CHAMPION

ELECTRIC METALS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Three and six months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

CHAMPION

CHAMPION ELECTRIC METALS INC.

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

Expressed in Canadian dollars.

As at	Note	June 30, 2023	December 31, 2022
Assets			
Current assets			
Cash		**$6,032,261**	$1,082,934
Accounts receivables and prepaids		**499,753**	180,701
Total current assets		**6,532,014**	1,263,635
Long-term prepaid		**1,667**	4,167
Total assets		**$6,533,681**	$1,267,802
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$393,507**	$282,830
Loans payable	**7**	**50,000**	50,000
Flow-through share premium liability	**8**	**533,550**	88,273
Total liabilities		**977,057**	421,103
Shareholders' Equity			
Share capital	**9**	**$25,246,556**	$17,856,875
Warrants	**10**	**3,013,238**	3,066,574
Contributed surplus	**11**	**1,543,848**	1,162,945
Accumulated deficit		**(24,247,018)**	(21,239,695)
Total equity		**5,556,624**	846,699
Total liabilities and equity		**$6,533,681**	$1,267,802

Nature of Operations and Going Concern	**1**
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On behalf of the Board,

"Signed" "Signed"

Jonathan Buick, Director

Paul Fornazzari, Director

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

CHAMPION

CHAMPION ELECTRIC METALS INC.

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

Expressed in Canadian dollars.

Periods ended June 30,	Note	Three Months 2023	2022	Six Months 2023	2022
Expenses					
Property acquisition costs	**6**	**$611,145**	$18,986	**$1,157,605**	$18,986
Exploration expenditures	**6**	**739,718**	17,426	**793,719**	112,237
Shareholder and investor relations		**182,069**	116,335	**323,515**	193,722
Management fees	**14**	**99,161**	75,334	**204,548**	145,834
Professional fees and consulting		**166,377**	29,241	**196,042**	34,366
General administrative costs	**11**	**14,303**	9,646	**26,528**	23,910
		1,812,773	266,968	**2,701,957**	529,055
Share-based compensation expense		**194,200**	57,194	**380,903**	57,194
Net loss before the under-noted items:		**$2,006,973**	$324,162	**$3,082,860**	$586,249
Gain on flow-through premium	**8**	**(71,548)**	—	**(75,973)**	—
Foreign exchange gain (loss)		**(867)**	(2,736)	**545**	(8,755)
Interest income		**(21)**	(124)	**(109)**	(124)
Net loss and comprehensive loss for the period		**$1,934,537**	$321,302	**$3,007,323**	$577,370
Net loss per common share	**15**	**$0.01**	$0.00	**$0.01**	$0.01
Weighted average number of shares outstanding during the period – basic and diluted		**215,519,735**	106,563,677	**203,899,328**	105,735,617

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

CHAMPION

CHAMPION ELECTRIC METALS INC.

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

For the six months ended June 30, 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 property purchase	**6,9**	50,000	2,500	—	—	—	2,500
Shares issued for private placements	**9**	25,691,710	750,101	534,484	—	—	1,284,585
Share issue costs	**9**	—	(45,200)	—	—	—	(45,200)
Shares issued for services	**9**	351,838	20,850	—	—	—	20,850
Share-based compensation	**11**	—	—	—	57,194	—	57,194
Issuance of bonus warrants	**10**	—	(18,251)	18,251	—	—	—
Warrants expired	**10**	—	—	(49,092)	49,092	—	—
Options expired	**11**	—	—	—	(24,018)	24,018	—
Net loss for the period		—	—	—	—	(577,370)	(577,370)
Balance – June 30, 2022		**130,867,674**	**$15,041,252**	**$3,504,020**	**$860,196**	**$(19,204,670)**	**$200,798**
Shares issued for property purchase	**6,9**	—	—	—	—	—	—
Shares issued for private placements	**9**	24,800,000	1,392,841	(165,842)	—	—	1,226,999
Share issue costs	**9**	—	(138,287)	—	—	—	(138,287)
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
Shares issued for services	**9**	212,610	10,574	—	—	—	10,574
Share-based compensation	**11**	—	—	—	99,794	—	99,794
Flow-through share premium	**8,16**	—	(143,541)	—	—	—	(143,541)
Issuance of bonus warrants	**10**	—	5,249	(5,249)	—	—	—
Warrants expired	**10**	—	—	(266,355)	266,355	—	—
Options expired	**11**	—	—	—	(63,400)	63,400	—
Net loss for the period		—	—	—	—	(2,098,425)	(2,098,425)
Balance – December 31, 2022		**184,801,051**	**$17,856,875**	**$3,066,574**	**$1,162,945**	**$(21,239,695)**	**$846,699**

CHAMPION

CHAMPION ELECTRIC METALS INC.

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

For the six months ended June 30, 2023, and 2022

Expressed in Canadian dollars.

	Note	Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total
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**	7,750,000	982,539	24,211	—	—	1,006,750
Shares issued for private placements	**9**	23,192,308	2,240,000	—	—	—	2,240,000
Shares issue costs	**9**	—	(166,561)	—	—	—	(166,561)
Shares issued for finder's fee		435,000	55,925	—	—	—	55,925
Shares issued for charitable FT transaction		20,850,000	4,170,000	—	—	—	4,170,000
Shares issued for services	**9**	247,372	11,181	—	—	—	11,181
Flow-through share premium		—	(521,250)	—	—	—	(521,250)
Warrants exercised	**10**	5,403,000	617,847	(77,547)	—	—	540,300
Share-based compensation	**11**	—	—	—	380,903	—	380,903
Net loss for the period		—	—	—	—	(3,007,323)	(3,007,323)
Balance – June 30, 2023		**242,678,731**	**$25,246,556**	**$3,013,238**	**$1,543,848**	**$(24,247,018)**	**$5,556,624**

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

CHAMPION

CHAMPION ELECTRIC METALS INC.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

Expressed in Canadian dollars.

For the six months ended June 30,	Note	2023	2022
OPERATING ACTIVITIES			
Net loss for the period		**$(3,007,323)**	$(577,370)
Adjustments to non-cash items:			
Shares issued for properties		**1,006,750**	2,500
Share-based compensation expense	**10**	**380,903**	57,194
Shares issued for services		**11,181**	20,850
Gain on share premium		**(75,973)**	—
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		**(319,052)**	(134,756)
Accounts payable and accrued liabilities		**110,677**	303,823
Long-term prepaid expenses		**2,500**	5,000
		$(1,890,337)	$(322,759)
FINANCING ACTIVITIES			
Private placement proceeds	**9**	**6,410,000**	1,284,585
Share issue costs		**(110,636)**	(45,200)
Shares issued for the exercise of warrants	**10**	**540,300**	—
Loans payable	**8**	**—**	60,000
		$6,839,664	$1,299,385
Net increase (decrease) in cash		**$4,949,327**	$976,626
Cash, beginning of period		**1,082,934**	14,620
Cash, end of period		**$6,032,261**	$991,246

Supplementary cash flow information:		
Finders' fee shares issued	**$(55,925)**	$—

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

1. Nature of Operations and Going Concern

CHAMPION ELECTRIC METALS 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 mineral 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 and six months ended June 30, 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 were authorized for issue in accordance with a resolution of the directors dated August 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 years ended December 31, 2022 and 2021 ("Annual Financial Statements") and should be read in conjunction with those statements.

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.

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, 2023, 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

LITHIUM

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 22, 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) $25,000 cash, b) the issuance of 2,000,000 common shares of the Company and c) the issuance of 125,000 common shares as a finders' fee, both with fair values based on the trading price of the common shares at the First Date of Acquisition. 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 "Second Date of Acquisition"), the Company completed the acquisition of 29 claims in the James Bay Area. Consideration for the lithium-based claims included the issuance of a) 2,000,000 common shares of the Company and b) 100,000 common shares as a finders' fee, both with fair values based on the trading price of the common shares at the Second Date of Acquisition. 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.

Expressed in Canadian dollars.

6. Exploration Projects/Mining Interests, continued

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.

On May 23, 2023, (the "Third Date of Acquisition"), the Company completed the acquisition of 148 claims in the James Bay Area. Consideration for the lithium-based claims included the issuance of a) 3,000,000 common shares of the Company and b) 175,000 common shares as a finders' fee, both with fair values based on the trading price of the common shares at the Third Date of Acquisition. 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 148 claims, 500,000 common shares shall be issuable as a bonus, to the Vendors.

On May 26, 2023, (the "Fourth Date of Acquisition"), the Company completed the acquisition of 8 claims in the James Bay Area. Consideration for the lithium-based claims included the issuance of a) 700,000 common shares of the Company and b) 175,000 common shares as a finders' fee, both based on the trading price of the common shares at the Fourth Date of Acquisition. In connection with this acquisition, the Company issued 250,000 two-year common share purchase warrants with an exercise price of $0.15. See note 10 (ii) – Warrants. 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.

POLYMETALLIC

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

6. Exploration Projects/Mining Interests, continued

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

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

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

- An initial payment of US$10,000 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 (completed);
- 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.

COBALT

Idaho Cobalt (Idaho)

The Company owns 100% of the Idaho Cobalt property through its subsidiary Idaho Champion Cobalt USA Inc. These claims are in good standing.

GOLD

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 Baner property. These claims are in good standing.

Expressed in Canadian dollars.

Property Acquisition and Exploration and Evaluation ("E&E") Expenditures

During the six months ended June 30, 2023, the Company incurred $1,951,324 (2022 - $131,223) of property acquisition and E&E expenditures for the Company's active projects:

	June 30, 2023	June 30, 2022
Acquisition – Baner	**$—**	$—
Acquisition – Blanche & Charles	**—**	—
Acquisition – Champagne	**32,645**	18,986
Acquisition - Cobalt	**—**	—
Acquisition – Data	**—**	—
Acquisition – Other Lithium	**1,124,960**	—
Acquisition – Sally	**—**	—
Exploration – Baner	**—**	—
Exploration – Blanche & Charles	**591,091**	—
Exploration – Champagne	**194,244**	112,237
Exploration – Cobalt	**8,384**	—
Exploration – Nudulama	**—**	—
	$1,951,324	$131,223

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.

See note 17 – Subsequent Events

8. Flow-through Share Premium Liability

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 $521,250 was recognized

Expressed in Canadian dollars.

8. Flow-through Share Premium Liability, continued

in respect of the Charitable flow-through private placement completed during the six months ended June 30, 2023.

During the six months ended June 30, 2023, a total of $591,091 (2022 - $nil) was expended on eligible Canadian Exploration Expenses ("CEE"), which resulted in a total of $75,973 being derecognized as flow-through share premium (2022 - $nil).

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**
Liability incurred on flow-through shares issued	521,250
Flow-through share premium derecognized	(75,973)
Balance, June 30, 2023	**$533,550**

9. Share Capital

The Company is authorized to issue an unlimited number of common shares. At June 30, 2023, there are 242,678,731 (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.

(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.

9. Share Capital, continued

(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 finder's 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 fair value of $11,181 was assigned to these shares using market value.

(xiv) On February 22, 2023, the Company acquired certain Lithium claims for $25,000 cash, the issuance of 2,000,000 common shares (the "Purchase Shares") and 125,000 common shares for finder's fees. The Purchase Shares were valued at $200,000 and the finder's fees were valued at $12,500, based on the trading price of the Company's common shares at the date of issuance.

(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 a newly appointed Director.

(xvi) On March 2, 2023, the Company acquired certain Lithium claims for $70,000 cash and the issuance of 2,000,000 common shares (the "Purchase Shares") and 100,000 common shares for finder's fees. The Purchase Shares were valued at $270,000, and the finder's fee shares were valued at $13,500, based on the trading price of the Company's common shares at the date of issuance.

(xvii) On May 12, 2023, the Company closed a private placement offering with the issuance of 7,692,308 common shares, for gross proceeds of $1,000,000. This Offering was subscribed for by a newly appointed Director.

(xviii) On May 23, 2023, the Company acquired certain Lithium claims for $25,000 cash, the issuance of 3,000,000 common shares (the "Purchase Shares") and 175,000 common shares for finder's fees. The Purchase Shares were valued at $420,000 and the finder's fees were valued at $24,500 based on the trading price of the Company's common shares at the date of issuance.

(xix) On May 26, 2023, the Company acquired certain Lithium claims for the issuance of 700,000 common shares (the "Purchase Shares"), 250,000 warrants and 35,000 common shares for finder's fees The Purchase Shares were valued at $108,500 and the finder's fees were valued at $5,425 based on the trading price of the

Expressed in Canadian dollars.

9. Share Capital, continued

Company's common shares at the date of issuance. See note 10 (ii) – Warrants.

(xx) On June 12, 2023, the Company closed a private placement with the issuance of 20,850,000 Charitable Flow-Through Shares for gross proceeds of $4,170,000 ("CFT Offering"). In connection with closing the CFT Offering, the Company paid $104,250 cash finder's fees.

(xxi) On June 29, 2023, the Company made a third annual payment as part consideration for the five-year option for the acquisition of certain property interests in Idaho, USA, by issuing 50,000 common shares, valued at $0.165 each.

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) On May 26, 2023, the Company issued 250,000 warrants in connection with the acquisition of certain Lithium claims. A fair value of $24,211 was assigned to these warrants.

(iii) During the month of June 2023 a total of 5,403,000 warrants were exercised for gross proceeds of $540,300.

(iv) A summary of warrant activity during the six months ended June 30, 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	**73,894,266**	**$0.21**
Exercised	(5,403,000)	(0.10)
Issued	250,000	0.15
Balance, June 30, 2023	**68,741,266**	**$0.21**

Expressed in Canadian dollars.

10. Warrants, continued

(v) At June 30, 2023, there are 68,741,266 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	0.08	Jul. 29, 2023
500,000	77,800	$0.50	0.22	Sept. 18, 2023
2,438,730	71,311	$0.15	0.88	May 17, 2024
1,631,000	52,192	$0.15	0.94	Jun. 7, 2024
8,267,210	117,511	$0.10	0.97	Jun. 17, 2024
12,925,500	186,586	$0.10	1.00	Jun. 30, 2024
2,397,500	73,405	$0.15	1.16	Aug.27, 2024
6,749,037	220,442	$0.15	1.63	Feb. 14, 2025
1,417,821	45,338	$0.15	1.66	Feb. 26, 2025
6,523,500	214,728	$0.15	1.68	Mar. 6, 2025
250,000	24,211	$0.15	1.77	May 26,2025
4,810,103	249,357	$0.25	1.99	Jun. 24, 2025
5,675,399	298,154	$0.25	2.06	Jul. 20, 2025
1,150,466	60,344	$0.25	2.14	Aug.18, 2025
300,000	28,265	$0.25	2.85	May 7, 2026
68,741,266	**$3,013,238**	**$0.21**		

11. Share-Based Incentive Plans

Champion has a stock option plan (the "SOP") and a plan of restricted stock units. The purpose of these plans is to equip the board of directors to be able to attract, retain and motivate management, staff, and consultants by providing them with the opportunity, through share options and share issuances, to acquire a proprietary interest in the Corporation and benefit from its growth.

The maximum number of options and common shares to be issued under the SOP and shall not exceed 10% of the total number of common shares issued and outstanding.

SOP

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.

11. Share-Based Incentive Plans, continued

(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.

(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%; and dividend yield – 0%.

(vi) On May 11, 2023, the Company granted an aggregate of 2,150,000 stock options to certain directors, officers, and consultants. These five-year options vested immediately and have an exercise price of $0.13. The options were assigned a fair value of $194,200 based on a Black-Scholes option pricing model using the following assumptions: share price – $0.105; risk-free rate of return – 2.94%; annualized volatility – 133.58%; and dividend yield – 0%.

Expressed in Canadian dollars.

11. Share-Based Incentive Plans, continued

(vii) A summary of stock option activity during the year ended December 31, 2022 and the six months ended June 30, 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- January 18, 2023	4,200,000	$0.08	4.56
Granted- May 11, 2023	2,150,000	$0.13	4.87
Balance, June 30, 2023	**18,775,000**	**$0.12**	**3.35**

(viii) A summary of the issued and outstanding stock options as at June 30, 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	0.22	September 17, 2023
$0.10	4,075,000	4,075,000	1.37	November 12, 2024
$0.30	1,300,000	1,300,000	2.10	August 4, 2025
$0.20	1,300,000	1,300,000	2.73	March 24, 2026
$0.20	600,000	600,000	2.82	April 26, 2026
$0.15	1,150,000	1,150,000	3.81	April 19, 2027
$0.05	3,700,000	3,700,000	4.15	August 24, 2027
$0.08	4,200,000	4,200,000	4.56	January 18, 2028
$0.13	2,150,000	2,150,000	4.87	May 11, 2028
	18,775,000	**18,775,000**	**3.35**	

Restricted Stock Unit ("RSU") Plan

Champion has an RSU Plan which provides for the granting of restricted stock units up to a maximum of 10% of the Company's issued and outstanding common shares, less any issued and outstanding stock options. Terms of the RSUs are subject to the allocation and approval by the Board of Directors.

As at June 30, 2023, no RSUs have been granted. See note 15 – Subsequent events.

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).

Expressed in Canadian dollars.

13. Financial Instruments and Risk Management, continued

As at June 30, 2023 and 2022, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	**June 30, 2023**	December 31, 2021
Financial Assets—amortized cost		
Cash	**$6,032,261**	$1,082,934
Accounts receivable and prepaid expenses	**499,753**	180,701
Financial Liabilities – amortized cost		
Accounts payable and accrued liabilities	**$393,507**	$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 June 30, 2023, the Company had $6,032,261 in cash to settle $443,507 of accounts payable, accrued liabilities and loans payable (At December 31, 2022 - $1,082,934 of cash to settle $332,830 of current indebtedness). Amounts recorded for flow-through share premium liability.
will not be settled in cash. 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.

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 spots rates whenever 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

Since November 2021, the Company has retained Grove Corporate Services Ltd. ("Grove") to provide certain professional corporate services to the Company, including administrative, investor relations and those provided by the CFO and Corporate Secretary (the "Services"). During the six months ended June 30, 2023, Grove billed the Company a total of $89,756 (2022 - $81,000) and included in accounts payable at June 30, 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

During the six months ended June 30, 2023, the Company remunerated its Chief Executive Officer ("CEO") $116,250 (2022 - $60,000); the 2023 wages include a retroactive performance bonus awarded by the Board of Directors, retroactively, for 2022.

Directors are eligible for stock option grants. During the six months ended June 30, 2023, the Company granted an aggregate of 4,000,000 (2022 – nil) stock options to certain directors. On May 11, 2023 Grove received 250,000 stock options as part of the total of 2,150,000 stock options granted ("Grove options") during the Reporting Period. The fair value of the Grove options was $22,581. See note 11 – *Stock Options and Share-Based Compensation*.

Expressed in Canadian dollars.

14. Related Party Transactions and Key Management Compensation, continued

Key Management Compensation for six and three months ended June 30, 2023 and 2022 is as follows:

	Three months ended		Six months ended	
Periods ended June 30,	**2023**	2022	**2023**	2022
Salary and wages	**$56,250**	$30,000	**$116,250**	$60,000
Corporate services	**42,640**	40,500	**83,140**	81,000
Share-based compensation	**112,887**	29,880	**246,245**	29,880
	$211,777	$103,380	**$445,635**	$170,880

15. Loss Per Share

The calculation of basic loss per share for the three and six months ended June 30, 2023, and 2022 was based on total loss attributable to common shareholders of $1,934,537 and $3,007,323 (2022 - $321,302 and $577,370), and a weighted average number of common shares outstanding of 215,519,735 and 203,899,328 (2022 – 106,563,677 and 105,735,617 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 and June 2023 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. The Company is therefore required to incur $12,300 of CEE by December 31, 2023 and $521,250 of CEE by December 31, 2024 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 July 6, 2023, the Company acquired 256 Lithium claims for $70,000 cash and the issuance of 3,500,000 common shares and 1,500,000 common share purchase warrants. The warrants have a two-year expiry and an exercise price of $0.15.

(ii) On July 26, 2023, the Company acquired 55 Lithium claims for the issuance of 1,700,000 common shares and 85,000 common shares for finder's fees.

17. Subsequent Events, continued

(iii) Subsequent to June 30, 2023,

- 200,000 warrants were exercised for proceeds of $20,000
- 13,750,000 warrants expired
- 1,300,000 stock options were exercised for proceeds of $116,000
- 1,150,000 stock options expired
- 550,000 stock options were granted for five years at $0.16 and
- 6,000,000 restricted stock units (RSUs) were granted to directors
- the Company repaid the short-term loans recorded in Loan Payable.