



## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the Nine Months Ended September 30, 2023**

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

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The following Management Discussion & Analysis (“MD&A”) of the results of operations and financial condition of CHAMPION ELECTRIC METALS INC. (“**Champion**” or the “**Company**”) prepared as of November 29, 2023, consolidates management’s (“Management”) review of the factors that affected the Company’s financial and operating performance for the nine months ended September 30, 2023, and factors reasonably expected to impact future operations and results. This MD&A is intended to supplement and complement the Company’s unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2023, and the notes related thereto (the “Interim Financial Statements”) and the annual audited consolidated financial statements for the year ended December 31, 2022, and the notes related thereto (the “Annual Financial Statements”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

#### 1.0 COMPANY OVERVIEW

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

Champion is a discovery-focused exploration company that is committed to advancing its highly prospective lithium properties in Quebec, Canada and cobalt properties in Idaho, United States. In addition, the Company owns the Baner gold project in Idaho County and the Champagne polymetallic project in Butte County near Arco.

Champion trades on the CSE under the symbol “LTHM”, on the OTCQB as CHELF, and on the Frankfurt Exchange as “CHELF”.

#### Exploration Risks

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

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

#### 2.0 STRATEGY AND OBJECTIVES FOR 2023

- ✓ Utilize the funds raised to advance exploration on the Company’s Quebec Lithium and Idaho Cobalt properties for the purpose of identifying reliable domestic supply sources of battery metals.
- ✓ Dependent on exploration results, secure additional funding for Champion through private placements, joint venture agreements, or other financing activities for additional acquisitions and further exploration programs.

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#### 2.1 TECHNICAL UPDATE

- In June, the Company:
  - commenced the 2023 field program in the Idaho Cobalt Belt
  - initiated low-altitude orthophotography and aeromagnetic data (“OED”) acquisition at the Company’s Twin Peaks Cobalt Project
  - Conducted a TDEM Survey at James Bay
  - Forced to leave the field due to forest fire concerns, the team continued to interpret the TDEM Survey
- In July, the Company:
  - Completed the Phase I exploration program at Twin Peaks
  - Completed interpretation and modeling of the TDEM Survey at James Bay.
- In August, the Company:
  - Remobilized the field team at James Bay
  - Produced a final report on the OED acquisition.
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- In September, the Company completed a Light Detection and Ranging (“LiDAR”) and high-resolution aerial imagery survey over the James Bay properties; new data from the LiDAR will be merged with the information collected in 2022 to provide a seamless and complete coverage of the Quebec properties. This was performed to maximize the time to be spent by the field team during the September/October field program. Since the Company began amassing claims, the area has now tripled in size.
- In September and October, the field team conducted an extensive program of geological mapping, rock sampling and geochemical sampling. Regional airborne magnetics and satellite multi-spectral data were reprocessed and interpreted to assist the target generation exercise, which defined a total of 17 priority areas for lithium pegmatite.

#### 2.2 CORPORATE UPDATE

- On June 12, 2023, the company completed a private placement of 20,850,000 charitable flow-through shares @ \$0.20 per share for total proceeds of \$4,170,000 (the “CTF Offering”).
- 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 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.
- 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.
- On August 9, 2023, the Company’s common shares, previously trading on the OTC Markets under the ticker symbol “GLDRF”, began trading under the ticker symbol “CHELF” to better reflect the name-change that was approved in May 2023.
- During Q3 of 2023 a total of 2,300,000 stock options and 5,603,000 warrants were exercised for total proceeds of \$741,300.
- Champion launched a fundraising campaign to support the Cree Nation of Chisasibi in Eeyou Istchee James Bay, Quebec, devastated by the destruction of wildfires.

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### 3.0 PROJECTS PROFILE

#### LITHIUM

##### James Bay Projects – Quebec, Canada

##### Project Description, Location and Access

The Projects (now covering approximately 529.17 km<sup>2</sup>), include historic findings of pegmatite and sit to the north of the Patriot Battery Metals' ("Patriot") Corvette project (historically intersected intervals included 1.25% Li<sub>2</sub>O and 118 ppm Ta<sub>2</sub>O<sub>5</sub> over 96m (CV22-035) (See Patriot's news release dated August 20, 2023 for update) and also located in close proximity to infrastructure in a developing lithium pegmatite district that has shown high prospectivity for lithium mineral resources.

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

##### Blanche

The Blanche project is comprised of 256 claims totaling approximately 130 km<sup>2</sup>. The project lies within a volcano sedimentary belt striking ENE. The Blanche project is mainly composed of a broad east-northeast trending mafic band, interpreted as a metamorphosed basalt hosted within tonalitic rocks and interbedded with narrow sections of magnesian basalt and komatiites, iron formations (silicate and/or oxidized facies) and metasedimentary rocks. Six units of felsic intrusive rocks were observed at Blanche, including hornblende tonalite, granite and pegmatite dykes. Tonalite consists of feldspar, quartz and biotite intrusive rocks. In the northwestern part of the project, the rocks are relatively homogenous and medium grained, containing 20 to 30% hornblende, with locally weak foliation. The granite is comprised of medium to coarse grained feldspar, plagioclase, quartz and biotite. It is massive, homogeneous, and mostly non-magnetic. A few pegmatite dykes have also been identified on the project. So far, they are typically less than two-meters wide and cut the felsic units, but they are also found parallel to the schistosity in the mafic rocks. Pegmatites have almost the same composition as the granites but show a texture ranging from coarse to pegmatitic with the presence of 5 to 7% muscovite. The project is bordered to the south and north by felsic intrusive rocks, which have been described as hornblende-biotite tonalite, and tonalitic gneiss, tonalite, granodiorite and quartz monzogranite in the north. The metamorphic grade ranges from upper greenschist facies to middle amphibolite facies.

##### Charles

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

##### Recent Activity

In May 2023, the Company announced the results of a desktop study which provided the Company's technical team with priority targets for an upcoming field program. This is now the largest land package in this new lithium pegmatite district at over 500 sq. km of favourable ground. Over 190 known pegmatite outcrops are known to have occurred within the land package, that have never been analyzed for lithium.

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In June 2023, the Company announced the completion of an airborne Time-Domain Electromagnetic (TDEM) survey. The TDEM was flown over base metals targets identified by the Surveys and the recent historical data review of the Project.

The TDEM high-resolution airborne survey was completed by Prospectair Geosurveys and data was collected over 351-line km over interpreted areas of interest within the Surveys coverage. The TDEM survey aimed to follow-up on a selection of shallow VLF-EM conductive anomalies spatially correlated with mapped ultramafic rocks of the Lac Guyer Greenstone Belt which are anomalous in Ni (Nickel), Co (Cobalt) and Cr (Chromium) and deemed prospective for base metals mineralisation.

In July 2023, the EM Interpretation identified a string of three discrete mid to late-time conductive anomalies which are interpreted as moderately to steeply NNW dipping plate-like conductors extending 450m x 160m, 190m x 260m and 240m x 530m respectively. The interpreted dip is consistent with structural data available from nearby outcrops which is a strong argument that these conductors are of likely bedrock origin and parallel to stratigraphy. The interpreted conductors are believed to start at the base of the thin overburden (< 10m deep) and are deemed possibly indicative of sulphide mineralisation.

The EM conductors are hosted within a mapped ultramafic unit adjacent to an iron formation prominent in both the airborne EM and magnetics datasets. Nearby historical rock samples (#2009050866, #2009050874 and #2009050868 in Quebec's Ministry of Natural Resources and Forests database) from the host ultramafic unit returned maximum geochemical values of 0.21% Ni, 0.46% Cr<sub>2</sub>O<sub>3</sub> and 139 ppm Co. Two of these samples were historically mapped as komatiite in the government's database, but this has not been confirmed by the Champion Electric team yet.

The nature, geometry and distribution of the EM bedrock conductors located within a mapped nickel-rich ultramafic horizon make them high-priority nickel sulphide targets. These new targets will be evaluated on the ground concurrently with the planned exploration efforts for lithium-bearing pegmatites once fieldwork resumes.

Field activities recommenced in early August as soon as the team could safely return to the project after the wildfires in the region were under control. The team undertook a first-pass project-wide mapping and sampling campaign, including in-field X-ray fluorescence (XRF) analysis, targeted rock saw sampling, and till geochemical sampling. As of this update, the Champion Electric team has collected 678 rock samples for laboratory analysis, of which 670 have been classified as pegmatites or rocks having pegmatitic texture.

In September 2023, the Company announced the plan to conduct a follow up LiDAR and high-resolution aerial imagery survey of the properties. It was thought that this science would remotely identify small outcrops masked by the thick vegetation and discern them from boulders and other glacial deposits. The Champion Electric Lithium Project has more than tripled in size since Champion commissioned the first LiDAR survey, and it was one of the Company's priorities to capture this invaluable dataset over the remainder of the property as soon as the wildfire situation eased in the region.

Also in September 2023, Champion's President became aware of a dire situation in the neighbouring Chisabisi community. There were 38 active fires in the northern zone, and a total of nearly 3.6 million hectares burned since the start of the season in May. The Chisabisi community lost many homes that have burned to the ground in six different traplines. Others lost ATVs, snow machines and boats, and other equipment used to support their livelihood. The main highway was repeatedly closed due to fires, making it impossible to receive regular daily supplies, and there were countless evacuations due to a very bad air quality. In addition to the direct impact to the communities, a vast number of animals have perished or been displaced. The Company launched a go fund me page in order to raise funds for beddings and basics, backpacks and hockey equipment. See the Champion Electric website for further details on how to donate.

Results from the LiDAR and the extensive Fall field program are pending.

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#### COBALT

##### Idaho, USA

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

###### Location, Access, & Climate

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

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

**Recent Activity** – In June 2023, the Company mobilized its US technical team to commence the 2023 field program in the Idaho Cobalt Belt. The campaign was comprised of geologic mapping and rock sampling in conjunction with a reconnaissance stream sediment sampling program. It was intended that this program of provide rapid project-wide geochemical reconnaissance. Contemporaneous geologic mapping and selective rock sampling along drainages was supposed to serve as Champion's first systematic traverses across the Twin Peaks property. In addition to cobalt, this rigorous recon program would also map the concentrations of base and precious metals in this fertile belt. Areas for more comprehensive geologic mapping will be prioritized based on observations made along these traverses, in conjunction with results from the just-completed drone-based aeromagnetic survey, and on geochemical results from rock and stream sediment samples.

Following up on the above, the Company announced the initiation of low-altitude orthophotography and aeromagnetic data acquisition at the Project. MWH Geo-Surveys of Reno, Nevada, was engaged to conduct the airborne surveys in two stages. The first stage would involve the deployment of an unmanned aerial vehicle (UAV) to collect detailed orthophotography. The airborne photography and resulting digital terrain model would serve as a base map for subsequent fieldwork and guide safe low-altitude aeromagnetic data acquisition. The second stage would utilize a subsequent aeromagnetic survey consisting of approximately 640 line-km flown at a nominal sensor height and line spacing of 50 m. It was anticipated that the detailed aeromagnetic coverage would complement the above noted geologic mapping of sub-units and assist with identification of future drill targets.

See press releases dated [July 17](#) and [August 10, 2023](#) for results of this program.

##### Victory Project (DUP Claims)

###### Location, Access, & Climate

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

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

#### Fairway Project (SC Claims)

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

#### Location, Access, & Climate

The Fairway project consists of 10 SC unpatented mining claims totaling 81 hectares (200 acres) situated in Lemhi County, approximately 17 miles west of the city of Salmon.

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

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

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

#### Location, Access, & Climate

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

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

#### Recent Activity

Champion is currently focused on the Twin Peaks Project.

## GOLD

#### Baner Project – Idaho, USA

The following summary of the Baner Project is derived from an amended technical report titled "NI 43-101 Technical Report on the Baner Project, updated from the August 2018 Report" prepared by Darren W. Lindsay, P.Geo. with an effective date of June 30, 2020, and amended as of July 21, 2020 (the "Baner Technical Report"). The author is a "Qualified Person" for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The complete Baner Technical Report can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical information in this AIF is subject to the assumptions and qualifications contained in this document and the Baner Technical Report.

#### Project Description, Location and Access

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



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regular daily flights from numerous points of departure.

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

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

**Next Steps** – Management is currently focusing on the Cobalt and Lithium projects, however all renewal payments were recently made on these claims to keep them in good standing.

## POLYMETALLIC

### Champagne Project – Idaho, USA

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

#### Project Description, Location and Access

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

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

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

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

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

The Corporation also has options to explore on five claims known as the Ella group of claims from private individuals (the “Optionors”), with an option to purchase the claims outright. Under the terms of the options agreement, the Corporation must pay the Optionors US\$8,000 on each anniversary date of the lease



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agreement thereafter for the first 20 years. The Corporation can renew the lease for an additional 20 years upon payment of USD15,000 and the issuance of shares with a market value of USD20,000, on each anniversary date.

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

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

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

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

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

On June 29, 2021, Champion announced the signing of a binding property option agreement which gives the Company the option to acquire 100% interest in new surface and mineral rights on properties within Idaho Champion's Champagne Gold Project.

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

- An initial payment of US\$10,000 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-anniversary dates of the Agreement, each of which is an option paid at the sole discretion of the Company (completed);
- Annual payments of US\$10,000 and 75,000 common shares of the Company on the third and fourth-anniversary dates of the Agreement, each of which is an option paid at the sole discretion of the Company; and
- On or before the fifth anniversary, Champion has the option to remit the final consideration of US\$190,000 and 200,000 common shares of the Company.

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

#### Next Steps

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

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#### 4.0 EXPLORATION EXPENDITURES

Cumulative project costs incurred to September 30, 2023, are summarized as follows <sup>(1)</sup>:

	Dec. 31, 2021	Additions	Dec. 31, 2022	Additions	Sep. 30, 2023
Acquisition - Cobalt	\$1,232,793	\$—	\$1,232,793	\$122,554	\$1,355,347
Acquisition – Baner	686,888	—	686,888	—	686,888
Acquisition – James Bay	—	640,000	640,000	1,985,473	2,625,473
Acquisition – Champagne	320,615	19,436	340,051	32,595	372,646
Acquisition – Sally	156,323	—	156,323	—	156,323
Acquisition – Data	127,032	—	127,032	—	127,032
Exploration – Champagne	\$5,570,810	\$268,541	\$5,839,351	\$77,796	\$5,917,147
Exploration – Baner	4,681,577	46,097	4,727,674	45,959	4,773,633
Exploration – James Bay	—	441,284	441,284	1,894,952	2,336,236
Exploration – Cobalt	298,138	142,564	440,702	457,854	898,556
Exploration – Nudulama	5,139	—	5,139	—	5,139
	<b>\$13,079,315</b>	<b>\$1,557,922</b>	<b>\$14,637,237</b>	<b>\$4,617,183</b>	<b>\$19,254,420</b>

(1) Acquisition costs include all payments made (and the issuance of shares) to acquire and maintain in good standing, all permits, licenses and claims renewals.

#### 5.0 RESULTS OF OPERATIONS for the nine months ended September 30, 2023 (the “Reporting Period”)

Champion reported a net loss of \$5,888,593 in the Reporting Period, compared to a loss of \$1,190,041 in the comparable period in 2022. During 2022, Management focused on how best to add to shareholder value to the Company; this resulted in a pivotal shift to exploring for battery metals such as cobalt and lithium. In late 2022, the Company raised sufficient funds to acquire and move the cobalt and lithium projects forward. In 2023, Management has been a) focusing on building the portfolio of mineral properties and b) conducting scientific studies and conducting field programs on the James Bay and Idaho Projects. Corporately, Management has implemented a strategic rebranding and marketing of the Company including a name change which better reflects the transition to a Battery Metals explorer.

To date, Champion has continued to expand the Company’s claims area in the James Bay Territory in Quebec; the Company now holds over 1,000 claims. In the Reporting Period the Company acquired claims for consideration of cash and shares totaling \$2,140,622 (versus a minimal cost of \$19,156 in 2022). The Company further expended \$2,476,561 on its Spring and Summer programs. *See Projects Profile.*

Management fees increased in 2023, year-over-year to \$307,298 from \$216,334 primarily from an increase to wages for and a delayed performance bonus awarded to the CEO. Professional and consulting fees increased significantly for activity related to the claims acquisitions and negotiations thereof and higher audit fees. G&A increased slightly principally due to the heightened activity of the Company during the Reporting Period. In response to the buoyant interest in battery metals companies, Champion has retained several market awareness firms in order to deliver the new corporate profile/strategy to prospective investors in order to broaden the shareholder base. This resulted in nearly expanding the budget by 25% for shareholder and investor relations.

Share-based compensation expense in the Reporting Period was \$459,141 (2022 - \$156,988) for the amortization expense recorded for the new options granted in late September and for vesting options from prior periods. See *Interim Financial Statements* for grant details. The Company incurs E&E expenses in the USA. Champion does not employ a hedging program, and this generally results in a modest holding foreign exchange gain or loss. During

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the Reporting Period, a total of \$239,106 was recorded as a gain on flow-through premium. As the Company incurs eligible CEE, the Company derecognizes the premium liability initially recorded on the closing of the flow-through financing, and this results in recording a gain for the same amount on the statement of loss.

#### 6.0 SELECTED QUARTERLY INFORMATION

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

	2023			2022				2021
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	\$	\$	\$	\$	\$	\$	\$	\$
E&E	1,682,842	739,718	54,001	508,367	277,882	17,426	94,811	603,320
Property acq'n	983,017	611,145	546,460	640,281	169	18,986	---	49
Shareholder & investor costs	93,716	182,069	141,446	187,602	121,757	116,335	77,387	103,153
Management fees	102,750	99,161	105,387	77,166	70,500	75,334	70,500	82,751
Professional & consulting fees	71,197	166,377	29,665	100,768	9,000	29,241	5,125	20,890
<b>Net loss</b>	<b>2,881,270</b>	1,934,537	1,072,786	1,494,247	612,423	321,302	247,823	818,403
<b>Loss per share</b>	<b>\$0.01</b>	\$0.01	\$0.01	\$0.02	\$0.01	\$0.00	\$0.00	\$0.02

#### 7.0 LIQUIDITY AND CAPITAL RESOURCES

##### Selected Financial Information

	Sept 30, 2023 (\$)	Dec. 31, 2022 (\$)
Cash	4,120,327	1,082,934
Total assets	4,814,438	1,267,802
Total liabilities	(1,062,629)	(421,103)
Working capital	3,750,142	842,532
Shareholders' equity	3,751,809	846,699

As of September 30, 2023, the Company had \$4,120,327 cash (December 31, 2022 - \$1,082,934) to meet current liabilities of \$692,212 (December 31, 2022 - \$332,830) and a working capital of \$3,750,142 (December 31, 2022 – \$842,532). Flow-through share premium liability will not be settled with cash.

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

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

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

#### 8.0 PROPOSED TRANSACTIONS

The Company has no other proposed transactions pending; however, Management continues to actively reviewed potential property acquisitions, investment and joint venture transactions and other opportunities with a view to build on and expand the asset base of the Company.

#### 9.0 TRANSACTIONS WITH RELATED PARTIES

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

The following is a summary of the Company's related party transactions for the nine months ended September 30, 2023 and 2022:

##### a) Related party transactions

Since November 2021, the Company has retained Grove Corporate Services Ltd. (“Grove”) to provide certain professional services to the Company including administrative and 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 the end of the Reporting Period is \$3,333 (2022 - \$55,405) is owed to Grove for unpaid services. The amount is unsecured, non-interest bearing and due on demand.

##### b) Key Management Compensation

- i) During the nine months ended September 30, 2023, the Company remunerated its Chief Executive Officer (“CEO”) \$172,500 (2022 - \$90,000); the 2023 wages include a retroactive performance bonus awarded by the Board of Directors, retroactively, for 2022.
- ii) Directors and others 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 (the “Grove options”) as part of the total of 2,150,000 options granted during the Reporting Period. The fair value of the Grove options was \$22,581. See Interim Financial Statements, note 11 – *Stock Options and Share-Based Compensation*.
- iii) Directors and others are also eligible to be compensated with Restricted Stock Units (“RSUs”). RSUs entail the award of common shares, over a designated vesting period. At the time of grant a fair value based on market value of the shares on the date of grant is recorded as share-based compensation and added to equity. During the Reporting Period a total of 6,000,000 RSUs were granted to the current directors. Share-based compensation in the amount of \$46,452 was charged to the statement of loss. On the actual date of issuance of the common shares any change in market value will also be recognized as a gain or loss on the statement of loss.

Key Management Compensation for the three and nine months ended September 30, 2023, and 2022 was 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

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

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#### 10.0 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.

##### 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.

#### 11.0 CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

##### **Measurement Uncertainty**

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

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

##### **Income, value added, withholding and other taxes**

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

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

#### Share-based payments

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

#### Significant accounting judgments

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

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

#### New accounting standards and future accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC and were adopted by the Company on January 1, 2023. None of these had a significant effect on the Interim Financial Statements of the Company.

## 12.0 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

As at September 30, 2023, and December 31, 2022, the Company did not have any financial instruments measured at fair value.

Categories of Financial Instruments	Sep 30, 2023	Dec. 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
Flow through share premium liability	370,417	88,273

## 13.0 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.



## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

#### 14.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

#### 15.0 SHARE CAPITAL ACTIVITY

##### Authorized and Issued Common Shares

The Company is authorized to issue an unlimited number of common shares. At September 30, 2023, there are 250,463,731 (December 31, 2022 -184,801,051) common shares issued and outstanding. See Interim Financial Statements for Common Shares Activity during the Reporting Period.

##### Warrants Outstanding

At September 30, 2023, there are 55,836,266 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
2,438,730	71,311	\$0.15	0.63	May 17, 2024
1,631,000	52,192	\$0.15	0.69	Jun. 7, 2024
8,067,210	114,668	\$0.10	0.72	Jun. 17, 2024
12,925,500	186,586	\$0.10	0.75	Jun. 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	Mar. 6, 2025
1,500,000	158,042	\$0.15	1.47	Mar. 20, 2025
250,000	24,211	\$0.15	1.52	May 26, 2025
4,810,103	249,357	\$0.25	1.73	Jun. 24, 2025
5,675,399	298,154	\$0.25	1.81	Jul. 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
<b>55,836,266</b>	<b>\$1,797,043</b>	<b>\$0.15</b>		

##### 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.

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

#### 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.

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
	<b>13,825,000</b>	<b>13,458,332</b>	<b>3.33</b>	

#### 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.

On August 8, 2023, the Company granted 6,000,000 RSU's to directors. Each RSU shall be converted into one common share as vesting occurs. At the grant date RSU are measured at fair value on the grant date. The fair value of RSU is recognized as a charge to share-based compensation expense over the vesting period with a corresponding increase in equity.

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

#### OUTSTANDING SHARE DATA

As at	Common Shares	Warrants	Stock Options	Restricted Stock Units	Fully Diluted
December 31, 2022	184,801,051	73,894,266	12,425,000	—	271,120,317
September 30 2023 and November 29, 2023	250,463,731	55,836,266	13,825,000	6,000,000	326,124,997

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

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#### 16.0 MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The Interim Financial Statements for the Nine months ended September 30, 2023, and 2022 have been prepared in accordance with IFRS and include amounts based on Management's informed judgments and estimates.

#### 17.0 INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

#### 18.0 RISKS AND UNCERTAINTIES

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

#### 19.0 FORWARD-LOOKING STATEMENTS

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

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

## CHAMPION ELECTRIC METALS INC.

### Management Discussion & Analysis – Nine months ended September 30, 2023

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

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

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

#### **Approval**

On November 29, 2023, the Board of Directors approved the Interim Financial Statements and Management's Discussion & Analysis on the recommendation of the Audit Committee.