



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Three and nine months ended September 30, 2023, and 2022

(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Champion Electric Metals Inc. have been prepared and are the responsibility of the Company's management ("Management"). The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

Expressed in Canadian dollars.

As at	Note	September 30, 2023	December 31, 2022
Assets			
Current assets			
Cash		\$4,120,327	\$1,082,934
Accounts receivables and prepaids		692,444	180,701
Total current assets		4,812,771	1,263,635
Long-term prepaid		1,667	4,167
Total assets		\$4,814,438	\$1,267,802
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$692,212	\$282,830
Loans payable	7	—	50,000
Flow-through share premium liability	8	370,417	88,273
Total liabilities		1,062,629	421,103
Shareholders' Equity			
Share capital	9	\$26,168,472	\$17,856,875
Warrants	10	1,797,043	3,066,574
Contributed surplus	11	2,475,036	1,162,945
Accumulated deficit		(26,688,742)	(21,239,695)
Total equity		3,751,809	846,699
Total liabilities and equity		\$4,814,438	\$1,267,802

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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.

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

Expressed in Canadian dollars.

Periods ended September 30,	Note	Three Months		Nine Months	
		2023	2022	2023	2022
Expenses					
Exploration expenditures	6	\$1,682,842	\$277,882	\$2,476,561	\$390,119
Property acquisition costs	6	983,017	169	2,140,622	19,156
Shareholder and investor relations		93,716	121,757	417,231	315,479
Management fees	11,14	102,750	70,500	307,298	216,334
Professional fees and consulting		71,197	9,000	267,239	43,365
General administrative costs		23,660	11,406	50,188	35,316
		2,957,182	490,714	5,659,139	1,019,769
Share-based compensation expense		78,238	99,794	459,141	156,988
Net loss before the under-noted items:		\$3,035,420	\$590,508	\$6,118,280	\$1,176,757
Gain on flow-through premium	8	(163,133)	—	(239,106)	—
Foreign exchange loss		18,996	22,165	19,541	13,410
Interest income		(10,013)	(250)	(10,122)	(126)
Net loss and comprehensive loss for the period		\$2,881,270	\$612,423	\$5,888,593	\$1,190,041
Net loss per common share	15	\$0.01	\$0.00	\$0.03	\$0.01
Weighted average number of shares outstanding during the period – basic and diluted		248,376,478	131,066,266	218,810,357	114,302,606

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



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

For the nine months ended September 30, 2023, and 2022

Expressed in Canadian dollars.

	Note	SHARE CAPITAL		RESERVES		SHAREHOLDERS' EQUITY (DEFICIT)	
		Common Shares #	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	37,391,710	1,335,101	534,484	—	—	1,869,585
Share issue costs	9	—	(58,138)	—	—	—	(58,138)
Shares issued for services	9	564,448	31,424	—	—	—	31,424
Share-based compensation	11	—	—	—	156,988	—	156,988
Issuance of bonus warrants	10	—	(18,251)	18,251	—	—	—
Warrants expired	10	—	—	(315,447)	315,447	—	—
Options expired	11	—	—	—	(87,418)	87,418	—
Net loss for the period		—	—	—	—	(1,190,041)	(1,190,041)
Balance – September 30, 2022		142,780,284	\$15,623,888	\$3,237,665	\$1,162,945	\$(19,753,941)	\$270,557
Shares issued for property purchase	6,9	—	—	—	—	—	—
Shares issued for private placements	9	13,100,000	807,841	(165,842)	—	—	641,999
Share issue costs	9	—	(125,349)	—	—	—	(125,349)
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	—	—	—	—	—	—
Share-based compensation	11	—	—	—	—	—	—
Flow-through share premium	8,16	—	(143,541)	—	—	—	(143,541)
Issuance of bonus warrants	10	—	5,249	(5,249)	—	—	—
Net loss for the period		—	—	—	—	(1,485,754)	(1,485,754)
Balance – December 31, 2022		184,801,051	\$17,856,875	\$3,066,574	\$1,162,945	\$(21,239,695)	\$846,699



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

For the nine months ended September 30, 2023, and 2022

Expressed in Canadian dollars.

	Note	SHARE CAPITAL		RESERVES		SHAREHOLDERS' EQUITY (DEFICIT)	
		Common Shares	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	12,950,000	1,682,997	182,253	—	—	1,865,250
Shares issued for private placements	9	23,192,308	2,240,000	—	—	—	2,240,000
Shares issue costs	9	—	(241,019)	—	—	—	(241,019)
Shares issued for finder's fee	9	520,000	69,100	—	—	—	69,100
Shares issued for charitable FT transaction	9	20,850,000	4,170,000	—	—	—	4,170,000
Shares issued for services	9	247,372	11,181	—	—	—	11,181
Flow-through share premium	8,16	—	(521,250)	—	—	—	(521,250)
Warrants exercised	10	5,603,000	640,690	(80,390)	—	—	560,300
Warrant expired	10	—	—	(1,371,394)	1,371,394	—	—
Options exercised	11	2,300,000	259,898	—	(78,898)	—	181,000
Options expired	11	—	—	—	(439,546)	439,546	—
Share-based compensation	11	—	—	—	412,689	—	412,689
Grant of Restricted Stock Units	11	—	—	—	46,452	—	46,452
Net loss for the period		—	—	—	—	(5,888,593)	(5,888,593)
Balance – September 30, 2023		250,463,731	\$26,168,472	\$1,797,043	\$2,475,036	\$(26,688,742)	\$3,751,809

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

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

Expressed in Canadian dollars.

For the nine months ended September 30,	Note	2023	2022
OPERATING ACTIVITIES			
Net loss for the period		\$(5,888,593)	\$(1,190,041)
Adjustments to non-cash items:			
Shares issued for properties		1,865,250	2,500
Share-based compensation expense	11	459,141	156,988
Shares issued for services	9	11,181	31,424
Gain on share premium	8	(239,106)	—
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		(511,743)	(82,337)
Accounts payable and accrued liabilities		409,381	(227,128)
Long-term prepaid expenses		2,500	7,500
		\$(3,891,989)	\$(1,301,094)
FINANCING ACTIVITIES			
Private placement proceeds	9	6,410,000	1,869,585
Share issue costs		(171,918)	(58,138)
Shares issued for the exercise of options		181,000	—
Shares issued for the exercise of warrants	10	560,300	—
Loans payable	7	(50,000)	10,000
		\$6,929,382	\$1,821,447
Net increase (decrease) in cash		\$3,037,393	\$520,353
Cash, beginning of period		1,082,934	14,620
Cash, end of period		\$4,120,327	\$534,973
Supplementary cash flow information:		\$	\$
Finders' fee shares issued		(69,100)	(18,251)
Shares issued for services		(11,181)	(31,424)

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

Expressed in Canadian dollars.

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 certain 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 nine months ended September 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 November 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 applied by the Company in these Interim Financial Statements are the same 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.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

Expressed in Canadian dollars.

2. Basis of Presentation, continued

b) Basis of Measurement

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

Measurement Uncertainty

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

3. Summary of Significant Accounting Policies

a) Basis of Consolidation

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

b) Functional and Presentation Currency

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

c) Exploration and Evaluation ("E&E") Expenditures

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

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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.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

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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) 35,000 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.

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. The gross proceeds from the issuance of the FT Shares will be used for Canadian exploration expenses that will qualify as "flow-through critical mineral mining expenditures", as defined in subsection 127(9) of the Income Tax Act (Canada) and, in respect of Québec resident subscribers who are eligible individuals, will qualify for inclusion in the "exploration base relating to certain Québec surface mining exploration expenses" and the "exploration base relating to certain Québec exploration expenses" as such terms are defined in the Taxation Act (Québec) (the "Qualifying Expenditures"), which will be incurred on or before December 31, 2024, and renounced to the subscribers with an effective date no later than December 31, 2023.

On July 6, 2023, (the "Fourth Date of Acquisition"), the Company completed the acquisition of 256 claims in the James Bay Area. Consideration for the lithium-based claims included the issuance of a) 3,500,000 common shares and b) 1,500,000 warrants convertible at \$0.15 within two years from the date of signing of the Definitive Purchase and Sale Agreement and claims transfer. The common shares have fair values based on the trading price of the common shares at the Fourth Date of Acquisition. 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. Additionally, the Vendors will retain a 2% net smelter royalty ("NSR"). The Company has the option to repurchase 1% of the NSR from the Vendors for \$1 million.

On July 26, 2023, (the "Fifth Date of Acquisition"), the Company completed the acquisition of 55 claims in the James Bay Area. Consideration for the lithium-based claims included the issuance of a) 1,700,000 common shares of the Company and b) 85,000 common shares as a finders' fee, both with fair values based on the

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

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6. Exploration Projects/Mining Interests, continued

trading price of the common shares at the Fifth 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.

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

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

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

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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6. Exploration Projects/Mining Interests, continued

- 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.

Property Acquisition and Exploration and Evaluation (“E&E”) Expenditures

During the nine months ended September 30, 2023, the Company incurred \$4,617,183 (2022 - \$409,275) of property acquisition and E&E expenditures for the Company’s active projects:

	September 30 2023 ⁽¹⁾	September 30, 2022 ⁽¹⁾
Acquisition – Champagne	\$32,595	\$19,156
Acquisition – Cobalt	122,554	—
Acquisition – James Bay	1,985,473	—
Exploration – Baner	\$45,959	\$45,434
Exploration – James Bay	1,894,952	—
Exploration – Champagne	77,796	213,021
Exploration – Cobalt	457,854	131,664
	\$4,617,183	\$409,275

⁽¹⁾ Property acquisition costs includes all payments made (including share issuances) to acquire and maintain mineral properties, claims, licenses and permits.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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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. Since \$30,000 of the \$40,000 loan was repaid on August 21, 2023, \$10,000 of the loan has been forgiven and treated as income.

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 was repaid by the Company during the Reporting Period.

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. A premium liability of \$521,250 was recognized, in respect of the Charitable flow-through private placement completed during the nine months ended September 30, 2023.

During the nine months ended September 30, 2023, a total of \$1,893,453 (2022 - \$nil) was expended on eligible Canadian Exploration Expenses (“CEE”), which resulted in a total of \$239,106 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	(239,106)
Balance, September 30, 2023	\$370,417

9. Share Capital

The Company is authorized to issue an unlimited number of common shares. At September 30, 2023, there are 250,463,731 (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.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2023, and 2022**

Expressed in Canadian dollars.

9. Share Capital, continued

(iii) On June 17, 2022, the Company closed the first tranche of a private placement (the "September 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 September 2022 Offering, creditors agreed to receive a total of 429,210 September 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 September 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 September 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.

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

(vii) On September 30, 2022, the Company closed the first tranche of a private placement, (the "September 2022 Offering"), with the issuance of 11,700,000 common shares for gross proceeds of \$585,000.

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

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9. Share Capital, continued

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 Company's common shares at the date of issuance.

(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.

(xxii) On July 6, 2023, the Company acquired certain Lithium claims for \$70,000 cash, the issuance of 3,500,000 common shares (the "Purchase Shares") and 1,500,000 common share purchase warrants. The Purchase Shares were valued at \$595,000 based on the trading price of the Company's common shares at the date of issuance.

(xxiii) On July 26, 2023, the Company acquired certain Lithium claims for the issuance of 1,700,000 common shares (the "Purchase Shares") and 85,000 common shares for finder's fees. The Purchase Shares were valued at \$263,500 and the finder's fees were valued at \$13,175 based on the trading price of the Company's common shares at the date of issuance.

(xxiv) During the Reporting Period, a total of 2,300,000 common shares were issued on the exercise of 2,300,000 stock options for proceeds of \$181,000.

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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 reclassified to contributed surplus.

- (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. See note 9 (xix). 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) On July 6, 2023, a total of 1,500,000 warrants were issued in connection with the acquisition of certain Lithium claims. See note 9 (xxii). A fair value of \$158,042 was assigned to these warrants.
- (v) On July 23, 2023, 200,000 Warrants were exercised for gross proceeds of \$20,000.
- (vi) On July 30, 2023, a total of 13,705,000 warrants, with an exercise price of \$0.45, expired.
- (vii) On September 18, 2023, 500,000 warrants, with an exercise price of \$0.50, expired.
- (viii) A summary of warrant activity during the nine months ended September 30, 2023, and the year ended December 31, 2022 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
Issued	1,750,000	0.15
Exercised	(5,603,000)	(0.10)
Expired	(14,205,000)	(0.50)
Balance, September 30, 2023	55,836,266	\$0.15

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10. Warrants, continued

- (ix) At September 30, 2023, there are 55,836,26 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
2,438,730	71,311	\$0.15	0.63	May 17, 2024
1,631,000	52,192	\$0.15	0.69	June 7, 2024
8,067,210	114,668	\$0.10	0.72	June 17, 2024
12,925,500	186,586	\$0.10	0.75	June 30, 2024
2,397,500	73,405	\$0.15	0.91	Aug.27, 2024
6,749,037	220,442	\$0.15	1.38	Feb. 14, 2025
1,417,821	45,338	\$0.15	1.41	Feb. 26, 2025
6,523,500	214,728	\$0.15	1.43	March 6, 2025
1,500,000	158,042	\$0.15	1.47	March 20, 2025
250,000	24,211	\$0.15	1.52	May 26, 2025
4,810,103	249,357	\$0.25	1.73	June 24, 2025
5,675,399	298,154	\$0.25	1.81	July 20, 2025
1,150,466	60,344	\$0.25	1.88	Aug.18, 2025
300,000	28,265	\$0.25	2.60	May 7, 2026
55,836,266	\$1,797,043	\$0.15	1.17	

11. Share-Based Incentive Plans

Champion has a stock option plan (the "SOP") and a plan of restricted stock units("RSU Plan"). 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 Company and benefit from its growth.

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

SOP

Champion has a stock option plan that provides for the 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.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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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: 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 consultants, 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 consultants 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%.

(vii) On August 9, 2023, the Company granted an aggregate of 550,000 five-year stock options to certain consultants. These options have an exercise price of \$0.16 and vest one third on grant, one third on the first anniversary and the remaining third on the second anniversary. The options were assigned a fair value of \$66,860 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.15; risk-free rate of return – 3.86%; annualized volatility – 114.09 %; and dividend yield – 0%.

(viii) During the Reporting Period, a total of 2,300,000 options were exercised for cash proceeds of \$181,000 and the estimated fair value of \$78,898 was reclassified to share capital.

(ix) During the Reporting Period, a total of 3,200,000 stock options expired. The fair value of \$439,546 for these options was reclassified to retained earnings.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
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11. Share-Based Incentive Plans, continued

- (x) A summary of stock option activity during the year ended December 31, 2022, and the nine months ended September 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/canceled	(675,000)	\$(0.21)	—
Balance, December 31, 2022	12,425,000	\$0.13	3.18
Granted	6,900,000	\$0.08-\$0.16	4.3 - 4.86
Exercised (vii)	(2,300,000)	\$(0.13)	—
Expired/canceled (viii)	(3,200,000)	\$(0.22)	—
Balance, September 30, 2023	13,825,000	\$0.10	3.33

- (xi) A summary of the issued and outstanding stock options as at September 30, 2023, is as follows:

Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contractual Life – Years	Expiry Date
\$0.10	3,175,000	3,175,000	1.12	November 12, 2024
\$0.30	300,000	300,000	1.85	August 4, 2025
\$0.20	700,000	700,000	2.48	March 24, 2026
\$0.20	100,000	100,000	2.57	April 26, 2026
\$0.15	400,000	400,000	3.55	April 19, 2027
\$0.05	3,000,000	3,000,000	3.90	August 24, 2027
\$0.08	3,500,000	3,500,000	4.30	January 18, 2028
\$0.13	2,100,000	2,100,000	4.62	May 11, 2028
\$0.16	550,000	183,332	4.86	Aug 09, 2028
	13,825,000	13,458,332	3.33	

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11. Share-Based Incentive Plans, continued

RSU Plan

Champion has an RSU Plan that 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. Each RSU shall be converted into one common share as vesting occurs. RSUs are measured at fair value on the grant date. On August 08, 2023, the Company granted 6,000,000 RSU's. The fair value of \$46,452 was recognized as a charge to share-based compensation expense, with a corresponding increase in equity.

As at September 30, 2023, a total of 6,000,000 RSUs have been granted.

12. Capital Management

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. 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 cash to meet the ongoing financial obligations of the Company. 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:

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13. Financial Instruments and Risk Management, continued

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

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

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

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

Categories of Financial Instruments	September 30, 2023	December 31, 2022
Financial Assets—amortized cost		
Cash	\$4,120,327	\$1,082,934
Accounts receivable and prepaid expenses	692,444	180,701
Financial Liabilities – amortized cost		
Accounts payable and accrued liabilities	\$692,212	\$282,830
Loans payable	—	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 September 30, 2023, the Company had \$4,120,327 in cash to settle \$692,212 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.

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13. Financial Instruments and Risk Management, continued

Market Risk

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

Interest rate risk

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

Foreign exchange risk

The Company 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 nine months ended September 30, 2023, Grove billed the Company a total of \$126,850 (2022 - \$121,500) and included in accounts payable at September 30, 2023, is \$3,333 (2022 - \$55,405) owed to Grove for unpaid Services. The amount is unsecured, non-interest bearing and, due on demand.

(b) Key Management Compensation

During the nine months ended September 30, 2023, the Company remunerated its Chief Executive Officer ("CEO") \$172,500 (2022 - \$90,000); the 2023 wages include a performance bonus awarded by the Board of Directors, retroactively, for 2022.

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14. Related Party Transactions and Key Management Compensation, continued

Directors are eligible for stock option grants. During the nine months ended September 30, 2023, the Company granted an aggregate of 4,000,000 (2022 – 3,900,000) stock options to certain directors. On May 11, 2023, Grove received 250,000 stock options as part of 2,150,000 stock options granted (“Grove options”) Period. The fair value of the Grove options was \$22,581. See note 11 – *Stock Options and Share-Based Compensation*.

Key Management Compensation for the three and nine months ended September 30, 2023, and 2022 is as follows:

Periods ended September 30,	Three months ended		Nine months ended	
	2023	2022	2023	2022
Salary and wages	\$56,250	\$30,000	\$172,500	\$90,000
Corporate services	43,710	40,500	126,850	121,500
Share-based compensation	46,472	84,414	292,717	114,294
	\$146,432	\$154,914	\$592,067	\$325,794

15. Loss Per Share

The calculation of basic loss per share for the three and nine months ended September 30, 2023, and 2022 was based on total loss attributable to common shareholders of \$2,881,270 and \$588,593 (2022 - \$612,423 and \$1,190,041) respectively, and a weighted average number of common shares outstanding of 248,376,478 and 218,810,357 (2022 – 131,066,266 and 114,302,606) 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 September 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.

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16. Commitments and Contingencies, continued

Executive and Corporate Services Agreements

The Company is a party to certain Management contracts. Upon termination of the contracts, for other than cause, approximately \$271,000 would become due and owing to the terminated parties. As no terminations have taken place as at September 30, 2023, no provision has been made in these Interim Financial Statements.