



IDAHO CHAMPION GOLD MINES CANADA INC.

Three months Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)



IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

Expressed in Canadian dollars.

As at	Note	March 31, 2023	December 31, 2022
Assets			
Current assets			
Cash		\$1,761,471	\$1,082,934
Accounts receivables and prepaids		271,622	180,701
Total current assets		2,033,093	1,263,635
Long-term prepaid		1,667	4,167
Total assets		\$2,034,760	\$1,267,802
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$209,115	\$282,830
Loans payable	7	50,000	50,000
Flow-through share premium liability		83,848	88,273
Total liabilities		342,963	421,103
Shareholders' Equity			
Share capital	9	\$19,589,979	\$17,856,875
Warrants	10	3,064,651	3,066,574
Contributed surplus	11	1,349,648	1,162,945
Accumulated deficit		(22,312,481)	(21,239,695)
Total equity		1,691,797	846,699
Total liabilities and equity		\$2,034,760	\$1,267,802

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On behalf of the Board,

"Signed"

Jonathan Buick
Director

"Signed"

Bruce Reid
Director

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



IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

Expressed in Canadian dollars.

For the three months ended March 31,	Note	2023	2022
Operating expenses			
Property acquisition costs	6	\$546,460	\$—
Shareholder and investor relations		141,446	77,387
Exploration expenditures	6	54,001	94,811
Management fees		105,387	70,500
Professional and consulting fees		29,665	5,125
General and administrative expenses		12,225	14,264
Amortization expense		—	—
		889,184	262,087
Share-based compensation expense	11	186,703	—
Net loss for the period before the under-noted items:		\$1,075,887	\$262,087
Gain on flow-through premium		(4,425)	—
Foreign exchange (gain) loss		1,412	(6,019)
Interest income		(88)	—
Net loss and comprehensive loss for the period		\$(1,072,786)	\$(256,068)
Net loss per share - basic and diluted	15	\$(0.01)	\$(0.00)
Weighted average number of shares outstanding during the year – basic and diluted		192,120,217	104,907,556

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



IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited)

For the three months ended March 31, 2023, and 2022

Expressed in Canadian dollars.

	Note	Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance - December 31, 2021		104,774,126	\$14,331,252	\$3,000,377	\$777,928	\$(18,651,318)	\$(541,761)
Shares issued for services		166,788	10,416	—	—	—	10,416
Net loss for the period		—	—	—	—	(256,068)	(256,068)
Balance - March 31, 2022		104,940,914	\$14,341,668	\$3,000,377	\$777,928	\$(18,907,386)	\$(787,413)
Shares issued for property purchase	6,9	50,000	2,500	—	—	—	2,500
Shares issued for private placements	9	50,491,710	2,155,944	368,642	—	—	2,524,586
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	397,660	21,008	—	—	—	21,008
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 period		—	—	—	—	(2,419,727)	(2,419,727)
Balance - December 31, 2022		184,801,051	\$17,856,875	\$3,066,574	\$1,162,945	\$(21,239,695)	\$846,699
Shares issued for property purchase	6,9	4,225,000	496,000	-	-	-	496,000
Shares issued for private placements	9	15,500,000	1,240,000	-	-	-	1,240,000
Shares issued for finders' fees	9	-	(26,000)	-	-	-	(26,000)
Shares issued for services	9	247,372	11,181	-	-	-	11,181
Warrants exercised	10	100,000	11,923	(1,923)	-	-	10,000
Share-based compensation	11	-	-	-	186,703	-	186,703
Net loss for the period		-	-	-	-	(1,072,786)	(1,072,786)
Balance - March 31, 2023		204,873,423	\$19,589,979	\$3,064,651	\$1,349,648	\$(22,312,481)	\$1,691,797

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



IDAHO CHAMPION GOLD MINES CANADA INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

Expressed in Canadian dollars.

For the three months ended March 31,	Note	2023	2022
OPERATING ACTIVITIES			
Net loss for the period		\$(1,072,786)	\$(256,068)
Adjustments to non-cash items:			
Shares issued for properties		470,000	—
Share-based compensation expense	10	186,703	—
Shares issued for services		11,181	10,416
Gain on share premium		(4,425)	—
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		(90,921)	6,542
Accounts payable and accrued liabilities		(73,715)	179,908
Long-term prepaid expenses		2,500	2,500
		\$(571,463)	\$(56,702)
FINANCING ACTIVITIES			
Private placement proceeds	9	1,240,000	—
Shares issued for the exercise of warrants	10	10,000	—
Loans payable	8	—	50,000
		\$1,250,000	\$50,000
Net increase (decrease) in cash		\$678,537	\$(6,702)
Cash, beginning of period		1,082,934	14,620
Cash, end of period		\$1,761,471	\$7,918

Supplemental cash flow information:

Finders' fee shares issued	\$(26,000)	\$—
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The accompanying notes are an integral part of these condensed interim consolidated financial statements.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

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 condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022 (“Interim Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern that assumes the realization of assets and discharge of liabilities in the normal course of business. Accordingly, they do not give effect to adjustments 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; such adjustments could be material.

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to the commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. For these reasons, there may exist material uncertainties that cast significant doubt on the ability of the Corporation to continue as a going concern.

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. These Interim Financial Statements, for the three months ended March 31, 2023 and 2022 were authorized for issue in accordance with a resolution of the directors dated May 29, 2023.

2. Basis of Presentation

a) Statement of compliance

These Interim Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standards 34 (“IAS 34”) ‘Interim Financial Reporting’ using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Except as noted below, the accounting policies followed by these Interim Financial Statements were applied on a consistent basis as those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022 (“Annual Financial Statements”) and should be read in conjunction with those statements.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

2. Basis of Presentation, continued

b) Basis of Measurement

These Interim Financial Statements were prepared on a going concern basis, under the historical cost convention.

Measurement Uncertainty

The preparation of these Interim Financial Statements in conformity with IFRS requires Management to make judgments, estimates, and assumptions that affect the application of the accounting policies to the 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.

3. Summary of Significant Accounting Policies

a) Basis of Consolidation

These Interim Financial Statements include the accounts of Champion and its wholly owned subsidiaries, Idaho Champion Gold Mines Ltd., Energy IQ Quebec 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 Interim 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 relates 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.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

4. Critical Judgments and Accounting Estimates

Significant Accounting Judgments

The critical judgments that 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 Annual 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.

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 Interim Financial Statements of the Company.

6. Exploration Projects/Mining Interests

James Bay, Quebec Projects

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 ("James Bay Area"). 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.

On February 23, 2023 (the "First Date of Acquisition"), the Company completed the acquisition of 50 additional claims in the James Bay Area. Consideration for the lithium-based claims included: a) the issuance of 2,000,000 common shares of the Company valued at \$200,000 based on the trading price of the common shares at the First Date of Acquisition, and b) a cash payment of \$25,000 split amongst four vendors. In connection with this acquisition, the Company issued 125,000 common shares valued at \$12,500 as a finders' fee. The Vendors will retain a 2% NSR on the claims and the Company has the option to repurchase 1% of the NSR for \$1,000,000. If/when lithium spodumene is discovered anywhere within the boundaries of the 50 claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

On March 2, 2023, the Company announced signing a letter of intent to acquire 256 claims for cash consideration of \$70,000 (\$25,000 were paid on March 20, 2023) On the date of closing, the Company will issue 3,000,000 common shares and 1,500,000 common share purchase 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 5km of three claims boundaries that are part of the transaction.



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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

6. Exploration Projects/Mining Interests, continued

On March 3, 2023, (the “Second Date of Acquisition”), the Company completed the acquisition of 29 additional claims in the James Bay Area. Consideration for the lithium-based claims included: a) the issuance of 2,000,000 common shares of the Company valued at \$270,000 based on the trading price of the common shares at the Second Date of Acquisition. In connection with this acquisition, the Company issued 100,000 common shares valued at \$ 13,500 as a finders’ fee. The Vendors will retain a 2% NSR on the claims and the Company has the option to repurchase 1% of the NSR for \$1,000,000. If/when lithium spodumene is discovered anywhere within the boundaries of the 29 claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

Champagne Project

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.

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.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

6. Exploration Projects/Mining Interests, continued

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.

Idaho Cobalt (Idaho)

The Company owns 100% of the Idaho Cobalt property through its subsidiary Idaho Champion Cobalt USA Inc.

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 three months ended March 31, 2023, the Company incurred \$626,461 (2022 - \$94,811) of exploration and evaluation expenditures for the Company's active projects:

	Dec. 31, 2021	Additions	Dec. 31, 2022	Additions	Mar. 31, 2023
Acquisition - Cobalt	\$1,232,793	\$—	\$1,232,793	\$—	\$1,232,793
Acquisition – Baner	686,888	—	686,888	—	686,888
Acquisition – Blanche & Charles	—	640,000	640,000	—	640,000
Acquisition – Champagne	320,615	19,436	340,051	—	340,051
Acquisition – Other Lithium	—	—	—	546,460	546,460
Acquisition – Sally	156,323	—	156,323	—	156,323
Acquisition – Data	127,032	—	127,032	—	127,032
Exploration – Champagne	5,570,810	268,541	5,839,351	11,163	5,850,514
Exploration – Baner	4,681,577	46,097	4,727,674	—	4,727,674
Exploration – Blanche & Charles	—	441,284	441,284	34,424	475,708
Exploration – Cobalt	298,138	142,564	440,702	8,414	449,116
Exploration – Nudulama	5,139	—	5,139	—	5,139
	\$13,079,315	\$1,557,922	\$14,637,237	\$600,461	\$15,237,698



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

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.

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 three months ended March 31, 2023, a total of \$34,424 was expended on eligible Canadian Exploration Expenses (“CEE”), which resulted in a total of \$4,425 being derecognized as flow-through share premium (For the year ended December 31 2022, the Company expended \$430,000 CEE, which resulted in a total of \$55,268 being derecognized as flow-through share premium).

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
Flow-through share premium derecognized	(4,425)
Balance, March 31, 2023	\$(83,848)

9. Share Capital

The Company is authorized to issue an unlimited number of common shares. At March 31, 2023, there are 204,873,423 (At December 31, 2022 – 184,801,051) common shares issued and outstanding:

- (i) 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.
- (ii) 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.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

9. Share Capital, continued

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

(xi) 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 \$37,189 cash finder's fees.

(xii) 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.

(xiii) On January 18, 2023, 247,372 common shares were issued to contractors as compensation for services rendered. A value of \$11,181 was assigned to these shares using market value.



IDAHO CHAMPION GOLD MINES CANADA INC.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2023 and 2022

Expressed in Canadian dollars.

9. Share Capital, continued

(xiv) On February 22, 2023, the Company acquired certain Lithium claims from Explorations Carat Inc, for \$25,000 cash and the issuance of 2,000,000 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 125,000 common shares for finder's fees. If/when lithium spodumene is discovered anywhere within the boundaries of the new claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

(xv) On February 27, 2023, the Company closed a private placement offering with the issuance of 15,500,000 common shares, for gross proceeds of \$1,240,000. This Offering was subscribed for by Mr. Gabriel Pindar, a newly appointed Director.

(xvi) On March 3, 2023, the Company acquired certain Lithium claims for the issuance of 2,000,000 common shares. The common 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 100,000 common shares for finder's fees. If/when lithium spodumene is discovered anywhere within the boundaries of the new claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

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' deficiency.

- (i) On March 14, 2023, a total of 100,000 warrants were exercised for gross proceeds of \$10,000.
- (ii) A summary of warrant activity during the three months ended March 31, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	50,860,866	\$0.27
Issued	26,595,710	0.10
Exercised	(3,562,310)	(0.25)
Balance, December 31, 2022 and March 31, 2023	73,894,266	\$0.21
Exercised	(100,000)	(0.10)
Balance, March 31, 2023	73,794,266	\$0.21



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10. Warrants, continued

- (iii) At March 31, 2023, there are 73,794,266 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	0.33	Jul. 29, 2023
500,000	77,800	\$0.50	0.47	Sept. 18, 2023
2,438,730	71,311	\$0.15	1.13	May 17, 2024
1,631,000	52,192	\$0.15	1.19	Jun. 7, 2024
10,295,210	239,268	\$0.10	1.22	Jun. 17, 2024
16,200,500	298,313	\$0.10	1.25	Jun. 30, 2024
2,397,500	73,405	\$0.15	1.41	Aug. 27, 2024
6,749,037	220,442	\$0.15	1.88	Feb. 14, 2025
1,417,821	45,338	\$0.15	1.91	Feb. 26, 2025
6,523,500	214,728	\$0.15	1.93	Mar. 6, 2025
4,810,103	249,357	\$0.25	2.24	Jun. 24, 2025
5,675,399	298,154	\$0.25	2.31	Jul. 20, 2025
1,150,466	60,344	\$0.25	2.39	Aug. 18, 2025
300,000	28,265	\$0.25	3.10	May 7, 2026
73,794,266	\$3,235,742	\$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 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%.

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

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



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11. Stock Options and Share-Based Compensation, continued

(iv) On August 24, 2022, the Company granted an aggregate of 3,700,000 stock options to certain directors, officers, and consultants. These five-year options vested immediately, 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 – 2.80%; annualized volatility – 112.49%; and dividend yield – 0%.

(v) On January 18, 2023, the Company granted an aggregate of 4,200,000 stock options to certain directors, officers, and consultants. These five-year options vested immediately and have an exercise price of \$0.08. The options were assigned a fair value of \$186,703 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.055; risk-free rate of return – 3.27%; annualized volatility – 122.49%; an dividend yield – 0%.

(vi) A summary of stock option activity during the three months period ended March 31, 2023, is as follows:

	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)
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
Granted	4,200,000	\$0.08	4.81
Balance, March 31, 2023	16,625,000	\$0.12	3.41

(vii) A summary of the issued and outstanding stock options as at March 31, 2023, 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	0.47	September 17, 2023
\$0.10	4,075,000	4,075,000	1.62	November 12, 2024
\$0.30	1,300,000	1,300,000	2.35	August 4, 2025
\$0.20	1,300,000	1,300,000	2.98	March 24, 2026
\$0.20	600,000	600,000	3.07	April 26, 2026
\$0.15	1,150,000	1,150,000	4.05	April 19, 2027
\$0.05	3,700,000	3,700,000	4.40	August 24, 2027
\$0.08	4,200,000	4,200,000	4.81	January 18, 2028
	16,625,000	16,625,000	3.41	



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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.

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).



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13. Financial Instruments and Risk Management, continued

As at March 31, 2023 and 2022, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	March 31, 2023	December 31, 2021
Financial Assets—amortized cost		
Cash	\$1,761,471	\$1,082,934
Accounts receivable and prepaid expenses	271,622	180,701
Financial Liabilities – amortized cost		
Accounts payable and accrued liabilities	\$209,115	\$282,830
Loans payable	50,000	50,000

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.

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. At March 31, 2023, the Company had \$1,761,471 in cash to settle \$342,963 of current liabilities (At December 31, 2022 - \$1,082,934 of cash to settle \$421,103 of current liabilities). Accordingly Management considers its liquidity risk to be low.

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.



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13. Financial Instruments and Risk Management, continued

Foreign exchange risk

The Company does engage in transactions and activities in currencies other than its reported currency as a portion of its exploration activities are carried out in the USA. Accordingly, expenses, assets and liabilities in the USA result in the Company being exposed to foreign exchange fluctuations. The Company does not have a hedging policy and attempts to mitigate foreign exchange risk by buying US dollars at optimal exchange rates when possible.

Commodity and equity risk

The Company may be exposed to price risk in the future, with respect to commodity and equity prices. 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 battery metals. There is no assurance that, even if commercial quantities of battery metals are produced in the future, a profitable market will exist for them.

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).

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, administration, and those provided for investor relations (the "Services"). During the three months ended March 31, 2023, Grove billed the Company a total of \$65,564 (2022 - \$72,461) and included in accounts payable at March 31, 2023, is \$4,269 (2022 - \$72,461) owed to Grove for unpaid Services. The amount is unsecured, non-interest bearing and, due on demand.

b) Key Management Compensation

(ii) During the three months ended March 31, 2023, the Company remunerated its Chief Executive Officer ("CEO") \$60,000 (2022 - \$30,000); the 2023 wages include a performance bonus awarded by the Board of Directors for 2022.

Directors are eligible for stock option grants. During the three months ended March 31, 2023, the Company granted an aggregate of 3,000,000 (2022 – nil) stock options to certain directors. See note 11 – *Stock Options and Share-Based Compensation*.

Key Management Compensation for the three months ended March 31, 2023 and 2022 is follows:

Three months ended March 31,	2023	2022
Wages (i)	\$60,000	\$30,000
Corporate services (ii)	40,500	40,500
Share-based compensation	133,358	—
	\$233,858	\$70,500



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15. Loss Per Share

The calculation of basic loss per share for the three months ended March 31, 2023, and 2022 was based on total loss attributable to common shareholders of \$1,072,786 (2022 - \$256,068), and a weighted average number of common shares outstanding of 192,120,217 (2022 – 104,907,556 respectively).

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. 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 placements, the flow-through agreements require the Company to renounce certain tax deductions for CEE incurred on the Company's mineral properties to flow-through subscribers. By December 31, 2023, the Company is required to incur \$652,363 (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. Subsequent Events

- (i) On April 14, 2023, the Company signed a definitive letter of intent to acquire 134 claims in the James Bay Area for cash consideration of \$100,000 (\$25,000 was paid on May 4, 2023). On the date of closing, the Company will issue 6,000,000 common shares and 3,000,000 common share purchase warrants priced at \$0.20 for two years from the date of signing of the Definitive Purchase and Sale Agreement and claims transfer. A total of 300,000 common shares will be issued for finder's fees.
- (ii) On May 11, 2023, the Company granted a total of 2,000,000 five-year stock options to a director. The options vested immediately and have an exercise price of \$0.13.
- (iii) On May 12, 2023, the Company closed a private placement financing. A newly appointed director subscribed for 7,692,308 common shares for gross proceeds of C\$1,000,000.
- (iv) On May 14, 2023, the Company signed a definitive letter of intent to acquire 55 claims in the James Bay Area. On the date of closing, the Company will issue 1,700,000 common shares as consideration for the claims and a total of 85,000 common shares will be issued for finder's fees.
- (v) On May 18, 2023, the Company announced that the Company was seeking up to \$4,000,000 pursuant to a private placement of up to 20,000,000 flow-through shares, at \$0.20 per FT share.
- (vi) On May 23, 2023, the Company acquired additional claims in the James Bay Area. Consideration for the claims included the issuance of 3,000,000 common shares and a total of 175,000 common shares were issued for finders' fees.



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17. Subsequent Events, continued

- (vii) On May 26, 2023, the Company acquired additional claims in the James Bay Area. Consideration for the claims included the issuance of 700,000 common shares. 45,000 common shares were issued for finders' fees and a total of 250,000 common share purchase warrants were also issued in connection with the acquisition. The two-year warrants have an exercise price of \$0.15. If/when lithium spodumene is discovered anywhere within the boundaries of the new claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

- (viii) Effective May 29, 2023, the Company has changed its name to [Champion Electric Metals Inc.](#) A resolution to make this change was passed by the Champion shareholders at the Company's Annual General and Special Meeting held virtually on May 18, 2023. The stock trading symbol on the Canadian Securities Exchange has also been changed from "ITKO" to "LTHM".