

SCHEDULE A

CHAMPION RESOURCES INC.
CONSOLIDATED BALANCE SHEETS
(in Canadian Dollars)
(Unaudited)

	<u>March 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 83,778	\$ 273,111
Accounts receivable	17,066	19,593
Due from related party	15,037	18,424
Prepaid expenses	<u>28,398</u>	<u>28,751</u>
	144,279	339,879
Loan receivable	140,000	140,000
Mineral properties and related expenditures	6,992,105	6,889,382
Capital assets	<u>48,304</u>	<u>48,817</u>
	<u>\$ 7,324,688</u>	<u>\$ 7,418,078</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 561,370	\$ 449,538
Due to related parties	<u>88,976</u>	<u>95,928</u>
	<u>650,346</u>	<u>545,466</u>
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
100,000,000 common shares without par value		
Issued and fully paid		
33,633,940 shares	15,614,801	15,614,801
Deficit	<u>(8,940,459)</u>	<u>(8,742,189)</u>
	<u>6,674,342</u>	<u>6,872,612</u>
	<u>\$ 7,324,688</u>	<u>\$ 7,418,078</u>

Approved by the Board:

"RICHARD P. CLARK"
Director

"PAUL K. CONIBEAR"
Director

CHAMPION RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(in Canadian Dollars)
(Unaudited)

	Three months ended March 31, <u>2001</u>	Three months ended March 31, <u>2000</u>
Expenses		
Amortization	513	\$ 1,499
Capital taxes	(4,586)	1,291
Consulting	19,460	30,000
Financing advisory fees	47,512	-
Foreign exchange loss	15,615	22,858
Interest and bank charges	567	4,002
Management fees	70,000	63,237
Office and general	24,128	43,013
Professional fees	11,424	45,637
Promotion and public relations	4,076	26,191
Stock exchange and filing fees	1,614	8,730
Transfer agent and shareholder information	881	1,037
Travel	1,772	1,887
Wages and benefits	<u>6,082</u>	<u>9,303</u>
	199,058	258,685
Other (income)		
Interest income and other	<u>(788)</u>	<u>(4,342)</u>
Loss for the period	198,270	254,343
Deficit, beginning of period	<u>8,742,189</u>	<u>5,026,437</u>
Deficit, end of period	<u>\$ 8,940,459</u>	<u>\$ 5,280,780</u>
Loss per common share	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of shares	<u>33,633,940</u>	<u>28,337,116</u>

CHAMPION RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Canadian Dollars)
(Unaudited)

	Three months ended March 31, <u>2001</u>	Three months ended March 31, <u>2000</u>
Cash flows from operating activities		
Net loss for the period	\$ (198,270)	\$ (254,343)
Item not affecting cash:		
Amortization	<u>513</u>	<u>1,499</u>
	(197,757)	(252,844)
 Net changes in non-cash working capital items		
Prepaid expenses and other current assets	6,267	(204,417)
Accounts payable and accrued liabilities	111,832	590,864
Due to related party	<u>(6,952)</u>	<u>11</u>
	<u>(86,610)</u>	<u>133,614</u>
 Cash flows from investing activities		
Mineral properties and related expenditures	(102,723)	(815,709)
Capital assets purchased	-	(3,400)
Reclamation bond	<u>-</u>	<u>(106)</u>
	<u>(102,723)</u>	<u>(819,215)</u>
 Cash flows from financing activities		
Common shares issued, net	<u>-</u>	<u>1,295,300</u>
 Increase in cash and cash equivalents	(189,333)	609,699
 Cash and cash equivalents, beginning of period	<u>273,111</u>	<u>608,345</u>
 Cash and cash equivalents, end of period	<u>\$ 83,778</u>	<u>\$ 1,218,044</u>
 Other supplementary information:		
Interest received	<u>\$ 788</u>	<u>\$ 4,342</u>
Interest paid	<u>\$ NIL</u>	<u>\$ NIL</u>

CHAMPION RESOURCES INC.
CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES
AND RELATED EXPENDITURES
(in Canadian Dollars)(Unaudited)
MARCH 31, 2001

Farim Project, Guinea Bissau (West Africa)

Offshore management and contractors	\$ 91,763
Camp and general	1,023
Geological and geochemical	<u>9,937</u>
Incurred during the period	102,723
Beginning of period	<u>6,289,538</u>
End of period	<u>6,392,261</u>

Guinea Bissau Reconnaissance (West Africa)

General reconnaissance	
Beginning and end of period	<u>561,758</u>

Diamond reconnaissance	
Beginning and end of period	<u>38,086</u>

Total	<u><u>\$ 6,992,105</u></u>
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CHAMPION RESOURCES INC.
NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2001
(Unaudited)

1. Significant Accounting Policies

The consolidated financial statements of Champion Resources Inc. (the "Company") are prepared in accordance with accounting principles generally accepted in Canada using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's consolidated financial statements for the year ended December 31, 2000 except for earnings per share. Earning per common share amounts have been calculated and presented in accordance with the new recommendations of the Canadian Institute of Chartered Accounts whereby the treasury stock method is used to calculate diluted earnings per share. The new standard has been applied on a retroactive basis and had no impact on the amounts presented.

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's annual Report for the year 2000.

Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.