exploration stage company)

Financial Statements
For the 3 months ended June 30, 2009
(unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

These unaudited interim financial statements of Champion Minerals Inc. (the "Company") for the 3 months ended June 30, 2009 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.
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Balance Sheets

	As at June 30, 2009 $ (unaudited)	As at March 31, 2009 $
Assets		
Current		
Cash	348,247	1,030,760
Receivable	111,121	135,714
Prepaid expenses and deposit	83,457	32,263
	542,825	1,198,737
Mineral resource properties (note 3)	4,570,215	3,895,811
	5,113,040	5,094,548
Liabilities		
Current		
Accounts payable and accrued liabilities	756,751	641,510
Future income taxes	405,000	405,000
	1,161,751	1,046,510
Shareholders' equity		
Capital stock (note 4)	8,070,430	7,809,287
Shares to be issued (note 3)	86,750	-
Warrants (note 4)	392,302	653,445
Contributed surplus (note 4)	707,403	707,403
Deficit	(5,305,596)	(5,122,096)
	3,951,289	4,048,038
	5,113,040	5,094,548

See accompanying notes to financial statements

On behalf of the Board:

Thomas Larsen
Director

Paul Ankcorn
Director

Champion Minerals Inc.

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Statements of Loss and Deficit

	3 months ended June 30, 2009	3 months ended June 30, 2008	Cumulative since March 14, 2006
	$	$	$
	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses			
Professional fees	12,605	82,247	369,239
Consulting fees	35,000	50,500	459,000
Stock-based compensation	-	172,000	582,345
General office	44,461	32,782	557,697
Investor relations	91,499	-	91,499
Travel	41,934	-	41,934
Part XII.6 tax	-	-	56,877
	225,499	337,529	2,158,592
Loss before the following item	(225,499)	(337,529)	(2,158,592)
Management fees	42,000	-	42,000
Loss before income taxes	(183,499)	(337,529)	(2,116,592)
Future income tax recovery	-	-	498,500
Loss for the period	(183,499)	(337,529)	(1,618,092)
Deficit, beginning of period	(5,122,096)	(4,331,897)	(3,687,504)
Deficit, end of period	(5,305,596)	(4,669,426)	(5,305,596)
Loss per share-basic and diluted	(0.009)	(0.024)	
Weighted average number of shares outstanding - basic and diluted	20,023,535	13,927,980	

See accompanying notes to financial statements

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Statements of Cash Flows

	3 months ended June 30, 2009 $ (unaudited)	3 months ended June 30, 2008 $ (unaudited)	Cumulative since March 14, 2006 $ (unaudited)
Cash provided by (used in)			
Operating activities			
Loss for the period	(183,499)	(337,529)	(1,618,091)
Items not affecting cash			
Stock-based compensation	-	172,000	582,345
Future income tax recovery	-	-	(498,500)
Changes in non-cash operating working capital			
Receivable	24,593	14,142	(111,121)
Prepaid expenses and deposit	(51,194)	-	(83,457)
Accounts payable and accrued liabilities	115,241	(41,817)	741,154
	(94,859)	(193,204)	(987,670)
Financing activities			
Issue of common shares	-	1,500,000	5,202,749
Common shares to be issued	86,750	-	86,750
Exercise of stock options	-	4,500	21,375
Exercise of warrants	-	900	900
Loan payable	-	-	122,880
Share issue costs	-	(123,500)	(363,821)
	86,750	1,381,900	5,070,833
Investing activities			
Repayment of advance to Bear Lake Gold Ltd.	-	55,000	-
Mineral resource properties	(674,403)	(188,545)	(3,734,916)
	(674,403)	(133,545)	(3,734,916)
Net increase in cash	(682,512)	1,055,151	348,247
Cash, beginning of period	1,030,760	951,437	-
Cash, end of period	348,247	2,006,588	348,247
Non-cash transactions			
Issue of common shares for mineral resource properties	-	337,300	
Issue of common shares for finders fee	-	100,000	
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.
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Notes to Financial Statements
June 30, 2009
(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 amounts shown for mineral resource properties 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.

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

As at June 30, 2009, the Company had a working capital of $82,767, which included cash of $408,264, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company substantially suspended the acquisition and exploration of mineral resource properties and reduced its operating expenditures. However, without additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future, particularly in light of the current financial equity market conditions.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

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, 2009, the Company adopted CICA Handbook Section 3031, "Inventories", which replaced 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 adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. 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.

The adoption of these new standards did not have an effect on the Company's financial statements.

Future accounting changes
On January 1, 2011, the Company will adopt CICA Handbook Section 1582, “Business Combinations”, which will replace Section 1581, “Business Combinations”. The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On January 1, 2011, the Company will adopt CICA Handbook Sections 1601, “Consolidated Financial Statements” and Section 1602, “Non-controlling Interests”, which together, will replace section 1600, “Consolidated Financial Statements”. Section 1601establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company’s 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, 2008	737,001	319,263	–	–	–	1,056,264
Acquisition costs	255,000	–	38,500	63,800	527,280	884,580
Exploration	265,443	123,508	321,046	–	1,244,970	1,954,967
Balance, March 31, 2009	1,257,444	442,771	359,546	63,800	1,772,250	3,895,811
Acquisition costs	10,000	–	–	–	200,000	210,000
Exploration	(67,111)	(3,373)	(84,401)	–	619,289	464,403
Balance, June 30, 2009	1,200,333	439,398	275,146	63,800	2,591,539	4,570,215

Amendment to Fermont Option Agreement
On May 13, 2009, the Company amended the Fermont Option Agreement to also include (a) an option to acquire up to a 70% interest in the Penguin Lake iron ore property, which consists of 58 claims covering 36.04 square kilometres in northeastern Quebec and (b) a right of first refusal on the sale or transfer of the Lamellee Lake iron ore property in northeastern Quebec. There were no other changes to any of terms or conditions of the Fermont Option Agreement. In consideration of the amendment, the Company will issue 400,000 common shares of the Company to the optionor, subject to regulatory approval.

4. Capital stock

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

	Number of shares	$
Balance as at March 31, 2008	12,003,035	5,303,139
Issued for cash-units	3,000,000	1,500,000
Issued for finders fee	100,000	50,000
Issued for cash-flow-through units	3,625,000	1,450,000
Issued for cash	286,000	100,100
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	810,000	645,300
Issued for shares to be issued at March 31, 2008	150,000	45,000
Renunciation of flow-through expenditures	—	(420,500)
Share issue costs	—	(268,964)
Balance as at March 31, 2009 and June 30, 2009	20,023,535	7,809,287

Proposed private placement

On June 12, 2009, the Company announced its intention to complete a private placement of up to 3,000,000 units at a price of $0.25 per unit for gross proceeds of up to $750,000. Each unit will consist of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.50 per share for 18 months after the closing of the private placement. Four months after the closing of private placement, if the average closing price of the common shares is over $0.75 for a period of 20 consecutive business days, the common share purchase warrants must be exercised within ten business days of receiving written notice from the Company or they will expire. The closing of the private placement is subject to regulatory approval. As at June 30, 2009, the Company had received gross proceeds of $86,750.

Stock options

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

	Number of options	Weighted-average exercise price
Balance, March 31,2008	1,200,000	0.45
Granted	325,000	0.70
Exercised	(47,500)	0.45
Balance, March 31, 2009 and June 30, 2009	1,477,500	0.50
Options exercisable	1,477,500	

A summary of the Company’s outstanding stock options as at March 31, 2009 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	Weighted-average exercise price $
Balance, March 31, 2008	95,100	0.45
Issued	3,855,000	0.68
Exercised	(2,000)	0.45
Balance, March 31, 2009	3,948,100	0.68
Expired	(1,773,100)	0.71
Balance, June 30, 2009	2,175,000	0.65

A summary of the Company’s warrants outstanding at June 30, 2009 is presented below:

	Warrants outstanding	Expiry date
$0.70	1,812,500	June 5, 2010
$0.40	362,500	June 5, 2010
	2,175,000	

A summary of the Company's warrant balance is presented below:

	Amount $
Balance, March 31, 2008	23,640
Issued	630,301
Exercised	(496)
Balance, March 31, 2009	653,445
Expired	(261,143)
Balance, June 30, 2009	392,302

Contributed surplus

	$
Balance, March 31, 2008	548,145
Fair value of stock options exercised	(12,742)
Stock-based compensation	172,000
Balance, March 31, 2009 and June 30, 2009	707,403

5. Related party transactions

For the 3 months ended June 30, 2009, consulting fees included $24,000 (2008 - $31,500) paid to companies controlled by a director and two officers of the Company; mineral resource properties included $225,261 (2008 - $60,183) 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 $7,354 (2008 - $nil) paid to a law firm controlled by a director. Accounts payable and accrued liabilities includes $335,422 (March 31, 2009 - $282,190) payable to a companies controlled by three directors and two officers 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 properties 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. 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 year.

7. Financial instruments and risk management

Fair value

The carrying value of cash, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

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

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 5. All of the Company's accounts payable and accrued liabilities are due within 30 days.

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.