



MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended December 31, 2024

CHAMPION ELECTRIC METALS INC.

Management Discussion & Analysis – Year ended December 31, 2024

The following discussion and analysis (“MD&A”) of the operating results and financial condition of **CHAMPION ELECTRIC METALS INC.** (“Champion” or the “Company”) for the year ended December 31, 2024 (the “Reporting Period”) should be read in conjunction with the audited consolidated financial statements and notes thereto at December 31, 2023 (“Annual Financial Statements”). All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”), and all dollar amounts are expressed in Canadian dollars (\$) unless otherwise indicated. Additional information, including the Company’s press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval (“SEDAR”) and is available online at www.sedar.com. This MD&A was approved by the Board of Directors effective April 30, 2025.

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 Idaho, United States of America (“USA”). The address of the registered office is Suite 1800, 372 Bay Street, Toronto, Ontario, M5H 2W9.

Champion is a discovery-focused exploration company that is committed to advancing its highly prospective lithium properties in James Bay Area, Quebec, Canada and cobalt properties in Idaho, USA. In addition, the Company owns 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 2025

- ✓ Main strategy – 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.
- ✓ Secure additional funding for Champion through private placements, joint venture agreements, or other financing activities for additional acquisitions and further exploration programs.
- ✓ Once funded, focus will be placed on drilling at the Company’s James Bay (“JB”) lithium properties to follow up on the spodumene discovery. The newly established pegmatite target is likely to be the source of the pristine spodumene fragments encountered during the 2023 exploration program. The Company wants to drill test various parts of the target for a better understanding of its nature and geology.

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2.1 TECHNICAL UPDATE

2024

January to June (H1/24)

- launched a gravity survey to identify a source of the spodumene in the till samples
- announced the results of the gravity survey which included a 1,000m-long low with the shape and amplitude of other greenstone-hosted pegmatite occurrences in the region
- a new blind pegmatite target is deemed to be a good contender for the source of spodumene fragments
- commenced and then completed in April, a ten-hole 2,263 m drill program
- early results of the drill program included a span of approximately 18.8m of spodumene-rich pegmatite stretching from 7.30 m to 26.10 m downhole
- field team mobilized as technical team made preparations for spring summer field programme (the "Programme")
- the Programme was designed to include prospecting, mapping, geophysics, excavation and channel sampling

July to December (H2/24)

- Champion entered into an option agreement to sell its 100% undivided interest in the mineral claims comprising the Company's Baner Gold Project in Idaho County, Idaho, USA (the "Baner Gold Project"). As part of the sale's closing, Champion Electric received \$75,000 cash, 1.1 million common shares of Legacy Gold Mines Ltd. ("Legacy" and "Legacy Common Shares") issued at a deemed price of \$0.235 per share and warrants to purchase up to 200,000 Common Shares at \$0.30 per share for two (2) years from the date of issuance.
- Commenced phase 2 drilling on the western prospect of the James Bay Project for up to 1,500 metres
- Trenching results uncovered 10.5 metres at 0.96% Li₂O and 8.5 metres at 1.17% Li₂O at the western prospect
- Champion Electric Extended its Lithium Mineralized Corridor to Over 10 Kilometres at Western Prospect, Quebec Lithium Project, James Bay Territory.

See section 3.0 - *Projects Profile* and Section 8.0 – *Subsequent event*.

2.2 CORPORATE UPDATE

- On February 12, 2024, the Company acquired ("DesBois Lithium Project" or "DLP") for \$100,000 cash, the issuance of 6,000,000 common shares (the "February 2024 Purchase Shares") and 3,000,000 warrants, and the issuance of 400,000 common shares for finders' fees. The February 2024 Purchase Shares were valued at \$300,000 and the finders' fees shares were valued at \$20,000 based on the quoted market price of the Company's common shares at the date of issuance;
- On March 14, 2024, the Company granted an aggregate of 5,550,000 stock options to certain directors, officers, employees and consultants. These five-year options vested immediately and have an exercise price of \$0.075;
- On July 22, 2024, 2024, Champion signed a binding an option agreement with Legacy to acquire the Baner Claims – see Section 3.0 – *Projects Profile*;
- On August 19, 2024, the Company completed an equity financing with the issuance of 20,000,000 flow-through shares ("FT Shares"), priced at \$0.04, for gross proceeds of \$800,000; and

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- During the year ended December 31, 2024, a total of 4,425,000 stock options expired, unexercised;

3.0 PROJECTS PROFILE

LITHIUM

James Bay Projects – Quebec, Canada

Project Description, Location and Access

- The Projects (now covering approximately 529.17 km²), include historic findings of pegmatite and sit to the north of the Patriot Battery Metals' ("Patriot") PEA stage Shaakichiuwaanaan project (formerly called the Corvette project) Consolidated Mineral Resource statement (CV5 & CV13 spodumene pegmatites)
 - **80.1 Mt at 1.44% Li₂O** and 163 ppm Ta₂O₅ **Indicated**, and
 - **62.5 Mt at 1.31% Li₂O** and 147 ppm Ta₂O₅, **Inferred**.

(see Patriot's news release dated August 5, 2024) 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 km². 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 km². 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 -

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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 first quarter 2024, the Company completed its maiden exploration drill program at the CELP. The drill program successfully completed 10 diamond drill holes totalling 2,263 metres. Drill hole EIQ24-007 intersected a span of approximately 18.8 m of spodumene-rich pegmatite, stretching from 7.30 m to 26.10 m downhole. This mineralized zone was found underneath 6 m of overburden. Drill hole EIQ24-008 also intersected spodumene-rich pegmatite over 5.90 m from 16.15 m to 22.05 m downhole.

2024 Maiden Exploration Drilling Highlights:

- Drilling concentrated on the Western Prospect following encouraging results from initial prospecting, various geophysical surveys, and till sampling.
- Integrated targeting based on multiple data sets identified a high-priority pegmatite target directly up-ice from the previously reported spodumene grains in till discovery.
- The Western Prospect lies close to the Trans-Taiga Road and relatively close to neighbouring advanced projects run by Patriot Battery Metals and Winsome Resources.
- Two drill holes EIQ24-007 and EIQ24-008 encountered spodumene-bearing pegmatite near surface.
- All the drill holes intersected a combination of mafic volcanic rocks, magnetite-rich iron formations, gabbro dikes and minor felsic porphyry dykes and tonalite. These rock types show a range in rheology contrast which is favourable for the development of dilational zones during deformation which create preferred sites for pegmatite dikes and sills.
- Drilling reached an average vertical depth of 173 metres from surface.
- Results of the Q1 program contributed to the design, planning and mobilization of the team to conduct a Spring_Summer field programme.
- High-grade lithium was encountered in boulders from initial geochemical rock sampling
- See Press Releases dated July 11, 2024 and July 16, 2024 for more information about the early Programme results.

Spring, Summer Field Programme

- Following up on the Q1 trenching program, the Company mobilized to drill up to 1,500 metres to further test spodumene-bearing pegmatite dikes intersected in Phase I drill holes EIQ24-007 and -008.
- Initial drilling was planned to focus on a 700-metre-long segment of the recently reported 1,700-metre glacial dispersal train of spodumene-bearing boulders.
- Additionally, the team planned to collect a 50 kg sample of spodumene mineralization in pegmatite for metallurgical testing. See *Press Release dated August 26, 2024*.

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- A total of 12 trenches were completed, exposing spodumene-mineralized pegmatite dykes at three locations over a strike length of 340 metres.

Systematic channel sampling yielded 157 samples of nominal one-metre length each. The length-weighted average grade of all channel samples in pegmatite is 0.47% Li₂O, while the length-weighted average of the 45 samples grading more than 0.40% Li₂O is 1.09% Li₂O. The highest Li₂O content Systematic channel for a one-metre channel sample is 2.39% Li₂O from channel EIQCH24-24 in Trench 8. The program included fill-in till sampling (closer spacing), boulder prospecting, mapping, trenching, and channel sampling with overburden clearing at the new boulder field. See *Press Release dated September 10, 2024*.

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.

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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).

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.

Recent Activity for the Victory and Fairway Projects

In order to focus on the Company's lithium projects, Management has accepted the technical team's recommendation not to renew the claims for the Victory and Fairway projects effective September 1, 2024.

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. 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

Baner Project – Idaho, USA

The Baner Project, located 10 km southwest of Elk City, Idaho, is accessible year-round via State Highway 14 and has maintained forest service roads. The property comprises 215 unpatented lode claims covering

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approximately 4,520 acres, consisting of the wholly owned BC Group claims and the historic Baner property. All claims are in good standing with annual maintenance fees paid through March 1, 2022. No significant factors or risks affect access, title, or work rights. During the 2024 financial year, Champion Electric completed the sale of the Baner Gold Project.

Sale of Baner Gold Project – Idaho, USA

On July 22, 2024, the Company entered into an option agreement to sell the Baner Gold Project. The optionor can acquire 100% interest in the property pursuant to the following:

1. On completion of the Transaction, Champion Electric will receive:
 - a. Cash payment of CAD\$75,000;(received)
 - b. 1.1 million common shares of Prestwick (“Common Shares”); (received) 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 (received)
2. Within 18 months from the completion of the sale, 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, Legacy will have the exclusive right to manage and operate all work programs conducted on the Baner Gold Project at its sole discretion. Legacy will also be responsible for maintaining the Baner Gold Project in good standing during this period.

Additionally, upon fulfillment of the payments and securities issuances outlined in the binding agreement, the Option will be deemed 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 favor of the Company. Prestwick may buy back the NSR in exchange for a \$7.5 million payment to Champion Electric.

POLYMETALLIC

Champagne Project – Idaho, USA – Shorten? Focus on James Bay??

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. 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 32 km southwest of Arco, Idaho, accessible via a county-maintained gravel road from Interstate 20. The property includes 312 claims (Spark 1–312) covering both BLM-

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registered and county-filed lands, as well as five mining patents, one mill site patent, and the Reliance group of seven unpatented claims, all held by Champion Electric. Additional claims, Blanche and Julliette, were acquired in 2020. The Company also holds an option to purchase the Ella group of claims, with structured payments over 40 years. A separate five-year property option agreement, signed June 29, 2021, allows Champion to acquire additional surface and mineral rights through staged cash and share payments. There are no known royalties, back-in rights, or environmental liabilities. All claims are in good standing with required BLM and county payments maintained.

Next Steps

The results to date have advanced Management's understanding of the regional geology and structural interpretation of both projects. To focus on the Company's lithium projects, Management is exploring joint venture and/or alternative opportunities for this Project.

4.0 EXPLORATION AND EVALUATION EXPENDITURES ("E&E")

Cumulative project costs incurred to December 31, 2024 are summarized as follows:

	Dec. 31, 2022	Additions	Dec. 31, 2023	Additions	Dec. 31, 2024
Acquisition – James Bay (1)	\$640,000	\$2,150,379	\$2,790,379	\$695,427	\$3,485,806
Acquisition – Cobalt (1)	1,232,793	67,250	1,300,043	\$177,514	1,477,557
Acquisition – Baner (1)	686,888	46,102	732,990	-	-
Acquisition – Champagne (1)	340,051	98,372	438,423	109,469	547,892
Acquisition – Sally and Data (1)	283,355	-	283,355	-	283,355
Exploration – James Bay	441,284	2,637,452	3,078,736	4,078,683	7,157,419
Exploration – Cobalt	440,702	558,020	998,722	79,693	1,078,415
Exploration – Baner	4,727,674	-	4,727,674	(378,224)	-
Exploration – Champagne	5,839,351	16,655	5,856,006	73,432	5,929,438
Exploration – Nudulama	5,139	6,506	11,645	-	11,645
	\$14,637,237	\$5,580,736	\$20,217,973	\$4,835,994	\$19,971,527

(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 year ended December 31, 2024 Champion reported a net loss of \$5,786,847, compared to a similar loss of \$7,412,599 in the comparable period in 2023. In 2023, the focus was on acquiring a significant claims package in the James Bay Area; consideration for the package included cash, the issuance of shares and warrants, valued at more than \$2,000,000. In 2024, the focus shifted to exploring the almost 700 claims acquired by carrying out planned trenching and drill programs. In 2024, the Company acquired an additional 134 claims for cash, shares and warrants. Exploration expenditures for the year were nominally increased similar period-over-period (\$3,853,584 in 2024 vs \$3,218,633 in 2023). Acquisition costs and license fees totaled less than 50% of that incurred in the previous year (\$982,410 versus \$2,362,103 expended in 2023). See table above for project cost details of the YTD exploration expenditures. In 2024, acquisitions slowed, and exploration ramped up. Management fees were constant period-over-period, year-over-year (\$416,524 versus \$415,524). Professional and consulting fees decreased significantly resulting from the reduced

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activity related to the claims acquisitions and negotiations thereof in the Reporting Period. G&A was less as insurance and audit costs were lowered (returning to pre-Covid norms). During 2024, the Company reduced the number of market awareness firms retained having scrutinized the effectiveness of their deliverables in 2023.

Stock option and RSU grants in the Reporting Period were valued at \$779,163 as share-based compensation expense (2023 - \$668,864). Fair values for stock options are estimated using an appropriate valuation model that uses varying assumptions hence the values determined are done so on a case-by-case basis. RSUs are valued at the date of grant. See Annual Financial Statements for grant details. On August 19, 2024, 1,999,998 RSUs were settled, resulting in the issuance of a corresponding number of common shares. The shares were valued at \$320,000 based on share price on the original grant date. For the year ended December 31, 2024, the Company recorded share-based compensation expense for the RSUs of \$461,151 (December 31, 2023 – \$231,452). As at December 31, 2024, a total of 1,999,998 RSUs of the original 6,000,000 RSUs have been settled.

During the Reporting Period, a total of \$539,979 (2023 – \$332,044) 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:

	2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
E&E	\$(233,182)	\$2,137,746	\$1,109,313	\$839,707	\$742,072	\$1,682,842	\$739,718	\$54,001
Property acq'n	53,340	249,468	27,094	652,508	221,481	983,017	611,145	546,460
Shareholder & investor relation	30,743	46,264	78,121	122,788	228,851	93,716	182,069	141,446
Management fees	102,750	102,750	103,672	107,352	108,083	102,750	99,161	105,387
Professional & consulting fees	64,462	31,533	34,516	100,706	90,966	71,197	166,377	29,665
Net gain(loss)	\$209,496	\$(2,408,076)	\$(1,395,291)	\$(2,192,976)	\$(1,524,006)	\$(2,881,270)	\$(1,934,537)	\$(1,072,786)
gain(loss) per share	\$0.00	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.01)	\$(0.01)

7.0 LIQUIDITY AND CAPITAL RESOURCES

Selected Annual Financial Information

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Cash	\$216,069	\$2,621,192	\$1,082,934
Total assets	1,034,317	3,089,264	1,267,802
Total liabilities	2,602,386	493,696	421,103
Working capital (deficiency)	(1,568,069)	2,595,568	842,532
Shareholders' equity (deficiency)	(1,568,069)	2,595,568	846,699
Accumulated deficit	(33,834,150)	(28,212,748)	(21,239,695)

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As of December 31, 2024, the Company had \$216,069 cash (December 31, 2023 - \$2,621,192) to meet current liabilities of \$2,602,386 (December 31, 2023 - \$493,696) and a working capital deficiency of \$1,568,069 (December 31, 2023 – working capital surplus of \$2,595,568).

The Company is a junior resource exploration corporation and, accordingly 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.

NON-CASH LIABILITY – Deferred Premium on Flow-Through Shares

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 total premium liability of \$262,500 was recognized in respect of the Charitable flow-through private placement completed during the year ended December 31, 2024 (December 2023 - \$521,250).

During the year ended December 31, 2024, a total of \$3,019,835 (2023 - \$2,636,952) was expended on eligible Canadian Exploration Expenses (“CEE”), which resulted in a total of \$539,979 being derecognized as flow-through share premium (2023 - \$332,044).

The following is a continuity schedule of the liability of the flow-through share issuances:

Balance, December 31, 2022	\$88,273
Liability incurred on flow-through shares issued	521,250
Flow-through share premium derecognized	(332,044)
Balance, December 31, 2023	\$277,479
Liability incurred on flow-through shares issued	262,500
Flow-through share premium derecognized	(539,979)
Balance, December 31, 2024	-

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2023 and 2024 ACQUISITION ACTIVITIES

Date	# Claims	Consideration		
		\$ Cash	# Shares	Finders fees (# shares/ warrants)
2023				
Feb 22,	50	25,000	2,000,000	125,000 common shares
Mar 2,	29	-	2,000,000	100,000 common shares
May 23,	148	25,000	3,000,000	175,000 common shares
May 26,	8	-	700,000	35,000 common shares and 250,000 warrants
Jul 6,	256	70,000	3,500,000	1,500,000 warrants
Jul 26,	55	-	1,700,000	85,000 common shares
2024				
Feb 12,	134	100,000	6,000,000	400,000 common shares and 3,000,000 warrants

2024 FINANCE ACTIVITIES

On February 12, 2024, the Company completed the acquisition of certain (Des Bois) claims in the JBA. Consideration for the lithium-based claims included the issuance of \$100,000 cash, 6,000,000 common shares valued at \$300,000 (based on the trading price of the common shares at the date of acquisition and 3,000,000 common share purchase warrants with an exercise price of \$0.20 within two years from the date of signing of the definitive purchase and sale agreement and claims transfer. The warrants were valued at \$39,922. Additionally, the Company issued 400,000 common shares valued at \$20,000 as finders' fees. The vendors will retain a 2% NSR on the Des Bois claims and the Company has the option to repurchase 1% of the NSR for \$1,000,000.

On August 19, 2024, the Company closed a private placement with the issuance of 20,000,000 flow-through shares for gross proceeds of \$800,000 ("FT Offering"). In connection with closing the FT Offering, the Company paid \$56,000 cash and issued 1,400,000 broker warrants to the finders.

8.0 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).

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 financial reporting and corporate secretarial services provided by the CFO and Corporate Secretary (the "Services"). During the year ended December 31, 2024, Grove billed the Company a total of \$240,502 (2023 - \$240,584) for the Services. Included in accounts payable at December 31, 2024, is \$42,831 (2023 - \$nil) owed to Grove for unpaid Services. The amount is unsecured, non-interest bearing, and, due on demand.

During the year ended December 31, 2024, the Company retained a law firm ("LawCo") to provide counsel on corporate and other matters. LawCo invoiced the Company in the amount of \$286,897 (2023 - \$140,538) for the services. A director of the Company is a senior partner of LawCo. Included in accounts payable and accrued liabilities as at December 31, 2024, is \$286,897 owing to LawCo. (2023 - \$1,220). The amounts are unsecured, non-interest bearing and due on demand.

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b) Key Management Compensation

During the year ended December 31, 2024, the Company recorded compensation for the Chief Executive Officer (“CEO”) in the amount of \$225,000 (2023 - \$234,083); the 2023 wages included a performance bonus awarded by the Board of Directors, retroactively, for 2022. Included in accounts payable at December 31, 2024 is \$65,136 (2023 - \$7,827) owing to the CEO for unpaid wages and reimbursable expenses. The amount is unsecured, non-interest bearing and due on demand.

Directors, officers, employees and consultants are eligible for stock option grants. During the year ended December 31, 2024, the Company granted an aggregate of 4,500,000 (2023 – 4,000,000) stock options to certain directors and officers.

Key Management Compensation for the year ended December 31, 2024, and 2023 is as follows:

	2024	2023
Wages	\$225,000	\$234,083
Corporate services	240,502	240,584
Share-based compensation (1)	710,605	477,717
	\$1,176,107	\$952,384

Directors are eligible to be compensated with Restricted Stock Units (“RSUs”). During the year ended December 31, 2023 a total of 6,000,000 RSUs were granted to directors. During the year ended December 31, 2024, 1,999,998 common shares were issued to the directors as the first tranche of RSUs vested.

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.

Flow-through agreements require the Company to renounce certain tax deductions for CEE incurred on the Company’s mineral properties to flow-through subscribers. At December 31, 2024 the Company is required to incur \$nil of CEE by December 31, 2025, as the Company has met its flow-through spending commitments.

Executive and Corporate Services Agreements

The Company is a party to certain Management contracts. (a) Upon termination of the contracts, for other than cause, approximately \$271,000 would become due and owing to the terminated parties (b) This contract contains that, if there is a change of control a payable is triggered in the amount of

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\$450,000. As no terminations have taken place as at December 31, 2024, no provision has been made in the consolidated 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.

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.

Material 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.

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New accounting standards and future accounting changes

Recent Accounting Pronouncements

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included amendments to IAS 1 and IAS 8. These new standards and changes did not have any material impact on the Company's financial statements.

Future Accounting Changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

12.0 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

See note 11 in the Consolidated Financial Statements – *Financial Instruments and Risk Management*

As at December 31, 2024 and 2023, the Company investments are carried at fair value.

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	December 31, 2024	December 31, 2023
Financial Assets- amortized cost		
Cash	\$216,069	\$2,621,192
Accounts receivable	235,742	278,853
Financial Liabilities- amortized cost		
Accounts payable and accrued liabilities	\$2,602,386	\$216,217

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.

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 December 31, 2024, there are 278,938,729 (December 31, 2023 - 250,463,731) common shares issued and outstanding. See consolidated Financial Statements for Common Shares Activity during the Reporting Period. Details of all equity issuances and stock option grants are included in the Annual Financial Statements -notes 9,10,11.

The following table shows the common share activity for the year ended December 31, 2024:

Common Shares Issued	Number of	
	Shares	Amount
Balance, December 31, 2023	250,463,731	\$26,326,514
Shares issued for property purchase	6,075,000	302,625
Shares issued for private placements	20,000,000	800,000
Shares issued for RSUs (2023)	1,999,998	320,000
Share issue costs	-	(75,956)
Shares issued for finder's fee	400,000	20,000
Flow-through share premium	-	(262,500)
Balance, December 31, 2024	278,938,729	\$27,430,683

Warrants Outstanding

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At December 31, 2024, there are 32,776,326 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 Liability In Years	Expiry Date
6,749,037	220,442	\$0.15	0.12	Feb. 14, 2025
1,417,821	45,338	\$0.15	0.16	Feb. 26, 2025
6,523,500	214,728	\$0.15	0.18	March 6, 2025
1,500,000	158,042	\$0.15	0.22	March 20, 2025
250,000	24,211	\$0.15	0.27	May 26, 2025
4,810,103	249,357	\$0.25	0.48	June 24, 2025
5,675,399	298,154	\$0.25	0.55	July 20, 2025
1,150,466	60,344	\$0.25	0.63	Aug. 18, 2025
3,000,000	39,922	\$0.20	1.04	Jan. 15, 2026
300,000	28,265	\$0.25	1.35	May 7, 2026
1,400,000	19,956	\$0.05	1.63	August 19, 2026
32,776,326	\$1,358,759	\$0.19	0.44	

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 shall not exceed 10% of the total number of common shares issued and outstanding.

SOP

Champion has a stock option plan that 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.

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A summary of the issued and outstanding stock options as at December 31, 2024, is as follows:

Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contractual Life-Years	Expiry Date
\$0.30	300,000	300,000	0.59	August 4, 2025
\$0.20	500,000	500,000	1.23	March 24, 2026
\$0.20	100,000	100,000	1.32	April 26, 2026
\$0.15	400,000	400,000	2.30	April 19, 2027
\$0.05	2,500,000	2,500,000	2.65	August 24, 2027
\$0.08	3,000,000	3,000,000	3.05	January 18, 2028
\$0.13	2,100,000	2,100,000	3.36	May 11, 2028
\$0.16	550,000	550,000	3.61	August 9, 2028
\$0.075	5,500,000	5,500,000	4.20	March 14, 2029
\$0.09	14,950,000	14,950,000	3.33	

Restricted Stock Unit (“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 8, 2023, the Company granted 6,000,000 RSUs. The cumulative fair value of \$692,603 was recognized as a charge to share-based compensation expense, with a corresponding increase in equity. On August 19, 2024, 1,999,998 RSUs were settled, resulting in the issuance of a corresponding number of common shares. The shares were valued at \$320,000 based on the share price on the original grant date. For the year ended December 31, 2024, the Company recorded share-based compensation expense for the RSUs of \$462,151 (December 31, 2023 – \$231,452)

As at December 31, 2024, a total of 1,999,998 RSUs have vested leaving a balance of 4,000,002 RSUs unvested.

16.0 OUTSTANDING SHARE DATA as at April 30, 2025

As at	Common Shares	Warrants	Stock Options	Restricted Stock Units	Fully Diluted
December 31, 2023	250,463,731	55,836,266	13,825,000	6,000,000	326,124,997
December 31, 2024	278,938,729	32,776,326	14,950,000	4,000,002	330,665,057
April 30, 2025	278,938,729	16,585,968	14,950,000	4,000,002	314,474,699

17.0 MANAGEMENT’S RESPONSIBILITY

Management is responsible for all information contained in this report. The consolidated Financial Statements for year ended December 31, 2024, and 2023 have been prepared in accordance with IFRS and include amounts based on Management’s informed judgments and estimates.

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18.0 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:

- ✓ 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
- ✓ 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.

19.0 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.

20.0 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.

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

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

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

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