

MATERIAL CHANGE REPORT
Form 51-102F3
Section 7.1 of National Instrument 51-102

Item 1. Name and Address of Company

Champion Electric Metals Inc. (“**Champion**” or the “**Company**”)
401 Bay Street, Suite 2704
Toronto, Ontario M5H 2Y4

Item 2. Date of Material Change

July 24, 2024

Item 3. News Release

A news release was issued through Newsfile Corp. on July 24, 2024.

Item 4. Summary of Material Change

On July 24, 2024, the Issuer announced that it has signed a binding option agreement with Prestwick Capital Corporation Limited for the sale of 100% undivided interest in and to the mineral claims comprising of the Company’s Baner Gold Project in Idaho County, Idaho, USA.

Item 5. Full Description of Material Change

News Release dated July 24, 2024 – See Schedule “A”

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Jonathan Buick, President and Chief Executive Officer
Tel: (416) 569-7092

Item 9. Date of Report

August 2, 2024

Schedule “A”

[Please see attached]

Champion Electric Signs Definitive Option Agreement to Sell its Baner Gold Project in Idaho, USA

Toronto, ON – July 24, 2024 – [Champion Electric Metals Inc. \(CSE: LTHM; OTCQB: CHELF; FSE: 1QB0\)](#) (“**Champion Electric**” or the “**Company**”) is pleased to announce that it has signed a binding option agreement with Prestwick Capital Corporation Limited (TSX: PWIK.P) (“**Prestwick**”) for the sale of 100% undivided interest in and to the mineral claims comprising of the Company’s Baner Gold Project in Idaho County, Idaho, USA (the “**Baner Gold Project**”).

The Baner Gold Project, a highly prospective gold property, is comprised of 215 unpatented lode claims covering approximately 3,818 acres. Following the purchase of Baner Gold Project in 2015, Champion made several discoveries of gold exploration zones along trend from operations including the Friday Gold Mine located 5 miles south of the Baner Gold Project property boundary. Following a corporate transition into battery metals, the Baner Gold Project became a non-core asset.

Jonathan Buick, President, and CEO commented: *“We are pleased to have arrived at an agreement with Prestwick for Baner. The founders of the company are the same team that have founded, financed and developed numerous world class mining operations and companies including Kirkland Lake Gold and Rupert Resources. Prestwick will be led by seasoned mining executive Brian Hinchcliffe along with exploration and production geologist Mike Sutton. The Baner project is well located and hosts very exciting gold exploration zones. Idaho County is extremely supportive of exploration, we look forward to sharing in Prestwick’s success.”*

Option Agreement Terms

Under the terms of the Option Agreement, Champion agrees to grant the Option to the Prestwick. In order to exercise the Option and keep it in good standing, Prestwick has agreed to make cash payments and issues securities to Champion as follows:

1. On completion of the Transaction, Champion Electric will receive:
 - a. Cash payment of CAD\$75,000;
 - b. 1.1 million common shares of Prestwick (“**Common Shares**”); and
 - c. warrants to purchase up to 200,000 Common Shares at \$0.30 per share for two (2) years from the date of issuance.

2. Within 18 months from the completion of the Transaction, the Company to receive (“**Payment #1 Date**”):
 - a. Cash payment of CAD\$350,000;
 - b. 200,000 Common Shares; and
 - c. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance
3. Within 12 months from the Payment #1 Date, Champion to receive (“**Payment #2 Date**”):
 - a. Cash payment CAD\$500,000; and
 - b. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance.

As part of the agreement, during the term of the Option, Prestwick will have the exclusive right to manage and operate all work programs carried out on the Baner Gold Project in its sole discretion. Prestwick will also be responsible for maintaining the Baner Gold Project in good standing through such time.

Additionally, upon satisfaction of the payments and securities issuances presented in the binding agreement, the Option will be deemed to be exercised and a 100% undivided interest in the Baner Gold Project will be transferred to Prestwick, free and clear of all encumbrances, subject to a 1% net smelter return royalty (the “**NSR**”) in favour of the Company. Prestwick may buy-back the NSR in consideration for payment of \$7.5 million to Champion Electric.

The Common Shares issuable under the Option will be deemed to be issued at a price equal to \$0.235 per share, being the price of the Common Shares on the Exchange on May 13, 2024. These Common Shares will be subject to hold periods under applicable securities laws, and subject to voluntary escrow.

Voluntary Escrow

Upon completion of the Transaction, it is proposed that the Prestwick and Champion Electric, along with an escrow agent, will enter into an escrow agreement providing for voluntary escrow as follows: (i) the Common Shares issued to the Company upon completion of the Transaction (including any Common Shares issued on exercise of the warrants issued on that date) will be subject to voluntary escrow until the Payment #1 Date; and (ii) the Common Shares issued to Champion Electric on the Payment #1 Date (including any Common Shares issued on exercise of the warrants issued on that date) will be subject to voluntary escrow until the Payment #2 Date.

Conditions of Completion of the Transaction

As Prestwick is a Capital Pool Company, this Option Agreement is subject to Prestwick's pending approval for a "Qualifying Transaction". The completion of the Transaction is subject to a number of conditions, including Toronto Venture Exchange ("TSX-V") approval, obtaining all necessary third-party consents and the Baner Gold Project satisfying the TSX-V's Initial Listing Requirements for a Mining Issuer (pursuant to Policy 2.1 – *Initial Listing Requirements* of the Exchange), including, without limitation, the public float requirements.

About Champion Electric Metals Inc.

Champion Electric 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 (optioned to Prestwick Capital Corporation) and the Champagne polymetallic project in Butte County near Arco. The Company's shares trade on the CSE under the trading symbol "LTHM", on the OTCQB under the trading symbol "CHELF", and on the Frankfurt Stock Exchange under the symbol "1QB0". Champion Electric strives to be a responsible environmental steward, stakeholder, and contributing citizen to the local communities where it operates, taking its social license seriously, employing local community members and service providers at its operations whenever possible.

ON BEHALF OF THE BOARD OF CHAMPION ELECTRIC

"Jonathan Buick"

Jonathan Buick, President, and CEO

To learn more, please visit the Company's SEDAR profile at www.sedarplus.ca or the Company's corporate website at www.champem.com.

For further information, please contact:

Investor Relations and Communications

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THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANY STATE IN THE UNITED STATES IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL.

Cautionary Statements

Neither the Canadian Securities Exchange nor its regulation services provider has reviewed or accepted responsibility for the adequacy or accuracy of this press release. This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by management of the Company, including closing of the Transactions and the prospectivity of the Projects for lithium. Although the Company believes that the expectations and assumptions on which such forward-looking information is based on are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The Projects are at an early stage of exploration, and the Company cautions that the qualified persons who have reviewed and approved this news release have not verified scientific or technical information produced by third parties.