



**IDAHO CHAMPION GOLD MINES CANADA INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the Three Months Ended March 31, 2023**

## IDAHO CHAMPION GOLD MINES CANADA INC.

### Management Discussion & Analysis – Three months ended March 31, 2023

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The following Management Discussion & Analysis (“MD&A”) of the results of operations and financial condition of Idaho Champion Gold Mines Canada Inc. (“**Champion**” or the “**Company**”) prepared as of May 30, 2023, consolidates management’s (“Management”) review of the factors that affected the Company’s financial and operating performance for the three months ended March 31, 2023, and factors reasonably expected to impact future operations and results. This MD&A is intended to supplement and complement the Company’s unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023, and the notes related thereto (the “Interim Financial Statements”) and the annual audited consolidated financial statements for the year ended December 31, 2022, and the notes related thereto (the “Annual Financial Statements”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Interim Financial Statements, as well as additional information, are available at [www.sedar.com](http://www.sedar.com). All amounts disclosed are in Canadian dollars, unless otherwise stated.

#### COMPANY OVERVIEW

Champion was incorporated under the laws of the Province of Ontario on June 16, 2016. The Company is engaged in the acquisition, exploration and evaluation of natural resources in Quebec, Canada, and in the State of Idaho, United States of America (“USA”). The address of the registered office is Suite 2704, 401 Bay Street, Toronto, Ontario, M5H 2Y4.

The Company notes that although the exploration of its current projects is prospective, mineral exploration in general, is uncertain. As a result, the Company believes that by acquiring additional mineral properties, it is able to better minimize overall exploration risk. Risk factors to be considered in connection with the Company’s search for, and acquisition of, additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental risks; risks associated with land title; the competition faced by the Company; and the potential failure of the Company to generate adequate funding for any such acquisitions. Refer to the “*Risks and Uncertainties*” section for additional information.

The Company’s mineral exploration efforts have not resulted in any commercial production and, accordingly, the Company is dependent upon debt and/or equity financings, the accommodation of service providers and creditors, and the optioning and/or sale of resource or resource-related assets for its funding.

#### STRATEGY AND OBJECTIVES FOR 2023

- ✓ Secure additional funding for Champion through private placements, joint venture agreements, or other financing activities; and
- ✓ Utilize the funds raised to advance exploration on the Company’s Quebec and Idaho properties.

##### Quebec - Lithium

- Complete desktop review and compilation of regional and historical data
- Implement Phase 2 fieldwork in the spring, comprised of an airborne electromagnetic survey, LIDAR, sampling, and mapping across the whole property and
- Design and implement a summer exploration program

##### Idaho – Cobalt

- Implement Phase 2 fieldwork in the spring, comprised of sampling, mapping, stream sediment survey

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#### TECHNICAL

- In December 2022 and January 2023, the Company's geology team completed a sampling program on the known exposed pegmatites on both the Blanches and Charles Projects. The team delivered twenty-one (21) rock samples to ALS in Val d'Or for multielement analyses. resolution. See Section – Projects Profile.
- Work to date has advanced Champion's understanding of the regional geology and structural interpretation of both projects and the technical team has begun formulating a second phase program;
- In January 2023, the Company signed binding Letters of Intent (LOIs) for a total of 235 claims in the James Bay Territory in Quebec, for a total of \$70,000 cash and the issuance of 7,500,000 common shares and 250,000 two-year warrants priced at \$0.15;
- In February 2023, the Company paid \$25,000 cash and issued 2,000,000 common shares and 125,000 common shares for finders' fees for the acquisition of 50 claims in the James Bay Area;
- In March 2023, the Company issued 2,000,000 common shares and 100,000 common shares for finders' fees for the acquisition of an additional 29 claims;
- In March 2023 the Company signed another binding LOI to acquire 256 claims also in the James Bay Area. Consideration for the claims includes \$70,000 cash, 3,500,000 common shares and 1,500,000 two-year warrants priced at \$0.15;
- On March 23, 2023, the Company announced the results of the recent work program on the Company's cobalt properties; and
- On May 26, 2023, the Company acquired additional James Bay Area claims with the issuance of 700,000 common shares and 250,000 two-year common share purchase warrants with an exercise price of \$0.15.
- During Q1 the Company spent \$34,424 on CEE at the Charles and Blanche projects in preparation for the planned Spring program.

#### CORPORATE

- **December Offering** – On December 21, 2022, the Company closed the first tranche of the private placement offering and issued 10,625,500 Québec Flow-Through ("QFT") shares for gross proceeds of **\$743,785**. In connection with the December Offering, the Company paid \$37,189 finder's fees. On December 23, 2022, the Company closed the second and final tranche of this Offering with the issuance of 3,728,600 QFT shares and 1,866,667 flow-through ("FT") shares, for aggregate proceeds of **\$373,002**. In connection with the final tranche, the Company paid \$18,650 of finder's fees.
- In February 2023, the Company announced the appointment of former Neo Lithium co-founder and Chief Operating Officer, Gabriel Pindar, to the Board of Directors. Gabriel has over 25 years of experience as a senior project executive in the development of mining, gas, and large-scale infrastructure projects in Canada (including Quebec), Argentina, Peru, Mexico, Australia, Guinea, Liberia, and United Kingdom. At the same time, Mr. Greg Schifrin resigned from his position as director. The Board of Directors thanks Greg for his long service to Champion. Mr Pindar was granted 2,150,000 five-year stock options with an exercise price of \$0.13, a 30% premium over market price.
- **February Offering** – On February 23, 2023, Champion completed a private placement offering for total proceeds of **\$1,240,000** with the issuance of 15,500,000 common shares priced at \$0.08 per share. Two directors of the Company participated in the placement;
- On March 14, 2023, 100,000 warrants were exercised for 100,000 common shares, for proceeds of \$10,000;
- in April and May 2023 the Company acquired additional claims in the James Bay Area – see Subsequent Events;
- **May Offering** - On May 12, 2023, the Company closed a non-brokered private placement financing; a director subscribed for 7,692,308 common shares for gross proceeds of \$1,000,000.
- Effective May 29, 2023, the Company changed its name to **Champion Electric Metals Inc.** The stock trading symbol on the Canadian Securities Exchange has also been changed from "ITKO" to

"LTHM".

## **PROJECTS PROFILE**

### **Cobalt Properties - Idaho, USA**

#### **Twin Peaks Project (TP & Badger Claims)**

##### Location, Access, & Climate

The Twin Peaks Project is situated in Lemhi County and consists of 341 unpatented mining claims and is comprised of 2,761 hectares (6,820 acres) and includes the historic Twin Peaks Copper Mine. It is located approximately 3 kilometres from Electra Battery Metals' advanced exploration stage Iron Creek Project and approximately 17.9 miles south-southwest of the city of Salmon.

The property lies between 5,500 feet, at the mouth of Badger Creek, and 6,700 feet elevation, in the northwest. The claims cover the south-facing, sagebrush-covered eastern slopes of Degan Mountain. The climate is typified by hot summers and cool to cold winters. Snowfall provides most of the 12 inches of precipitation received by the basin. Several of the small springs on the flank of Degan Mountain keep Badger Creek flowing year-round. The surface exploration season extends from March through November.

**Recent Activity** – In the Fall of 2022, the Company carried out a reconnaissance mapping and sampling program at the Company's Twin Peaks cobalt project located in the heart of the Idaho Cobalt Belt (the "2022 Fall Program").

On March 23, 2023, the Company reported on the significant rock sample program results of the 2022 Fall Program: this reconnaissance program represented the initial exploration work in some of the remote areas of the large property package, focused on historical mine sites and outcrop of metasedimentary rocks, such as argillite and siltite. The team collected 19 samples and visited several historical workings while assessing significant areas of outcrop wherever encountered. Most of the mineralized samples reported came from sampling of historical mine dumps. The initial work identified vein and structurally controlled mineralization that was the likely host of the historical mining, but the Company also recognized multiple directions of veining and faulting extending away from the historical mines that warrant additional work later in 2023.

- See Press Release dated March 23, 2023.

#### **Victory Project (DUP Claims)**

##### Location, Access, & Climate

The Victory project consists of 201 DUP unpatented lode mining claims located in east-central Idaho, approximately 25.8 miles west of the town of Salmon. The property covers 1,627 hectares (4,020 acres). The claim block is within the Salmon-Cobalt Ranger District of the Salmon-Challis National Forest lands under surface use administration by the United States Forest Service (USFS).

The Victory project is situated in east-central Idaho, approximately 25.8 miles west of the city of Salmon. This city has a population of 3,000 people and is the county seat for Lemhi County. It is a center for most of the transportation, ranching, logging and mining industry in this area. It also has a small airport, with daily air service to Boise, the capital of the State of Idaho. The nearest railhead is located at Dubois, some 100 miles to the southeast.

#### **Fairway Project (SC Claims)**

The SC Claims are located one km north of Jervois' Blackpine copper-cobalt Project. The SC Project is host to stratiform sulphide mineralization found in massive sections, which typically contains pyrite and chalcopyrite.

##### Location, Access, & Climate

The Fairway project consists of 10 SC unpatented mining claims totaling 81 hectares (200 acres) situated in

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Lemhi County, approximately 17 miles west of the city of Salmon.

The property lies between 6,400- and 7,680-foot elevation, above sea level. The climate is typified by warm summers and cool to cold winters. The surface exploration season extends from March through November.

#### **Ulysses Project – (IP and GS Claims)**

The IP and GS Claims are 2 km north of the Ulysses Mine, a historical gold/silver producer located in the Yellowjacket Formation, which is associated with Cobalt mineralization in the region. Two cobalt occurrences have already been identified south of the Ulysses Project, which attest to the prospective nature of this area. The Yellowjacket Formation in this area is located outside of the prolific “Idaho Cobalt Belt” but is interpreted to have similar geological potential to host cobalt-copper-gold mineralization.

#### Location, Access, & Climate

The Ulysses project consists of 70 IP and GS unpatented lode mining claims located in east-central Idaho, approximately 30 road miles northwest of the town of Salmon. The claim block is within the Salmon-Cobalt Ranger District of the Salmon-Challis National Forest lands under surface-use administration by the United States Forest Service (USFS).

The IP and GS claims were staked over an area of extensive drill roads that were drilled by Teck.

#### **James Bay Lithium Projects – Quebec Canada**

On November 11, 2022, the Company completed the acquisition of a 100% interest in two prospective lithium pegmatite projects (the "Projects") in the Eeyou Istchee James Bay territory of Quebec, from Quebec Precious Metals Corporation (“QPM”).

Terms of the acquisition included a cash payment of \$100,000 and the issuance of 12,000,000 common shares of the Company, of which 50% will be subject to escrow for 18 months. QPM has a 2% net smelter return royalty (“NSR”) on claims retained by Champion and the Company has the option to repurchase 1% of the NSR from QPM for \$1,000,000.

#### **Project Description, Location and Access**

The Projects (covering approximately 162 km<sup>2</sup>), include historic findings of pegmatite (see Figure 1) and sit to the north of the Patriot Battery Metals’ (“Patriot”) Corvette project (recently intersected intervals included 1.25% Li<sub>2</sub>O and 118 ppm Ta<sub>2</sub>O<sub>5</sub> over 96m (CV22-035); see Patriot's news release dated July 28, 2022) and also located in close proximity to infrastructure in a developing potential lithium pegmatite district that has shown high prospectivity for lithium mineral resources.

The Projects are at an early stage of exploration, and the Company cautions that the qualified persons have not verified scientific or technical information produced by third parties, and proximity to projects containing lithium resources offers no assurance that the rock types or lithium resources reported by Patriot and others extend onto the Projects and such proximity is not necessarily indicative of the mineralization reported by third parties with projects in the district.

#### **Blanche**

The Blanche project is comprised of 256 claims totaling approximately 130 km<sup>2</sup>. The project lies within a volcano sedimentary belt striking ENE. The Blanche project is mainly composed of a broad east-northeast trending mafic band, interpreted as a metamorphosed basalt hosted within tonalitic rocks and interbedded with narrow sections of magnesian basalt and komatiites, iron formations (silicate and/or oxidized facies) and metasedimentary rocks. Three units of felsic intrusive rocks were observed at Blanche: hornblende tonalite, granite and pegmatite dykes. Tonalite consists of feldspar, quartz and biotite intrusive rocks. In the northwestern part of the project, the rocks are relatively homogenous and medium grained, containing 20 to 30% hornblende, with locally weak foliation. The granite is comprised of medium to coarse grained feldspar, plagioclase, quartz and biotite. It is massive, homogeneous, and mostly non-magnetic. A few pegmatite

dykes have also been identified on the project. So far, they are typically less than two-meters wide and cut the felsic units, but they are also found parallel to the schistosity in the mafic rocks. Pegmatites have almost the same composition as the granites but show a texture ranging from coarse to pegmatitic with the presence of 5 to 7% muscovite. The project is bordered to the south and north by felsic intrusive rocks, which have been described as hornblende-biotite tonalite, and tonalitic gneiss, tonalite, granodiorite and quartz monzogranite in the north. The metamorphic grade ranges from upper greenschist facies to middle amphibolite facies.

#### **Charles**

The Charles project is comprised of 61 claims covering approximately 31 km<sup>2</sup>. Less is known about this project, but the area exhibits variable topography, ranging from slightly to very hilly. Several hills associated with felsic intrusives, and iron formations are present and have been shaped by glaciers that had an ENE-WSW direction. A number of outcrops are exposed. Within the northern and central parts of this project, there is a thick glacial sediment containing boulders of granite and pegmatite.

In 2023, the Company has signed Letters of Intent, Definitive Agreements and complete acquisitions for a claims package comprised of a total of XX of claims measuring XX hectares. See Press Releases issued on April 13, May 26, 2023.

#### **Recent Activity**

On January 19, 2023, the Company reported on the results of its first exploration program on the Company's Charles and Balance prospective lithium pegmatite projects (the "Project Area"). The program included high-resolution magnetic, VLF-electromagnetic, radiometric and LiDAR/imagery airborne surveys covering approximately 2,188 line-kilometres. Additionally, the Company's geology team completed a sampling program on the known exposed pegmatites on the Project Area. On Charles, the team encountered varied rock units, including amphibolite, metasediment, banded iron formation, ultramafic rocks, and pegmatite dykes, whereas the pegmatite encountered on the Blanche project was mainly near or within metamorphosed intrusive rocks. The team delivered twenty-one (21) rock samples to ALS in Val D'Or for multielement analyses. The 2,188 line-kilometre airborne survey was flown at a 50-metre nominal elevation and 100-metre line spacing. The Company was also able to fly the LiDAR and 4-band multispectral imagery at approximately 40 points per square metre to create orthomosaics with 5-centimeter resolution. Interpretation and analysis are now underway on the data sets from the completed program.

Next, a desktop study 'Summary and Interpretation' (the "Study") was undertaken on the above projects and on May 16, 2023, Champion announced the results of the Study which provided the Company's technical team with priority targets for an upcoming field program. The 2022\_2023 field program was completed on the original 161 sq. km property package or now approximately 32% of the Company's total-controlled land holdings; this is now the largest land package in this new lithium pegmatite district at over 500 sq. km of favourable ground. Over 190 known pegmatite outcrops are known to have occurred within the land package, that have never been analyzed for lithium.

Completion of the above-noted work has resulted in the design of a major field program over an expanded Project Area set to begin with mapping and sampling campaign near term and drilling to be completed later in 2023. Targeting was developed based on the combined historical data review and 2022 exploration results. The technical team has identified at least 17 robust priority lithium pegmatite target areas to test and more than 190 pegmatite outcrops waiting to be sampled in an emerging Tier 1 region. The ongoing refinement of the interpretative layers will continue generating potential pegmatite targets for field follow-up, which is scheduled to start in early June. Contracts for all accommodation and necessary logistics are signed and in place, and the technical team is ready to undertake a highly anticipated 4-month-long field mapping and sampling campaign.



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#### Other Lithium Claims

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.

#### See Proposed Transactions and Subsequent Events

### OTHER MINERAL PROJECTS

#### Baner Project – Idaho, USA

The following summary of the Baner Project is derived from an amended technical report titled “NI 43-101 Technical Report on the Baner Project, updated from the August 2018 Report” prepared by Darren W. Lindsay, P.Geo. with an effective date of March 31, 2020, and amended as of July 21, 2020 (the “Baner Technical Report”). The author is a “Qualified Person” for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). The complete Baner Technical Report can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical information in this AIF is subject to the assumptions and qualifications contained in this document and the Baner Technical Report.

#### Project Description, Location and Access

The Baner Project is located in Idaho County, Idaho, approximately 10 km southwest of the town of Elk City via State Highway 14 west from Elk City along the South Fork of the Clearwater River. The site can be reached by forest service roads. The access road is a graded gravel road kept open year-round by the County for Forest Service and fish and game purposes, and for the use of a small number of local residents. Elk City can be accessed by driving from Spokane, Washington or Lewiston, Idaho each of which receives regular daily flights from numerous points of departure.

The Baner Project comprises 215 unpatented lode claims covering approximately 4,520 acres (1,829 ha.), in two parts: (i) the wholly owned, BC Group of claims (BC 1 through BC 206, excluding BC 203 and BC 204), and (ii) the historic Baner property, consisting of 11 claims, held 100% by the Corporation. Maintenance Fees of US\$165 per lode claim are payable annually; all the claim obligations are paid to March 1, 2022. The claims need to be maintained in good standing with both the Bureau of Land Management (“BLM”), the US Forest Service (“USFS”) and Idaho County.

There are no other known significant factors or risks that may affect access, title, or the right to perform work on the property.

**Next Steps** – Management is currently focusing on the Cobalt and Lithium projects.

## **Champagne Project – Idaho, USA**

The following summary of the Champagne Project is derived from an amended technical report entitled “Technical Report on the Champagne Property, Arco, Idaho, U.S.A.” prepared by Mr. Peter Karelse, P. Geo., of PK Geologic Services Ltd. and James Baughman, P. Geo., amended as of July 21, 2020 with an effective date of June 21, 2020 (the “**Champagne Technical Report**”). Each of the authors of the Champagne Technical Report is a “Qualified Person” for the purposes of NI 43-101. The complete Champagne Technical Report can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical information in this AIF is subject to the assumptions and qualifications contained in this document and the Champagne Technical Report.

### **Project Description, Location and Access**

The Champagne Project is located approximately 32 km south-west of the town of Arco in north-central Idaho, United States. The property is approximately centered at latitude 387,000 E and longitude 6,283,000 N and is located approximately 300 km northwest of Idaho’s capital and largest city, Boise. The property is in Township 3 N, Range 24 E, Sections 11, 14 and 15. Interstate highway I20 passes east-west through Arco, and a 24 km county-maintained gravel road leads to the mine area from approximately 8 km west of Arco on I20.

Arco, a farming community with a population of about 1,000, has most industry support services available and a large, talented labour pool resides within commuting distance of the project area.

The claims Spark 1 to 113 composing part of the Champagne Project were acquired in 2018 and are registered with BLM. 173 new claims were added to the Champagne Project in April 2020, named Spark 114 to 312, inclusive, excluding Spark claims 153 to 166, 169 to 178, and 204 to 211. Spark claims 114 to 312 have been filed at the county level in Butte, Idaho but have not to date been filed with BLM and have no IMC (land identification serial number) assigned. The newly added Spark claims were filed in July, 2020 and had an IMC number assigned.

The Champagne Project property also includes five mining claim patents and one mill site patent covering 36 Ha owned by the Corporation, and seven unpatented mining claims owned by the Corporation known as the Reliance group of claims.

The Champagne Project property also includes two claims known as the Blanche claim and the Julliette claim; these claims were located over existing forfeited claims separately acquired by Idaho Champion through Warranty Deed. The claims were restaked and new locations were recorded on July 23, 2020.

The Corporation also has options to explore on five claims known as the Ella group of claims from private individuals (the “Optionors”), with an option to purchase the claims outright. Under the terms of the options agreement, the Corporation must pay the Optionors US\$8,000 on each anniversary date of the lease agreement thereafter for the first 20 years. The Corporation can renew the lease for an additional 20 years upon payment of USD15,000 and the issuance of shares with a market value of USD20,000, on each anniversary date.

The Company has an option to acquire a 100% ownership interest the claims under the agreement by paying the USD amounts below in the corresponding years of the term.

- Years 1 to 10: \$150,000
- Years 11 to 20: \$200,000
- Years 21 to 30: \$250,000
- Years 31 to 40: \$300,000

There are no known back-in rights or royalties associated with the Champagne Project.

Claims are BLM grants and include surface access. Each claim requires payment of a yearly fee of US\$165 to BLM. The total yearly amount paid to the US BLM to retain the claims is US\$51,645. The tax burden for the Champagne patents is US\$25.

The site has been totally reclaimed and the authors of the Champagne Technical Report are not aware of any environmental liabilities associated with the Champagne Project.



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On June 29, 2021, Champion announced the signing of a binding property option agreement which gives the Company the option to acquire 100% interest in new surface and mineral rights on properties within Idaho Champion's Champagne Gold Project. Under the terms of the Agreement, the parties have agreed to a five-year term of the option, during which Champion will pay to the Optionor, total consideration of US\$240,000 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 (Cdn\$12,655) and 50,000 common shares of the Company on the first and second anniversary dates of the Agreement, each of which is an option paid at the sole discretion of the Company;
- Annual payments of US\$10,000 (Cdn\$12,655) and 750,000 common shares of the Company on the third and fourth anniversary dates of the Agreement, each of which is an option 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 (Cdn\$240,450) and 200,000 common shares of the Company.

Upon full execution of the Agreement, Idaho Champion will hold 100% fee simple interest in the property and its mineral rights.

**Next Steps**

Interpretation and analysis are now underway on the data sets from the completed program. Our technical team is encouraged by how the data has come together and the quality of the samples that have been submitted for assay. The results to date have advanced Management's understanding of the regional geology and structural interpretation of both projects. The technical team has begun formulating a second-phase program.

**EXPLORATION EXPENDITURES**

Cumulative project costs incurred to March 31, 2023, are summarized as follows:

|                                 | 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               |
|                                 | <b>\$13,079,315</b> | <b>\$1,557,922</b> | <b>\$14,637,237</b> | <b>\$600,461</b> | <b>\$15,237,698</b> |

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#### RESULTS OF OPERATIONS

Champion reported a net loss of \$1,072,786 in the three months ended March 31, 2023 compared to a loss of \$256,068 in the comparable period in 2022. During 2022, Management focused on how best to add to shareholder value to the Company; this resulted in a pivotal shift to exploring for battery metals such as cobalt and lithium. In late 2022 the Company raised sufficient funds to acquire and move the cobalt and lithium projects forward. See *Projects Profile*.

In the first quarter of 2023, Champion continued to expand the Company's claims area in the James Bay Territory in Quebec. Overall the Company issued 4,225,000 common shares valued at \$470,000 for the acquisition of claims contiguous to the Project Area. A total of \$54,001 (versus \$94,811 expended in Q1 of 2022) was expended for geological preparation work for the Spring program on the Charles and Balance projects. Management fees increased in Q1, year-over-year to \$105,387 from \$70,500 primarily from an increase to wages for and a delayed performance bonus awarded to the CEO. Professional and consulting fees increased significantly for activity related to the claims acquisitions and negotiations thereof and higher audit fees. G&A remained relatively constant period-over-period. The Company retained several market awareness firms in order to deliver marketing programs to prospective investors in order to broaden the shareholder base. This resulted in nearly doubling the budget for shareholder and investor relations.

Stock option grants in Q1 were valued at \$186,703 and recorded as share-based compensation expense for the period. See *Interim Financial Statements* for grant details. There were no stock options granted in the same period in 2022. The Company incurs E&E expenses in the USA. The Company does not employ a hedging program, and this generally results in a modest holding foreign exchange gain or loss.

#### SELECTED QUARTERLY INFORMATION

Set forth below is a summary of selected financial information for the past eight completed quarters:

|                                  | 2023        | 2022        |           |           |           | 2021      |             |           |
|----------------------------------|-------------|-------------|-----------|-----------|-----------|-----------|-------------|-----------|
|                                  | Mar. 31     | Dec. 31     | Sep. 30   | Jun. 30   | Mar. 31   | Dec. 31   | Sep. 30     | Jun. 30   |
| E & E expenditure                | \$54,001    | 508,367     | 277,882   | 17,426    | 94,811    | 603,320   | 1,938,837   | 181,516   |
| Property acquisition             | 546,460     | 640,281     | 169       | 18,986    | ---       | 49        | ---         | 29,273    |
| Shareholder & investor relations | 141,446     | 187,602     | 121,757   | 116,335   | 77,387    | 103,153   | 286,327     | 182,880   |
| Management fees                  | 105,387     | 77,166      | 70,500    | 75,334    | 70,500    | 82,751    | 84,918      | 92,274    |
| Professional & consulting fees   | 29,665      | 100,768     | 9,000     | 29,241    | 5,125     | 20,890    | (9,721)     | 30,675    |
| Net loss                         | (1,072,786) | (1,494,247) | (612,423) | (321,302) | (247,823) | (818,403) | (2,323,622) | (616,443) |
| Loss per share                   | \$(0.01)    | \$(0.02)    | \$(0.01)  | \$(0.00)  | \$(0.00)  | \$(0.02)  | \$(0.01)    | \$(0.01)  |

#### LIQUIDITY AND CAPITAL RESOURCES

##### Selected Financial Information

(In Canadian dollars, except shares issued and outstanding)

|                      | March 31, 2023 | Dec. 31, 2022 |
|----------------------|----------------|---------------|
| Cash                 | \$1,761,471    | \$1,082,934   |
| Total assets         | \$2,034,760    | \$1,267,802   |
| Total liabilities    | \$342,963      | \$421,103     |
| Working capital      | \$1,690,130    | \$842,532     |
| Shareholders' equity | \$1,691,797    | \$846,699     |

## IDAHO CHAMPION GOLD MINES CANADA INC.

### Management Discussion & Analysis – Three months ended March 31, 2023

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Management continues to seek potential capital in order to enhance and conduct the next phase of exploration activities and for general working capital purposes. As of March 31, 2023, the Company had \$1,761,471 cash (December 31, 2022 - \$1,082,934) to meet liabilities of \$342,963 (December 31, 2022 - \$421,103) and a working capital of \$1,690,130 (December 31, 2022 – \$842,532).

The Company is a junior resource exploration corporation and, accordingly, it does not have the ability to generate sufficient amounts of cash from earnings or asset sales to pay for its operating costs, even in the short term. The activities of the Company, principally the exploration and development of mineral properties, are, therefore, financed through the sale of equity securities and short-term loans. The equity offerings generally take the form of private placements but may, in the future, also include the exercise of warrants and options.

The discovery and acquisition of mineral properties are unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company does not expect to receive significant income from any of its properties within the foreseeable future. Should the Company decide to further develop any of its properties, the Company may fund its capital requirements by arranging further equity financing, issuing long-term debt, selling royalties, arranging joint ventures with other companies, or through a combination of the above. The Company may also consider the sale of certain non-core properties in order to raise additional capital.

### PROPOSED TRANSACTIONS AND 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.
- (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".

## TRANSACTIONS WITH RELATED PARTIES

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 period ended March 31, 2023 and 2022:

### 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 the end of the Reporting Period a total of \$4,269 (2022-\$72,461) is owed to Grove for unpaid services. The amount is unsecured, non-interest bearing and due on demand.

### b) Key Management Compensation

- i) During the three months ended March 31, 2023, the Company remunerated its Chief Executive Officer ("CEO") \$60,000 (2022 - \$30,000);
- ii) Directors and others 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 and consultants. See Interim Financial Statements, note 11 – *Stock Options and Share-Based Compensation*.

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

| Three months ended March 31, | 2023             | 2022            |
|------------------------------|------------------|-----------------|
| Wages                        | \$60,000         | \$30,000        |
| Corporate services           | 40,500           | 40,500          |
| Share-based compensation     | 133,358          | —               |
|                              | <b>\$233,858</b> | <b>\$70,500</b> |

## CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

### Measurement Uncertainty

The preparation of 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 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

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### Management Discussion & Analysis – Three months ended March 31, 2023

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 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.

#### New accounting standards 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 on January 1, 2023. None of these had a significant effect on the Interim Financial Statements of the Company.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

See note 13 in the Interim Financial Statements – *Financial Instruments and Risk Management*

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

| Categories of Financial Instruments      | March 31, 2023 | Dec. 31, 2022 |
|--|----------------|---------------|
| 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        |
| Flow through share premium liability     | 83,848         | 88,273        |

## 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

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and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**SHARE CAPITAL ACTIVITY**

**Authorized and Issued Common Shares**

The Company is authorized to issue an unlimited number of common shares. At March 31, 2023, there are 204,873,423 (2022 – 104,940,914) common shares issued and outstanding. See Interim Financial Statements for Common Shares activity during the Reporting Period.

**Warrants Outstanding**

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:

| <b>Number</b>     | <b>Fair Value Assigned (\$)</b> | <b>Exercise Price</b> | <b>Remaining Contractual Life In Years</b> | <b>Expiry Date</b> |
|-------------------|---------------------------------|-----------------------|--|--------------------|
| 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        |
| <b>73,794,266</b> | <b>\$3,235,742</b>              | <b>\$0.21</b>         |  |                    |

**Stock Options Outstanding**

Champion has established 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 determination and approval by the Board of Directors. All shares issued from the exercise of options are subject to a four-month hold period from the date of grant as required by the Canadian Securities Exchange.



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A summary of the issued and outstanding stock options as at March 31, 2023, is as follows:

| <b>Exercise Price</b> | <b>Number of Options Outstanding</b> | <b>Number of Options Exercisable</b> | <b>Weighted Average Remaining Contractual Life – Years</b> | <b>Expiry Date</b> |
|-----------------------|--------------------------------------|--------------------------------------|--|--------------------|
| \$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   |
|                       | <b>16,625,000</b>                    | <b>16,625,000</b>                    | <b>3.41</b>  |                    |

**MANAGEMENT’S RESPONSIBILITY**

Management is responsible for all information contained in this report. The Interim Financial Statements for the three months ended March 31, 2023 and 2022 have been prepared in accordance with IFRS and include amounts based on Management’s informed judgments and estimates.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited consolidated financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

## **RISKS AND UNCERTAINTIES**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this discussion, including information as to future activities, events and financial or operating performance of the Company and its projects, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated activities, events or results implied or expressed in such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Many factors could cause actual activities and events and the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. These include metal prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions.

These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

## **Approval**

On May 30, 2023 the Board of Directors approved the Interim Financial Statements on the recommendation of the Audit Committee.