Champion Minerals Inc.
(an exploration stage company)

Financial Statements
March 31, 2008

SMITH NIXON

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AUDITORS' REPORT

To the Shareholders of
Champion Minerals Inc.
(an exploration stage company)

We have audited the balance sheet of Champion Minerals Inc. as at March 31, 2008 and the statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements of the company as at March 31, 2007 and for the year then ended were audited by other auditors who expressed an opinion without reservation in their report dated July 24, 2007.

Smith Nixon LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
June 27, 2008

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

	As at March 31, 2008 $	2007 $
Assets		
Current		
Cash	951,437	333,516
Receivable	46,638	18,589
Due from NFX Gold Inc. (note 3)	55,000	-
Prepaid expenses and deposit	36,564	-
	1,089,639	352,105
Mineral resource properties (note 4)	1,056,264	270,925
	2,145,903	623,030
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	257,876	109,384
	257,876	109,384
Due to NFX Gold Inc.	-	19,090
Future income taxes (note 6)	300,000	108,000
	557,876	236,474
Shareholders' equity		
Capital stock (note 5)	5,303,139	4,082,376
Shares to be issued (note 5)	45,000	-
Warrants (note 4)	23,640	-
Contributed surplus (note 5)	548,145	137,800
Deficit	(4,331,897)	(3,833,620)
	1,588,027	386,556
	2,145,903	623,030

See accompanying notes to financial statements

Commitments (note 4)
Subsequent events (note 10)

On behalf of the Board:

Thomas Larsen
Director

Paul Ankcorn
Director

Champion Minerals Inc.

(an exploration stage company)

Statements of Loss and Deficit

	Years ended March 31, 2008 $	2007 $	Cumulative since March 14, 2006 $
General and administrative expenses			
Professional fees	124,904	103,293	228,197
Consulting fees	62,000	11,000	73,000
Stock-based compensation (note 5)	410,345	-	410,345
General office	84,028	31,823	115,851
	681,277	146,116	827,393
Loss before income taxes	(681,277)	(146,116)	(827,393)
Future income tax recovery (note 6)	183,000	-	183,000
Loss for the period	(498,277)	(146,116)	(644,393)
Deficit, beginning of period	(3,833,620)	(3,687,504)	(3,687,504)
Deficit, end of period	(4,331,897)	(3,833,620)	(4,331,897)
Loss per share-basic and diluted	(0.050)	(0.024)	
Weighted average number of shares outstanding - basic and diluted	9,880,018	6,102,105	

See accompanying notes to financial statements

Champion Minerals Inc.

(an exploration stage company)

Statements of Cash Flows

	Years ended March 31, 2008 $	2007 $	Cumulative since March 14, 2006 $
Cash provided by (used in)			
Operating activities			
Loss for the period	(498,277)	(146,116)	(644,393)
Items not affecting cash			
Stock-based compensation	410,345	-	410,345
Future income tax recovery	(183,000)	-	(183,000)
Changes in non-cash operating working capital			
Receivable	(28,049)	(18,589)	(46,638)
Prepaid expenses and deposit	(36,564)	-	(36,564)
Accounts payable and accrued liabilities	148,492	93,787	242,279
	(187,053)	(70,918)	(257,971)
Financing activities			
Issue of common shares	1,602,649	550,000	2,152,649
Advance from NFX Gold Inc.	(19,090)	19,090	-
Loan payable	-	122,880	122,880
Share issue costs	(58,246)	(36,611)	(94,857)
	1,525,313	655,359	2,180,672
Investing activities			
Advance to NFX Gold Inc.	(55,000)	-	(55,000)
Mineral resource properties	(665,339)	(250,925)	(916,264)
	(720,339)	(250,925)	(971,264)
Net increase in cash	617,921	333,516	951,437
Cash, beginning of period	333,516	-	-
Cash, end of period	951,437	333,516	951,437
Non-cash transactions			
Issue of common shares for mineral resource properties	120,000	20,000	
Issue of common shares for share issue expenses	68,494	-	
Issue of warrants for share issue expenses	23,640	-	
Issue of common shares for debt	-	200,000	
Supplementary information			
Interest paid	-	-	
Income taxes paid	-	-	

See accompanying notes to financial statements

Champion Minerals Inc.
(an exploration stage company)
Notes to Financial Statements
March 31, 2008

1. Nature of operations and going concern

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. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Financial instruments
On April 1, 2007, the Company adopted CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" and Section 3861, "Financial Instruments – Disclosure and Presentation" retrospectively with no restatement of prior periods. Financial instruments are measured at fair value on initial recognition and valued in subsequent periods based upon their classification as held-for-trading, available for sale, held-to-maturity, loans and receivables or other liabilities. Financial assets and liabilities classified as held-for-trading are valued at fair value with unrealized gains and losses recognized in income. Financial assets classified as available-for-sale are valued at fair value with unrealized gains and losses recognized in other comprehensive income. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities classified as other liabilities are valued at amortized cost using the effective interest rate method. The Company has classified its cash as held-for-trading; amounts due from NFX Gold Inc. (a related party) as loans and receivables; and accounts payable and accrued liabilities and amounts due to related parties as other financial liabilities.

The Company adopted the new standards retrospectively without restatement. There was no material effect as a result of the change in policy.

Mineral resource properties
Costs relating to the acquisition, exploration and development of mineral resource properties are deferred until the properties are brought into commercial production, at which time, they are amortized over the estimated useful life of the related property on a unit-of-production basis. The cost of mineral resource properties includes the cash consideration and the fair value of shares issued on the date the property is acquired. The proceeds from options granted on properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value otherwise impaired, those costs in excess of estimated recoveries are charged to operations.

Asset retirement obligations
The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

2. Summary of significant accounting policies (continued)

Flow-through shares
The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the *Income Tax Act* (Canada). Under the terms of these share issues, the deductions for income tax purposes of the related expenditures are renounced to the subscriber of the flow-through shares. Share capital is reduced and future income taxes are increased by the estimated income tax benefits renounced by the Company to the subscribers, except to the extent that the Company has unrecorded loss carryforwards and income tax pools in excess of book value available for deduction.

Stock-based compensation
The Company enters into transactions in which services are the consideration received for the issuance of stock or stock-based instruments. The value of these transactions are measured and accounted for, based on the fair value of the equity instruments issued (the value of the services provided by non-employees, if more reliably measurable). Stock-based compensation for instruments awarded to non-employees is expensed in the year during which the services are rendered. Stock-based compensation for instruments awarded to employees is expensed over the vesting period of the instrument.

Income taxes
Income taxes are recorded using the asset and liability method of income tax allocation. Future income tax relates to the expected consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of substantive enactment at the time that the differences are expected to reverse.

Loss per share
The basic loss per share is calculated by dividing the loss applicable to the common shares by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method and reflects the potential dilution by including stock options and warrants, in the weighted average number of common shares outstanding for the year, if dilutive. As the Company incurred net losses for the year ended March 31, 2008, the dilutive effect of outstanding options and warrants and their equivalents is not reflected in diluted earnings per share because their effect would be anti-dilutive.

Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the reporting period. Significant areas requiring the use of management estimates include the carrying value of mineral resource properties and stock-based compensation. Actual results could differ from those estimates.

Future accounting pronouncements
On April 1, 2008, the Company will adopt CICA Handbook Section 1535, “Capital Disclosures” which requires the disclosure of objectives, policies and processes for managing capital; Section 3862, “Financial Instruments – Disclosures ” and Section 3863, “Financial Instruments – Presentation” which requires the disclosure of the nature and extent of risks arising from financial instruments and how those risks are managed; and amendments to Section 1400, “General Standards of Financial Statement Presentation” which requires an assessment of the ability to continue as a going concern. The Company is currently assessing the impact of these new accounting standards on its financial statements. Beyond additional disclosure, the adoption of these new accounting standards is not expected to have an effect on the Company’s financial position or results of operations.

3. Due from NFX Gold Inc.

The amount due from NFX Gold Inc. is unsecured, bears no interest and due on demand and was repaid subsequent to March 31, 2008. Two directors of NFX Gold Inc. are directors of the Company.

4. Mineral resource properties

	Powderhorn $	Attikamagen $	Total $
Balance, March 31, 2006	–	–	–
Acquisition costs	50,000	–	50,000
Exploration	220,925	–	220,925
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

Powderhorn
The Company has the option to acquire a 70% interest in the Powderhorn Lake Project ("Powderhorn Property"), which consists of 115 claims covering an area of 29 square kilometres situated in the Buchans-Robert's Arm Belt in Central Newfoundland. In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

To earn 70% interest	**Option payments** **$**	**Common shares**	**Exploration expenditures** **$**
Paid prior to March 31, 2008	40,000	250,000	200,000
June 11, 2008 (paid)	10,000	250,000	300,000
June 11, 2009	–	–	500,000
At the earliest date the Company completes the exploration expenditure requirements, makes an economic discovery as evidenced by a pre-feasibility study or June 11, 2009	–	100,000	–
	50,000	600,000	1,000,000

The Powderhorn Property is 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%.

Attikamagen
The Company owns a 100% interest in 532 claims covering 139.2 square kilometers in Labrador and Quebec.

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 for consideration of $30,000. 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 products produced.

On March 28, 2008, the Company staked 451 claims known as the Lake Attikamagen Extension Claim Block in Labrador and 29 claims known as the Lac Sans Chef Quebec Claim Block.

On February 15, 2008, the Company signed an amendment to the purchase agreement for the option to purchase the aggregate royalty for $2,500,000. In return for the amendment, the Company committed to issue 150,000 common shares to the royalty holder for consideration of $45,000. As of March 31, 2008, the common shares have not been issued and are presented as shares to be issued. The shares were issued subsequent to March 31, 2008.

5. Capital stock

Authorized
As at March 31, 2006, the Company was authorized to issue an unlimited number of subordinate voting shares entitled to one vote per share, an unlimited number of multiple voting shares entitled to 100 votes per share and an unlimited number of Class A shares issuable in series and an unlimited number of Class B shares issuable in series.

5. *Capital stock (continued)*

During the year ended March 31, 2007, the articles of the Company were amended to create an unlimited number of common shares. The Company completed the consolidation of the issued and outstanding subordinate shares and multiple voting shares of the Company on the basis of six old shares for one new share of the same class. Each post-consolidation subordinate voting share was then exchanged for one common share and each post-consolidation multiple voting share was exchanged for 100 common shares. After the consolidation and exchange, the only authorized shares are an unlimited number of common shares.

Issued

	Common shares		**Subordinate voting shares**		**Multiple voting shares**	
	Number	**$**	**Number**	**$**	**Number**	**$**
Balance, March 31, 2006	–	–	9,158,303	3,331,776	217,758	125,211
Consolidation of 6 old shares for 1 new share	–	–	(7,631,936)	–	(181,465)	–
Conversion of each subordinate voting share to 1 common share	1,526,367	3,331,776	(1,526,367)	(3,331,776)	–	–
Conversion of each multiple voting share to 100 common shares	3,629,300	125,211	–	–	(36,293)	(125,211)
	5,155,667	3,456,987	–	–	–	–
Common shares issued for cash	1,250,000	250,000	–	–	–	–
Flow-through common shares issued for cash	1,100,000	300,000	–	–	–	–
Renunciation of flow-through expenditures	–	(108,000)	–	–	–	–
Issued for mineral resource properties (note 4)	100,000	20,000	–	–	–	–
Issued for debt	1,000,000	200,000	–	–	–	–
Share issue costs	–	(36,611)	–	–	–	–
Balance, March 31, 2007	8,605,667	4,082,376	–	–	–	–
Common shares issued for cash	690,331	310,649	–	–	–	–
Flow-through common shares issued for cash	2,334,000	1,292,000	–	–	–	–
Issued for finder's fees	123,037	68,494	–	–	–	–
Fair value of warrants issued	–	(23,640)	–	–	–	–
Issued for mineral resource properties (note 4)	250,000	75,000	–	–	–	–
Renunciation of flow-through expenditures	–	(375,000)	–	–	–	–
Share issue costs	–	(126,740)	–	–	–	–
Balance, March 31, 2008	12,003,035	5,303,139	–	–	–	–

Private placements

On December 14, 2006, the Company completed a private placement of 750,000 common shares of the Company at a price of $0.20 per share for gross proceeds of $150,000 and 600,000 common shares at a price of $0.25 per common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) for gross proceeds of $150,000.

On December 21, 2006, the Company issued 1,000,000 common shares for consideration of $0.20 per common share to settle outstanding debts of $200,000. Of that amount, a corporation controlled by a director of the Company converted $127,563 of debt into 637,865 common shares and a director of the Company converted $30,000 of debt into 150,000 common shares.

On December 29, 2006, the Company completed a private placement of 500,000 common shares at a price of $0.30 per common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) for gross proceeds of $150,000.

5. *Capital stock (continued)*

On January 5, 2007, the Company completed a private placement of 500,000 common shares of the Company at a price of $0.20 per share for gross proceeds of $100,000.

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 for consideration 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.

The fair value of the common share purchase warrants was $23,640 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	4.3%
Expected volatility	120%
Expected life of warrants	1.5 years
Expected dividend yield	Nil

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 for consideration of $0.60 per share.

As at March 31, 2008, there were proceeds of private placements of flow-through common shares of $1,114,494 (2007 – $265,994) which must be expended on Canadian exploration expenditures by December 31, 2008.

Stock options

Under a rolling stock option plan, the Company may grant options to its directors, officers, employees or consultants to acquire up to 10% of the issued and outstanding common shares at the time of the grant, which was 1,200,303 as at March 31, 2008 (2007 – Restricted to 515,553). The exercise price of each option shall not be less than the closing price of the Company's common shares on any exchange on the last trading day immediately preceding the date of grant of the option, less the applicable discount permitted by the TSX Venture Exchange. Options granted vest immediately and the option period for each option shall not exceed 5 years.

On January 31, 2008, the Company granted 1,200,000 stock options to officers, directors, employees and consultants, entitling the holder to purchase one common share at a price of $0.45 per common share until January 10, 2013.

The fair value of the stock options issued was $410,345 calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.65%
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
Outstanding, beginning of year	–	–
Granted	1,200,000	0.45
Outstanding, end of year	1,200,000	0.45
Options exercisable	1,200,000	

5. *Capital stock (continued)*

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

Exercise price	Options outstanding	Options exercisable	Expiry date
$0.45	1,200,000	1,200,000	January 10, 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

	2008	
	Number of warrants	Weighted-average exercise price
Issued	95,100	0.45
Balance, March 31, 2008	95,100	0.45

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

Warrants outstanding	Expiry date
95,100	April 18, 2009

Contributed surplus

	$
Balance, March 31, 2006 and 2007	137,800
Stock-based compensation	410,345
Balance, March 31, 2008	548,145

6. *Income taxes*

Future income tax recovery
During the year ended March 31, 2008, the Company issued $1,292,000 of flow-through common shares pursuant to the Income Tax Act (Canada). On February 28, 2008, the deductions for income tax purposes of the related expenditures were renounced to the subscribers of the flow-through shares. Share capital was reduced and future income tax liability was increased by $375,000, representing the income tax benefits the expenditures renounced by the Company to the subscribers. However, since the Company had unrecorded loss carryforwards, the Company recorded a recovery of future income taxes of $183,000.

6. *Income taxes (continued)*

The Company's effective income tax rate differs from the amount that would be computed by applying the federal and provincial statutory rate of 33.5% (2007 - 36%) to the net loss for the year. The reasons for the difference are as follows:

	2008	2007
	$	$
Income tax recovery based on statutory rate	228,000	52,600
Stock-based compensation	(103,000)	–
Other	2,800	2,600
Change in valuation allowance for unrecorded tax benefit of losses	55,200	(55,200)
	183,000	–

Future income tax assets and liabilities
The Company's future income tax assets and liabilities are valued using the future rate of 29% (2007 – 36%), which is the effective rate when they will be realized, and are as follows:

	2008	2007
	$	$
Asset		
Non-capital loss carryforward	162,000	55,200
Share issue costs	36,000	10,500
Valuation allowance	(36,000)	(65,700)
Liability		
Mineral resource properties	(462,000)	(108,000)
	(300,000)	(108,000)

Losses carried forward
At March 31, 2008, the Company had non-capital loss carryforwards which expire as follows:

	$
2027	153,000
2028	406,000
	559,000

Resource deductions
At March 31, 2008, the Company had resource deductions of $579,000 which may be carried forward indefinitely to reduce taxable income in future years.

7. *Related party transactions*

For the year ended March 31, 2008, consulting fees includes $42,000 (2007 - $9,000) expensed to companies controlled by one director and one officer of the Company and mineral resource properties included $75,754 (2007 - $42,301) paid or payable to a companies controlled by two directors of the Company. Accounts payable and accrued liabilities includes $9,994 (2007 - $16,775) payable to companies controlled by one director and one officer 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.

8. *Financial instruments*

Fair value
The carrying value of cash and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments. The fair value of amounts due from NFX Gold Inc. is not determinable as there are no specified terms of repayment.

Commodity price risk
The ability of the Company to develop its mineral resource properties and the future profitability of the Company is directly related to the market price of certain minerals.

Liquidity risk
The Company has no income and relies on equity fund-raising to support its exploration program. Management prepares budgets and ensures funds are available prior to commencement of any such program.

9. *Comparative figures*

Certain comparative figures have been reclassified to conform with the current year's presentation. Net losses previously reported have not been affected by this reclassification.

10. *Subsequent events*

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 200,000 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. 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.

10. Subsequent events (continued)

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 21, 2008, the Company agreed to acquire an option to earn a 70% interest in the Fermont Property. The agreement is subject to the completion of due diligence and an agreement, the approval of the Company's board of directors and all required regulatory approvals, including that of the TSX Venture Exchange Inc. Subject to regulatory approval, Champion will issue 100,000 common shares as a finder's fee.

In order to earn its interest, the Company must make the option payment, issue common shares and incur exploration expenditures as follows:

10. Subsequent events (continued)

	Option payments $	Common shares	Exploration expenditures $
To earn a 65% interest			
On closing (paid and issued)	15,000	–	–
Upon approval of the option by TSX Venture Exchange	85,000	300,000	–
6 months after the date of the agreement	100,000	–	–
1 year after the date of the agreement	200,000	300,000	750,000
2 years after the date of the agreement	200,000	400,000	–
3 years after the date of the agreement	200,000	600,000	–
4 years after the date of the agreement	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.

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.