IDAHO CHAMPION GOLD MINES CANADA INC.

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

McGovern Hurley

Independent Auditor's Report

To the Shareholders of Idaho Champion Gold Mines Canada Inc.

Opinion

We have audited the consolidated financial statements of Idaho Champion Gold Mines Canada Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholder's equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2022 and, as of that date, the Company had limited working capital. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 28, 2023

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Financial Position

Expressed in Canadian dollars.

As at	Note	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash		**$1,082,934**	$14,620
Accounts receivables and prepaids		**180,701**	94,846
Total current assets		**1,263,635**	109,466
Long-term prepaid		**4,167**	11,667
Total assets		**$1,267,802**	$121,133
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$282,830**	$622,894
Loans payable	7	**50,000**	—
Flow-through share premium liability	8	**88,273**	—
Total current liabilities		**421,103**	622,894
Loans payable, non-current	7	—	40,000
Total liabilities		**421,103**	662,894
Shareholders' Equity (Deficiency)			
Share capital	9	**$17,856,875**	$14,331,252
Warrants	10	**3,066,574**	3,000,377
Contributed surplus	11	**1,162,945**	777,928
Accumulated deficit		**(21,239,695)**	(18,651,318)
Total equity (deficiency)		**846,699**	(541,761)
Total liabilities and equity (deficiency)		**$1,267,802**	$121,133

Nature of Operations and Going Concern	1
Commitments and Contingencies	16
Subsequent events	19

On behalf of the Board,

"Signed"
Jonathan Buick
Jonathan Buick
Director

"Signed"
Bruce Reid
Bruce Reid
Director

The accompanying notes are an integral part of these consolidated financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars.

For the years ended December 31,	Note	2022	2021
Operating expenses			
Exploration expenditures	6	**$898,486**	$3,147,386
Property acquisition costs	6	**659,436**	29,322
Shareholder and investor relations		**503,081**	735,569
Management fees		**293,500**	358,951
Professional and consulting fees		**144,135**	57,883
General and administrative expenses		**60,680**	54,979
Amortization expense		**–**	5,716
		2,559,318	4,389,806
Share-based compensation expense	10	**156,988**	328,560
Net loss for the year before the under-noted items:		**2,716,306**	4,718,366
Gain on flow-through premium		**(55,268)**	–
Foreign exchange loss		**14,910**	19,844
Interest income		**(153)**	(6,253)
Net loss and comprehensive loss for the year		**$(2,675,795)**	$(4,731,957)
Net loss per share – basic and diluted	15	**$(0.02)**	$(0.05)
Weighted average number of shares outstanding during the year – basic and diluted		**126,783,550**	98,692,776

The accompanying notes are an integral part of these consolidated financial statements.

Champion

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the year ended December 31, 2022, and 2021

Expressed in Canadian dollars.

	Note	Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance – December 31, 2020		**93,104,348**	**$13,307,290**	**$2,373,443**	**$465,368**	**$(13,935,361)**	**$2,210,740**
Shares issued for property purchase	6,9	50,000	6,750	—	—	—	6,750
Shares issued for private placement	9,10	11,100,663	1,057,244	607,855	—	—	1,665,099
Share issue costs	9,10	—	(95,394)	—	—	—	(95,394)
Warrants issued	10	—	(28,265)	28,265	—	—	—
Shares issued for services	9	219,115	29,442	—	—	—	29,442
Warrants exercised	10	300,000	54,185	(9,186)	—	—	44,999
Share-based compensation	11	—	—	—	328,560	—	328,560
Options expired	11	—	—	—	(16,000)	16,000	—
Net loss for the year		—	—	—	—	(4,731,957)	(4,731,957)
Balance – December 31, 2021		**104,774,126**	**$14,331,252**	**$3,000,377**	**$777,928**	**$(18,651,318)**	**$(541,761)**
Shares issued for property purchase	6,9	50,000	2,500	—	—	—	2,500
Shares issued for private placements	9,10	50,491,710	2,142,942	368,642	—	—	2,524,585
Share issue costs	9	—	(196,489)	—	—	—	(196,489)
Shares issued for QPM Transaction	9	12,700,000	572,000	—	—	—	572,000
Shares issued for Quebec FT Transactions	9	14,354,100	1,004,787	—	—	—	1,004,787
Shares issued for National FT Transaction	9	1,866,667	112,000	—	—	—	112,000
Flow-through share premium	8,16	—	(143,541)	—	—	—	(143,541)
Issuance of bonus warrants	10	—	(13,002)	13,002	—	—	—
Shares issued for services	9	564,448	31,424	—	—	—	31,424
Warrants expired	10	—	—	(315,447)	315,447	—	—
Share-based compensation	11	—	—	—	156,988	—	156,988
Options expired	11	—	—	—	(87,418)	87,418	—
Net loss for the year		—	—	—	—	(2,675,795)	(2,675,795)
Balance – December 31, 2022		**184,801,051**	**$17,856,875**	**$3,066,574**	**$1,162,945**	**$(21,239,695)**	**$846,699**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

IDAHO CHAMPION GOLD MINES CANADA INC.

Consolidated Statements of Cash Flows

Expressed in Canadian dollars.

For the years ended December 31,	Note	2022	2021
OPERATING ACTIVITIES			
Net loss for the period		**$(2,675,795)**	$(4,731,957)
Adjustments to non-cash items:			
Share-based compensation expense	10	**156,988**	328,560
Property acquisition costs		**574,500**	6,750
Shares issued for services		**31,424**	29,441
Interest on lease liability		**—**	1,120
Amortization expense		**—**	5,716
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		**(85,855)**	17,624
Accounts payable and accrued liabilities		**(214,853)**	(288,865)
Long-term prepaid expenses		**7,500**	12,500
Flow-through share premium liability		**(55,268)**	—
		$(2,261,359)	$(4,619,111)
FINANCING ACTIVITIES			
Private placement proceeds	9	**3,466,162**	1,665,100
Share issue costs	9	**(196,489)**	(95,394)
Shares issued for the exercise of warrants	10	**—**	45,000
Payment of the principal portion of lease liability		**—**	(10,183)
Loan payable	7	**60,000**	—
		$3,329,673	$1,604,522
Net increase (decrease) in cash		**$1,068,314**	$(3,014,590)
Cash, beginning of period		**14,620**	3,029,210
Cash, end of period		**$1,082,934**	$14,620

Supplemental cash flow information:

Finder warrants issued		**$13,002**	$32,880
Compensation warrants issued		**$—**	$28,265
Shares issued for settlement of debt		**$175,211**	$—

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

Idaho Champion Gold Mines Canada Inc., a company incorporated under the Canada Business Corporation Act, and its wholly owned subsidiaries (collectively the "**Company**" or "**Champion**") are engaged in the acquisition and exploration of its properties in Quebec, Canada and Idaho, United States of America ("USA"). The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "ITKO", the OTCQB Exchange, under "GLDRF", and the Frankfurt Stock Exchange under "1QB1". The address of the registered office is Suite 2704, 401 Bay Street Toronto, Ontario, M5H 2Y4.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at December 31, 2022, the Company has accumulated losses of $21,239,695 (December 31, 2021 - $18,651,318). As at December 31, 2022, the Company has cash of $1,082,934 (December 31, 2021- $14,620) and working capital of $842,532 (December 31, 2021 – working capital deficiency of $513,428). As the Company will continue to generate operating losses for the foreseeable future, the Company's continuance as a going concern is highly dependent upon its ability to obtain adequate financing to advance exploration and meet its corporate cost obligations. To address its financing requirements, the Company will seek financing through measures that may include joint venture agreements, debt and equity financings, asset sales, and rights offerings to existing shareholders or other financial transactions. In the event that the Company is unable to secure future financing, it may not be able to make additional acquisitions or advance exploration, therefore for these reasons, there may exist material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

2. Basis of Presentation

Statement of compliance

These consolidated financial statements, for the years ended December 31, 2022, and 2021, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

2. Basis of Presentation, continued

Basis of Measurement

These consolidated financial statements were prepared on a going concern basis, under the historical cost convention and were authorized for issue in accordance with a resolution of the directors dated April 27, 2023.

Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management ("Management") to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in note 4.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been adopted for the years ended December 31, 2022, and 2021 and have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

These consolidated financial statements include the accounts of Champion and its wholly owned subsidiaries, Idaho Champion Gold Mines Ltd., Idaho Champion Gold Mines USA, Inc., Idaho Champion Gold Mines LLC., and Idaho Champion Cobalt USA, Inc. Control is achieved when Champion has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or to the date of disposal. Intergroup balances and transactions are eliminated on consolidation.

b) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of Champion and its subsidiaries is the Canadian dollar. Monetary assets and liabilities in other currencies are translated at the closing rate at the reporting date. Non-monetary assets in other currencies are translated at historical rates. Income and expenses in other currencies are translated at the exchange rates at the dates of the transactions. All resulting exchange differences are recognized in income (loss).

c) Exploration and Evaluation (“E&E”) Expenditures

The Company expenses the cost of its evaluation and exploration expenditures, which include the cost of acquiring interests in mineral rights, licenses and properties, asset acquisitions or option agreements. The Company also expenses the cost of evaluation activity related to acquiring new exploration assets. E&E relate to costs incurred for the exploration and evaluation of potential mineral reserves such as: conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

3. Summary of Significant Accounting Policies, continued

d) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services, or obligations between related parties.

e) Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues using the effective interest method. Finance income is considered an operating activity for cash flow purposes.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized using the effective interest method. Finance costs are considered an operating activity for cash flow purposes.

f) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of loss, except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

i) Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized where the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

g) Loss per share

Basic Loss Per Share is calculated by dividing total loss from continuing operations attributable to shareholders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted Loss Per Share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The effects of anti-dilutive potential shares are ignored in calculating diluted Loss Per Share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

3. Summary of Significant Accounting Policies, continued

h) Share-based compensation and warrants

The Company has a stock option plan (the " Plan"), which is described in note 11. The Plan allows Champion employees, directors, and officers to acquire shares of the Company for a specified option amount the date of grant. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model and is recorded as share-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The fair value associated with the options is transferred to share capital upon exercise or to deficit upon expiry.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Warrants are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model. Consideration paid on the exercise of warrants is credited to share capital and the fair value recorded in warrants reserve is transferred to share capital upon exercise. Upon expiration, the fair value of the warrants is reclassified to contributed surplus.

i) Asset retirement obligations ("ARO")

ARO is obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, or expensed in the consolidated statements of loss if there is no related asset, as soon as the obligation to incur such costs arises.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market-based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

As at December 31, 2022 and 2021, the Company has no material restoration, rehabilitation and environmental costs as the environmental disturbance to date is minimal.

j) Financial Assets and Liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

3. Summary of Significant Accounting Policies, continued

j) Financial Assets and Liabilities, continued

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be re-measured when there is a change in either the future lease payments or upon assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and the interest on the obligation. Interest expense on the lease obligation is included in the consolidated statements of loss.

3. Summary of Significant Accounting Policies, continued

Leases, continued

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low-value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, and loans payable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a gain on flow-through premium for the amount of tax reduction renounced to the shareholders.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

4. Critical Judgments and Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions, and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

The key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognized in the consolidated financial statements are:

Income, Value-Added, Withholding and Other Taxes

The Company is subject to income, value-added, withholding, and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value-added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

Share-Based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Significant Accounting Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's consolidated financial statements, are related to the functional currency assessment, related parties, the provision for reclamation and obligation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

The Company made a determination that its functional currency and that of its subsidiaries is the Canadian dollar. Management considered all of the relevant primary and secondary factors in making this determination.

Contingencies

See note 16.

5. New Accounting Standards Issued and Future Accounting Changes

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRIC and were adopted by the Company effective January 1, 2022, including certain amendments to IAS 16 and IAS 37. These amendments are effective for annual periods beginning on or after January 1, 2023. None of these had a significant effect on the Consolidated Financial Statements of the Company.

Future Accounting Changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2023, or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as a settlement of a liability unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

IAS 1 – In February 2021, the IASB issued *'Disclosure of Accounting Policies'* with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. amendments are effective for year-ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued '*Definition of Accounting Estimates'* to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year-ends beginning on or after January 1, 2023.

6. Exploration Projects/Mining Interests

<u>James Bay, Quebec Projects</u>

Effective November 11, 2022, the Company completed an acquisition with Quebec Precious Metals Corporation ("QPM") (the "Acquisition") with respect to the Blanche and Charles lithium pegmatite projects (the "Projects") in the Eeyou Istchee James Bay territory of Quebec. Consideration for 100% of the projects included $100,000 in cash and the issuance of 12,000,000 common shares of the Company. QPM will retain a 2% net smelter return royalty ("NSR") on the claims constituting the Projects. The Company has the option to repurchase 1% of the NSR from QPM for $1,000,000. In connection with the Acquisition, Champion issued 700,000 common shares of the Company as consideration for Finder's Fees.

See note 19 – *Subsequent events*.

<u>Champagne Project</u>

On April 30, 2020, Champion acquired certain patented claims (private property) that are located within the Company's past-producing Champagne Project in Idaho, USA. Consideration for the claims was US$150,000. The claims include five patent lode mining claims and one patent mill site which are located inside the project area controlled by Champion.

Expressed in Canadian dollars

6. Exploration Projects/Mining Interests, continued

On May 6, 2020, Champion signed a binding Property Option Agreement (the "Agreement") with a private family (the "Optionor") which provides an option to acquire additional claims that are also located within the Company's past producing Champagne Project. Under the terms of the Agreement, Champion shall pay the Optionor US$8,000 (paid) and issue 100,000 Champion common shares (issued). Further, the Company will pay US$8,000 on each anniversary date of the option agreement thereafter for the first 20 years of the agreement. The agreement can be renewed for an additional 20 years upon payment of US$15,000 and the issuance of shares with a value of US$20,000 on each anniversary date.

Champion can purchase a 100% interest in the claims by paying the Optionor the following in US$:

• If option is exercised during year 1 to 10	$150,000
• If option is exercised during year 11 to 20:	$200,000
• If option is exercised during year 21 to 30:	$250,000
• If option is exercised during year 31 to 40	$300,000

On May 19, 2020, the Company acquired additional mining claims ("Reliance") that are also located within the Company's Champagne Project. Consideration for the Reliance Claims was US$15,000 and the issuance of 150,000 Champion common shares.

On June 29, 2021, Champion signed a binding property option agreement to acquire a 100% fee simple interest in new surface and mineral rights on properties within Champion's Champagne Gold Project.

Under the terms of the option agreement, the parties have agreed to a five-year option, during which Champion will pay total consideration of US$240,000 ($303,727) and 500,000 common shares of the Company, structured as follows:

- An initial payment of US$10,000 (Cdn$12,655) and 50,000 common shares of the Company (completed);
- Annual payments of US$10,000 and 50,000 common shares of the Company on the first and second anniversaries, each of which is an option to be paid at the sole discretion of the Company;
- Annual payments of US$10,000 and 750,000 common shares of the Company on the third and fourth anniversaries, each of which is an option to be paid at the sole discretion of the Company; and
- On or before the fifth anniversary, Champion has the option to remit the final consideration of US$190,000 and 200,000 common shares of the Company.

<u>Idaho Cobalt (Idaho)</u>
The Company owns 100% of the Idaho Cobalt property through its subsidiary Idaho Champion Cobalt USA Inc.

Expressed in Canadian dollars

6. Exploration Projects/Mining Interests, continued

Baner Project (Idaho)
Since October 2017, the Company has owned 100% of the Baner Property in Idaho, USA. In February 2018 the Company staked certain claims comprising the Champagne property. These claims are in good standing.

Exploration and Evaluation Expenditures ("E&E")

During the year ended December 31, 2022, the Company incurred $898,486 (2021 - $3,147,386) of exploration and evaluation expenditures for the Company's active projects. Further, the Company incurred $659,436 (2021 -$29,322) of acquisition costs for certain ongoing and new projects.

Cumulative E&E (including acquisition costs) to date include:

	Dec 31, 2020	Additions	Dec 31, 2021	Additions	Dec 31, 2022
Acquisition - Data	$127,032	$—	$127,032	—	**$127,032**
Acquisition – Baner	686,888	—	686,888	—	**686,888**
Acquisition – Champagne	291,293	29,322	320,615	19,436	**340,051**
Acquisition – Sally	156,323	—	156,323	—	**156,323**
Acquisition – Cobalt	1,232,793	—	1,232,793	—	**1,232,793**
Acquisition –Blanche & Charles	—	—	—	640,000	**640,000**
Exploration – Baner	4,529,560	152,017	4,681,577	46,097	**4,727,674**
Exploration – Champagne	2,575,637	2,995,173	5,570,810	268,541	**5,839,351**
Exploration – Nudulama	5,139	—	5,139	—	**5,139**
Exploration – Blanche & Charles	—	—	—	441,284	**441,284**
Exploration – Cobalt	297,942	196	298,138	142,564	**440,702**
	$9,902,607	**$3,176,708**	**$13,079,315**	**$1,557,922**	**$14,637,237**

7. Loans Payable

As a result of COVID-19, the Canadian federal government created the Canada Emergency Business Account ("CEBA"), designed to provide some financial assistance to qualifying Canadian companies. In April 2020, Champion applied for this funding and received $40,000 as an unsecured, non-interest-bearing demand loan. This loan is due on or before December 31, 2023. If paid before this time, $10,000 of the loan is forgiven. If not paid by this date, interest at a rate of 5% per annum, will need to be paid monthly.

In January and May 2022, a director loaned the Company a total of $60,000, pursuant to a step promissory note. As at December 31, 2022, $50,000 of the indebtedness was converted to 1,000,000 common shares as part of the September 2022 Offering. The balance of the note owing is unsecured, non-interest bearing, and due on demand.

Expressed in Canadian dollars

8. Deferred Premium on Flow-Through Shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of loss and comprehensive loss on a pro-rata basis based on the corresponding eligible exploration expenditures that have been incurred. Total premium liability of $143,541 was recognized in respect of the December 2022 flow-through private placements.

During the year ended December 31, 2022, the Company expended $430,000 on exploration and evaluation expenses, the total of which was derecognized the flow-through share premium by $55,268. See note 16 – Commitments and Contingencies.

The following is a continuity schedule of the liability of the flow-through share issuances:

Balance, December 31, 2021	**$—**
Liability incurred on flow-through shares issued	143,541
Flow-through share premium derecognized	(55,268)
Balance, December 31, 2022	**$88,273**

9. Share Capital

The Company is authorized to issue an unlimited number of common shares. At December 31, 2022, there are 184,801,051 (At December 31, 2021 – 104,774,126) common shares issued and outstanding:

(i) On April 6, 2021, 300,000 warrants with an exercise price of $0.15 per share were exercised for proceeds of $45,000. To entice the exercise of these warrants, the Company granted an additional 300,000 warrants entitling the holder to purchase 300,000 common shares at a price of $0.25 for a period of 60 months from date of the issue.

(ii) On May 7, 2021, 52,893 common shares were issued to contractors as compensation for services rendered. A value of $8,727 was assigned to these shares using market value.

(iii) On June 21, 2021, the Company made its first annual payment as part consideration for the five-year option for the acquisition of certain properties in Idaho, USA, by issuing 50,000 common shares, valued at $0.05 each based on the trading price of the Company's shares on the date of issuance.

(iv) On June 25, 2021, the Company closed the first tranche of a private placement (the "June Offering"), with the issuance of 4,686,664 units, for gross proceeds of $703,000. The Company paid a cash finders' fee of $18,516 and issued 123,439 finders' warrants. Each June Offering unit consists of one common share and one common share purchase warrant. See note 10(ii) - Warrants.

(v) On July 20, 2021, the Company closed the second tranche of the June Offering with the issuance of 5,312,333 June units, for gross proceeds of $796,850. The Company paid cash finders' fees of $54,460 and issued 363,066 finders' warrants.

(vi) On July 21, 2021, 64,574 common shares were issued to contractors as compensation for services rendered. A value of $10,332 was assigned to these shares using market value.

9. Share Capital, continued

(vii) On August 18, 2021, the Company closed the third and final tranche of the June offering. The Company issued 1,101,666 June units for gross proceeds of $165,250. The Company paid a cash finders' fee of $7,320 and issued 48,800 finders' warrants. See note 10(iv) – Warrants.

(viii) On October 04, 2021, 101,648 common shares were issued to contractors as compensation for services rendered. A value of $10,383 was assigned to these shares using market value.

(ix) On January 19, 2022, 166,788 common shares were issued to contractors as compensation for services rendered. A value of $10,416 was assigned to these shares using market value.

(x) On April 12, 2022, 185,050 common shares were issued to contractors as compensation for services rendered. A value of $10,434 was assigned to these shares using market value.

(xi) On June 17, 2022, the Company closed the first tranche of a private placement (the "June 2022 Offering"), with the issuance of 10,079,210 units, for gross proceeds of $503,960. The Company paid a cash finders' fee of $10,800 and issued 216,000 finders' warrants. See note 10(vi) - Warrants. As part of the June 2022 Offering, creditors agreed to receive a total of 429,210 June 2022 units in settlement of the $21,461 debt owed to them. Directors and officers participated in this debt settlement for an aggregate of $62,500, representing 1,250,000 June 2022 units.

(xii) On June 23, 2022, the Company made a second annual payment as part consideration for the five-year option for the acquisition of certain properties in Idaho, USA, by issuing 50,000 common shares, valued at $0.05 each, based on the trading price of the Company's shares on the date of issuance.

(xiii) On June 30, 2022, the Company closed the second tranche of the June 2022 Offering, with the issuance of 15,612,500 units, for gross proceeds of $780,625. The Company paid a cash finders' fee of $34,400 and issued 688,000 finders' warrants. See note 10(vii) – Warrants. As part of this offering, certain creditors agreed to receive a total of 825,000 June 2022 Units in settlement of $41,250 debt owed to them.

(xiv) On July 7, 2022, 212,610 common shares were issued to contractors as compensation for services rendered. A value of $10,574 was assigned to these shares using market value.

(xv) On September 30, 2022, the Company closed the first tranche of a private placement, (the "September 2022 Offering"), with the issuance of 11,700,000 common shares for gross proceeds of $585,000. As part of this offering, a director agreed to receive a total of 1,000,000 September 2022 Units in settlement of $50,000 debt owed to him.

(xvi) On October 5, 2022, the Company closed the second tranche of the September 2022 Offering with the issuance of 9,200,000 common shares, for gross proceeds of $460,000. In connection with the private placement, the Company paid a cash finders' fee of $21,250.

(xvii) On October 12, 2022, the Company closed the third and final tranche of the September 2022 Offering, with the issuance of 3,900,000 common shares, for gross proceeds of $195,000. The Company paid a cash finders' fee of $4,750.

(xviii) On November 9, 2022, the Company acquired certain mineral claims from QPM, for $100,000 cash and the issuance of 12,000,000 common shares. The shares issued for the acquisition were valued based on the trading price of the Company's common shares at the date of issuance. In connection with the transaction, the Company issued 700,000 common shares for finder's fees.

Expressed in Canadian dollars

9. Share Capital, continued

(xix) On December 21, 2022, the Company closed the first tranche of a private placement (the December 2022 Offering) with the issuance of 10,625,500 Québec Flow-Through Shares ("QFT Shares") for gross proceeds of $743,785. In connection with closing the first tranche of the December 2022 Offering, the Company paid $58,691 cash finder's fees.

(xx) On December 23, 2022, the Company closed the second and final tranche of the December 2022 Offering, with the issuance of 3,728,600 QFT Shares and 1,866,667 Flow-Through shares (the "FT Shares"), for aggregate proceeds of $373,002. In connection with the second closing, the Company paid a cash $18,650 finder's fees.

See note 8 – *Deferred Premium on Flow-Through Shares*.

10. Warrants

From time to time, the Company issues warrants as a component of equity financings. The Company assigns a fair value to the warrants using a Black-Scholes option pricing model, as at the date of issuance. As warrants are exercised, the fair value is transferred to share capital. Should warrants expire unexercised, the fair value is transferred as a component of contributed surplus in shareholders' equity.

(i) On April 6, 2021, 300,000 warrants, with an exercise price of $0.15, were exercised for 300,000 common shares, for proceeds of $45,000. To induce the exercise of these warrants, the Company granted an additional 300,000 warrants entitling the holder to purchase one common share at a price of $0.25 for a period of 60 months from the date of issue. A value of $28,265 was assigned to these bonus warrants.

(ii) On June 21, 2021, the Company issued 4,686,664 warrants and 123,439 finders' warrants pursuant to the June Offering. Each warrant entitles the holder to purchase one common share at a price of $0.25 for a period of 48 months from the date of the issue, subject to an acceleration clause whereby the Company may force the exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

The following table summarizes the assumptions used in items (i) and (ii):

Issue date	April 6, 2021	June 25, 2021
Fair value, warrants	$28,265	$242,958
Fair value, finders' warrants	$—	$6,399
Share price	$0.155	$0.10
Risk-free rate of return	0.70%	0.89%
Annualized volatility	100%	100%
Expected life	5	4
Dividend yield	0%	0%

(iii) On July 20, 2021, the Company closed the second tranche of the June Offering with the issuance of 5,312,333 warrants and 363,066 finders' warrants. Each warrant entitles the holder to purchase one common share at a price of $0.25 for a period of 48 months from the date of the issue, subject to an acceleration clause whereby the Company may force the exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

Expressed in Canadian dollars

10. Warrants, continued

(iv) On August 18, 2021, the Company closed the third and final tranche of the June Offering, with the issuance of 1,101,666 warrants and 48,800 finders' warrants. Each warrant entitles the holder to purchase one common share at a price of $0.25 for a period of 48 months from the date of the issue, subject to an acceleration clause whereby the Company may force the exercise of the warrant any time before the end of the 48-month period if the Champion share price trades over $0.40 per share for 20 consecutive days.

The following table summarizes the assumptions used in items (iii) and (iv):

Issue date	July 20, 2021	August 18, 2021
Fair value, warrants	$274,973	$57,046
Fair value, finders' warrants	$23,183	$3,280
Share price	$0.25	$0.25
Risk-free rate of return	0.70%	0.75%
Annualized volatility	100%	100%
Expected life	4	4
Dividend yield	0%	0%

(v) On May 17, 2022, 1,678,610 warrants with an exercise price of $0.20, expired, unexercised with $49,092 being reclassified from warrant reserve to retained earnings.

(vi) On June 17, 2022, the Company closed the first tranche of the June 2022 Offering. As part of this Offering, the Company issued 10,079,210 warrants and 216,000 finders' warrants. Each warrant entitles the holder to purchase one common share at a price of $0.10 for a period of 48 months from date of the issue.

(vii) On June 30, 2022, the Company closed the second tranche of the June 2022 Offering. In connection with the closing, the Company issued 15,612,500 warrants and 688,000 finders' warrants.

The following table summarizes the assumptions used in the valuation of the warrants itemized in note 10(vi) and (vii) above:

Issue date	June 17, 2022	June 30, 2022
Number of warrants	10,079,210	15,612,500
Fair value, warrants	$147,268	$225,374
Fair value, finders' warrants	$3,070	$9,932
Share price	$0.10	$0.10
Risk-free rate of return	3.24%	3.10%
Annualized volatility	118.04%	115.26%
Expected life	2	2
Dividend yield	0%	0%

Expressed in Canadian dollars

10. Warrants, continued

(viii) On July 29, 2022, 1,883,700 warrants with an exercise price of $0.30 expired, unexercised.

The warrants' fair value of $266,355 was reclassified from warrant reserve to retained earnings.

A summary of warrant activity during the year ended December 31, 2022, is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2020	**39,224,898**	**$0.27**
Issued	11,935,968	0.25
Exercised	(300,000)	(0.15)
Balance, December 31, 2021	**50,860,866**	**$0.27**
Issued	26.595,710	0.10
Expired	(3,562,310)	(0.25)
Balance, December 31, 2022	**73,894,266**	**$0.21**

At December 31, 2022, there are 73,894,266 regular and finders' warrants outstanding, with each warrant entitling the holder to acquire one common share of the Company at the exercise prices noted below:

Number	Fair Value Assigned ($)	Exercise Price	Remaining Contractual Life In Years	Expiry Date
13,705,000	1,293,594	$0.45	0.83	Jul. 29, 2023
500,000	77,800	$0.50	0.97	Sept. 18, 2023
2,438,730	71,311	$0.15	1.63	May 17, 2024
1,631,000	52,192	$0.15	1.69	Jun. 7, 2024
10,295,210	239,268	$0.10	1.72	Jun. 17, 2024
16,300,500	313,467	$0.10	1.75	Jun. 30, 2024
2,397,500	73,405	$0.15	1.91	Aug.27, 2024
6,749,037	220,442	$0.15	2.38	Feb. 14, 2025
1,417,821	45,338	$0.15	2.41	Feb. 26, 2025
6,523,500	214,728	$0.15	2.43	Mar. 6, 2025
4,810,103	249,357	$0.25	2.73	Jun. 24, 2025
5,675,399	298,154	$0.25	2.81	Jul. 20, 2025
1,150,466	60,344	$0.25	2.88	Aug.18, 2025
300,000	28,265	$0.25	3.60	May 7, 2026
73,894,266	**$3,237,665**	**$0.21**		

11. Stock Options and Share-Based Compensation

Champion has a stock option plan which provides for granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. Terms of the options granted are subject to the allocation and approval by the Board of Directors. All options granted are subject to a four-month hold period from the date of grant as required by the CSE.

(i) On March 24, 2021, the Company granted an aggregate of 1,950,000 stock options to directors and consultants. These options vested immediately, have a five-year life, and an exercise price of $0.20. The options were assigned a fair value of $247,260 based a Black-Scholes option pricing model using the following assumptions: share price – $0.175; risk-free rate of return – 0.92%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%.

(ii) On March 31, 2021, 500,000 options with an exercise price of $0.10 expired unexercised with their grant date fair value of $16,000 being reclassified from contributed surplus to deficit.

(iii) On April 26, 2021, the Company granted an aggregate of 600,000 stock options to consultants. These options vested immediately, have a five-year life, and an exercise price of $0.20. The options were assigned a fair value of $81,300 based on a Black-Scholes option pricing model using the following assumptions: share price – $0.185; risk-free rate of return – 0.94%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%.

(iv) On April 19, 2022, the Company granted an aggregate of 1,150,000 stock options to consultants. These options vested immediately, have a five-year life and an exercise price of $0.15. The options were assigned a fair value of $57,194 based on a Black-Scholes option pricing model using the following assumptions: share price – $0.07; risk-free rate of return – 2.7%; annualized volatility – 110.76%; expected life – 5 years; dividend yield – 0%.

(v) On April 19, 2022, a total of 175,000 options with an exercise price of $0.21 were cancelled, with $24,018 being reclassified from contributed surplus to retained earnings.

(vi) On August 23, 2022, a total of 500,000 options with an exercise price of $0.20 were cancelled, with $63,400 being reclassified from contributed surplus to retained earnings.

(vii) On August 24, 2022, the Company granted an aggregate of 3,700,000 stock options to certain directors, officers and consultants. These options vested immediately, have a five-year life and have an exercise price of $0.05. The options were assigned a fair value of $99,794 based on a Black-Scholes option pricing model using the following assumptions: share price – $0.035; risk-free rate of return – 3.27%; annualized volatility – 112.49%; expected life – 5 years; dividend yield – 0%.

Expressed in Canadian dollars

11. Stock Options and Share-Based Compensation, continued

A summary of stock option activity during the year ended December 31, 2022, is as follows:

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, December 31, 2020	**6,200,000**	**$0.15**	**4.02**
Granted	2,550,000	$0.20	4.74
Expired	(500,000)	$(0.10)	—
Balance, December 31, 2021	**8,250,000**	**$0.17**	**4.38**
Granted	4,850,000	$0.15	4.81
Expired/Cancelled	(675,000)	$(0.21)	—
Balance, December 31, 2022	**12,425,000**	**$0.13**	**3.18**

A summary of the issued and outstanding stock options as at December 31, 2022, is as follows:

Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contractual Life – Years	Expiry Date
$0.24	300,000	300,000	0.71	September 17, 2023
$0.10	4,075,000	4,075,000	1.87	November 12, 2024
$0.30	1,300,000	1,300,000	2.59	August 4, 2025
$0.20	1,300,000	1,300,000	3.23	March 24, 2026
$0.20	600,000	600,000	3.32	April 26, 2026
$0.15	1,150,000	1,150,000	4.30	April 19, 2027
$0.05	3,700,000	3,700,000	4.65	August 24, 2027
	12,425,000	**12,425,000**	**3.18**	

12. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

Expressed in Canadian dollars

13. Financial Instruments and Risk Management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values
Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are based on observable market data (unobservable inputs).

As at December 31, 2022 and 2021, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	**December 31, 2022**	December 31, 2021
Financial Assets—amortized cost		
Cash	**$1,082,934**	$14,620
Accounts receivable and prepaid expenses	**180,701**	94,846
Financial Liabilities – amortized cost		
Accounts payable and accrued liabilities	**$282,830**	$622,894
Loans payable	**50,000**	40,000

The fair values of all the Company's financial instruments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates, and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

13. Financial Instruments and Risk Management, continued

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital-intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. The Company also mitigates liquidity risk by maintaining an insurance program to minimize exposure to insurable losses.

Market Risk

Market risk is the risk that changes in interest rates, foreign exchange rates and commodity and equity prices will affect the Company's net earnings or loss or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of the Canadian chartered bank.

Foreign exchange risk

The Company engages in transactions and activities in currencies other than its reported currency. The Company's exploration activities are in the United States of America. Ongoing exploration expenses, assets and liabilities are exposed to foreign exchange fluctuations. The Company's exploration expenses are primarily transacted in US dollars.

Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

Expressed in Canadian dollars

14. Related Party Transactions and Key Management Compensation

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The following is a summary of the Company's related party transactions for the year ended December 31, 2022 and 2021:

a) Related party transactions

i) Since November 2021, the Company has retained Grove Corporate Services Ltd. ("Grove") to provide certain professional services to the Company including those provided by the CFO, Corporate Secretary and those provided for investor relations (the "Services"). During the year ended December 31, 2022, Grove billed the Company a total of $228,742 (2021-$63,750). Included in the accounts payable at the year-end, is a balance owing to Grove of $10,332 (2021-$26,696) for unpaid services. This amount is unsecured, non-interest bearing and due on demand.

ii) See note 7 – Loans Payable.

b) Key Management Compensation

i) During the year ended December 31, 2022, the Company remunerated its Chief Executive Officer ("CEO") $146,667 (2021 - $120,000);
ii) During the year ended December 31, 2022, the Company remunerated its former CFO $nil (2021 - $75,000);
iii) Directors and Grove are eligible for stock option grants. During the year ended December 31, 2022, the Company granted an aggregate of 3,900,000 (2021 – 600,000) stock options to certain directors and Grove. See note 11 – *Stock Options and Share-Based Compensation*.

Compensation of key management personnel and directors for the years ended December 31, 2022 and 2021 was as follows:

	2022	2021
Wages	**$146,667**	$195,000
Corporate services	**228,742**	63,750
Share-based compensation	**114,294**	89,630
	$489,703	$348,380

15. Loss Per Share

The calculation of basic loss per share for the year ended December 31, 2022, and 2021 was based on total loss attributable to common shareholders of $2,675,795 (2021 - $4,731,957, respectively), and a weighted average number of common shares outstanding of 126,783,550 and 98,692,776 respectively. Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

16. Commitments and Contingencies

Environment

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

Expressed in Canadian dollars

16. Commitments and Contingencies, continued

The Company periodically evaluates its obligations under environmental regulations and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through commitments

Pursuant to the December 2022 FT private placement, the flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures ("CEE") incurred on the Company's mineral properties to flow-through participants. By December 31, 2023, the Company is required to incur $686,787 (the "Commitment") of CEE to satisfy its obligation to the flow-through share subscribers therein. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed could result in the denial of renunciation. Accordingly, the Company has indemnified the subscribers against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting the Commitment.

17. Right of Use Asset and Lease Liability

On May 31, 2018, the Company entered into a lease agreement for office space in Ontario, Canada. The monthly rent payable under the terms of the lease was $812 for June 1, 2018, to May 31, 2019, and $830 for June 1, 2019, to May 31, 2022. The term of the lease was a fixed term of four years commencing June 1, 2018. The Company used a discount rate of 15% in determining the present value of the lease payments. At July 1, 2021, the lease was terminated.

18. Income Taxes

a) Provision for Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (December 31, 2021 – 26.5%) to the effective tax rate is as follows:

	2022 **$**	**2021** **$**
Loss before income taxes	**(2,675,795)**	(4,731,957)
Expected income tax recovery based on the statutory rate	**(709,000)**	(1,254,000)
Adjustment to expected income tax benefit:		
Share-based Compensation	**42,000**	87,000
Non-deductible expenses and other	**84,000**	823,000
Change in benefit of tax assets not recognized	**583,000**	344,000
Deferred income tax (recovery)	**–**	–

Expressed in Canadian dollars

18. Income Taxes, continued

b) Deferred Income Taxes

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities:

	2022 $	2021 $
<u>Unrecognized deferred tax assets</u> Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	**5,779,000**	5,804,000
Share issue costs	**617,000**	713,000
Mineral property costs	**556,000**	–
Total	**6,952,000**	6,517,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits. The non-capital losses expire as follows:

Year	Amount
2030	70,000
2031	230,000
2032	201,000
2033	98,000
2034	148,000
2035	–
2036	51,000
2037	65,000
2038	32,000
2039	489,000
2040	1,320,000
2041	1,435,000
2042	199,000
Total	**$4,139,000**

19. Subsequent Events

(i) On January 18, 2023, a total of 247,372 common shares were issued to contractors as compensation for services rendered. A value of $14,842 was assigned to these shares using market value.

(ii) On January 20, 2023, the Company granted an aggregate of 4,200,000 stock options to directors and consultants. These options vested immediately, have a five-year life and an exercise price of $0.08.

(iii) On January 25, 2023, the Company signed Binding Letters of Intent to acquire prospective properties in the Eeyou Istchee James Bay territory of Quebec. As part of the LOIs, Idaho Champion will acquire additional 235 claims for cash consideration of $70,000, 7,500,000 common shares of the Company, and 250,000 warrants priced at CAD$0.15 for two years from the date of signing of the Definitive Purchase and Sale Agreement and claims transfer. The Vendors will retain a 2% net smelter royalty ("NSR"). The Company has the option to repurchase 1% of the NSR from the Vendors for $1 million. Subject to closing, the Company will issue 445,000 common shares of the Company for finder's fees.

(iv) On February 17, 2023, the Company paid $25,000 cash and issued 2,000,000 common shares and 125,000 common shares for finders' fees as consideration for 50 claims in the Company's James Bay claims portfolio.

(v) On February 27, 2023, the Company completed a private placement (the "January Offering") with the issuance of 15,500,000 common shares, for gross proceeds of $1,240,000.

(vi) On March 2, 2023, the Company signed a Binding Letter of Intent to acquire additional 256 claims located in the Eeyou Istchee James Bay territory of Quebec. The newly acquired claims are directly adjacent and north of the Company's existing property package. As part of the LOI, Idaho Champion will acquire 266 claims for cash consideration of $70,000, 3,500,000 common shares of the Company, and 1,500,000 warrants priced at CAD$0.15 for two years from the date of signing of the Definitive Purchase and Sale Agreement and claims transfer. An additional 500,000 common shares will be issued as a "bonus" if/when lithium spodumene is discovered within 5 km of three claims boundaries that are part of the transaction. Additionally, the Vendors will retain a 2% NSR. The Company has the option to repurchase 1% of the NSR from the Vendors for $1 million.

(vii) On March 3, 2023, the Company issued 2,000,000 common shares and 100,000 common shares for finders' fees as consideration for 29 claims in the Company's James Bay claims portfolio.

(viii) On March 14, 2023, 100,000 warrants were exercised for 100,000 common shares, for proceeds of $10,000.