



## **CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years ended December 31, 2024, and 2023**

**(Expressed in Canadian Dollars)**

## **Independent Auditor's Report**

To the Shareholders of Champion Electric Metals Inc.

### **Opinion**

We have audited the consolidated financial statements of Champion Electric Metals Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Nimesh Ratnarajah.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 30, 2025

## Consolidated Statements of Financial Position

Expressed in Canadian dollars.

As at December 31,	Note	2024	2023
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$216,069	\$2,621,192
Accounts receivable and prepaids		279,369	468,072
Investments	6	538,879	-
<b>Total assets</b>		<b>\$1,034,317</b>	<b>\$3,089,264</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	14	\$2,602,386	\$216,217
Flow-through share premium liability	8	-	277,479
<b>Total liabilities</b>		<b>\$2,602,386</b>	<b>\$493,696</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	9	27,430,683	26,326,514
Reserve for warrants	10	1,358,759	1,797,043
Contributed surplus	11	3,476,639	2,684,759
Accumulated deficit		(33,834,150)	(28,212,748)
<b>Total shareholders' equity (deficiency)</b>		<b>(1,568,069)</b>	<b>2,595,568</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>\$1,034,317</b>	<b>\$3,089,264</b>

Nature of Operations and Going Concern 1  
 Commitments and Contingencies 16

On behalf of the Board,

"Signed"

"Signed"

Jonathan Buick  
 Director

Paul Fornazzari  
 Director

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

## Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars.

For the years ended December 31,	Note	2024	2023
<b>Operating expenses</b>			
Exploration expenditures	7	<b>\$3,853,584</b>	\$3,218,633
Property acquisition costs	7	<b>982,410</b>	2,362,103
Management fees	14	<b>416,524</b>	415,381
Shareholder and Investor relations		<b>277,916</b>	646,082
Professional fees		<b>231,217</b>	358,205
General administrative costs		<b>33,930</b>	68,229
		<b>5,795,581</b>	7,068,633
Share-based compensation expense	11	<b>779,163</b>	668,864
Net loss for the year before the under-noted items:			
		<b>6,574,744</b>	7,737,497
Gain on flow-through premium		<b>(539,979)</b>	(332,044)
Unrealized (gain) on investments		<b>(257,996)</b>	-
Interest income		<b>(2,095)</b>	(10,122)
Foreign exchange loss		<b>12,173</b>	17,268
<b>Net loss and comprehensive loss for the year</b>		<b>5,786,847</b>	7,412,599
<b>Net loss per share-basic and diluted</b>	15	<b>\$(0.02)</b>	\$(0.03)
<b>Weighted average number of shares</b>			
<b>outstanding during the year - basic and diluted</b>		<b>264,250,511</b>	226,456,815

*The accompanying notes are an integral part of these consolidated financial statements*



## Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the years ended December 31, 2024, and 2023

Expressed in Canadian dollars.

	Note	SHARE CAPITAL		RESERVES		SHAREHOLDERS' EQUITY	
		Common Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
		#	\$	\$	\$	\$	\$
<b>Balance – December 31, 2022</b>		<b>184,801,051</b>	<b>\$17,856,875</b>	<b>\$3,066,574</b>	<b>\$1,162,945</b>	<b>\$(21,239,695)</b>	<b>\$846,699</b>
Shares issued for property purchase	7,9	12,950,000	1,841,039	182,253	-	-	2,023,292
Shares issued for private placements	9	23,192,308	2,240,000	-	-	-	2,240,000
Share issue costs	9	-	(241,019)	-	-	-	(241,019)
Shares issued for finder's fee	9	520,000	69,100	-	-	-	69,100
Shares issued for FT transaction	8,9	20,850,000	4,170,000	-	-	-	4,170,000
Shares issued for services	9	247,372	11,181	-	-	-	11,181
Flow-through share premium	8	-	(521,250)	-	-	-	(521,250)
Warrants exercised	10	5,603,000	640,690	(80,390)	-	-	560,300
Warrant expired	10	-	-	(1,371,394)	1,371,394	-	-
Options exercised	11	2,300,000	259,898	-	(78,898)	-	181,000
Options expired	11	-	-	-	(439,546)	439,546	-
Share-based compensation	11	-	-	-	437,412	-	437,412
Grant of Restricted Stock Units (RSU)	11	-	-	-	231,452	-	231,452
Net loss for the year		-	-	-	-	(7,412,599)	(7,412,599)
<b>Balance - December 31, 2023</b>		<b>250,463,731</b>	<b>\$26,326,514</b>	<b>\$1,797,043</b>	<b>\$2,684,759</b>	<b>\$(28,212,748)</b>	<b>\$2,595,568</b>

*The accompanying notes are an integral part of these consolidated financial statements*



## Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the years ended December 31, 2024, and 2023

Expressed in Canadian dollars.

	Note	SHARE CAPITAL		RESERVES		SHAREHOLDER'S EQUITY	
		Common Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
		#	\$	\$	\$	\$	\$
<b>Balance - December 31, 2023</b>		<b>250,463,731</b>	<b>\$26,326,514</b>	<b>\$1,797,043</b>	<b>\$2,684,759</b>	<b>\$(28,212,748)</b>	<b>\$2,595,568</b>
Shares issued for property purchase	7,9(xiii,xiv)	6,075,000	302,625	39,922	-	-	342,547
Shares issued for private placements	9(xv)	20,000,000	800,000	-	-	-	800,000
Shares issued for RSUs		1,999,998	320,000	-	(320,000)	-	-
Share issue costs	9		(75,956)	19,956	-	-	(56,000)
Shares issued for finder's fee	9(xiii)	400,000	20,000	-	-	-	20,000
Flow-through share premium	8		(262,500)	-	-	-	(262,500)
Warrant expired				(498,162)	498,162	-	-
Options expired	11	-	-	-	(165,445)	165,445	-
Share-based compensation	11	-	-	-	318,012	-	318,012
Grant of restricted stock units (RSU)	11	-	-	-	461,151	-	461,151
Net loss for the year		-	-	-	-	(5,786,847)	(5,786,847)
<b>Balance - December 31, 2024</b>		<b>278,938,729</b>	<b>\$27,430,683</b>	<b>\$1,358,759</b>	<b>\$3,476,639</b>	<b>\$(33,834,150)</b>	<b>\$(1,568,069)</b>

*The accompanying notes are an integral part of these consolidated financial statements*

## Consolidated Statements of Cash Flows

Expressed in Canadian dollars.

For the years ended December 31,	Note	2024	2023
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		\$(5,786,847)	\$(7,412,599)
Adjustments to non-cash items:			
Gain on flow-through premium		(539,979)	(332,044)
Shares issued for properties		362,547	2,023,292
Shares issued for services		-	11,181
Share-based compensation expense		779,163	668,864
Unrealized gain		(257,996)	-
Shares received from option of properties		(280,883)	-
Net change in non-cash working capital balances:			
Accounts receivables and prepaids		260,989	(287,372)
Accounts payable and accrued liabilities		2,313,883	(66,613)
Long-term prepaid expenses		-	4,167
		<b>\$(3,149,123)</b>	<b>\$(5,391,124)</b>
<b>FINANCING ACTIVITIES</b>			
Private placement proceeds		800,000	6,410,000
Share issue costs including finder's fee		(56,000)	(171,918)
Shares issued for the exercise of warrants		-	560,300
Shares issued for the exercise of options		-	181,000
Loans payable		-	(50,000)
		<b>\$744,000</b>	<b>\$6,929,382</b>
<b>Net (decrease) increase in cash</b>		<b>\$(2,405,123)</b>	<b>\$1,538,258</b>
Cash, beginning of year		2,621,192	1,082,934
<b>Cash, end of year</b>		<b>\$216,069</b>	<b>\$2,621,192</b>

### Non-cash activities:

Shares issued for finders' fees	\$	—	\$ 69,100
Shares issued for services	\$	—	\$ 11,181
Warrants issued for finders' fees	\$	19,956	\$ —

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

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**1. Nature of Operations and Going Concern**

CHAMPION ELECTRIC METALS INC., a company incorporated under the Canada Business Corporation Act, and its wholly owned subsidiaries (collectively the “**Company**” or “**Champion**”) are engaged in the acquisition and exploration of certain mineral properties in Quebec, Canada and Idaho, United States of America (“USA”). The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol “ITKO”, the OTCQB Exchange, under “GLDRF”, and the Frankfurt Stock Exchange under “1QB1”. The address of the registered office is Suite 1800, 372 Bay Street Toronto, Ontario, M5H 2W9.

These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

As at December 31, 2024, the Company has accumulated losses of \$33,834,150 (December 31, 2023 - \$28,212,748), \$216,069 of cash (December 31, 2023 - \$2,621,192) and working capital deficit of \$1,568,069 (December 31, 2023 – work capital surplus of \$2,595,568).

Mineral exploration projects, even when successful, require large amounts of exploration investment to prove mineable reserves, generally over long periods of time, prior to the commencement of production. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, the continued support of its existing shareholders, and the outlining and development of commercial deposits of metals at its project to generate positive cash flows from operations. While the Company has been successful in securing financing and identifying suitable properties to date, there is no assurance that the Company will continue to be successful in achieving these objectives. For these reasons, there may exist material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

**2. Basis of Presentation**

**a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**2. Basis of Presentation, continued**

**b) Basis of Measurement**

These consolidated financial statements were prepared on a going concern basis, under the historical cost convention (except for financial instruments carried at fair value), and using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were authorized for issue in accordance with a resolution of the directors dated April 30, 2025.

**c) Use of Estimates and Judgments**

The preparation of consolidated financial statements in conformity with IFRS requires management ("Management") to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in note 4.

**3. Material Accounting Policies**

The accounting policies set out below have been adopted for the years ended December 31, 2024 and 2023 and have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated

**a) Basis of Consolidation**

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

**b) Functional and Presentation Currency**

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

**c) Exploration Projects and Mining Interest Expenditures**

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

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**3. Material Accounting Policies, continued**

**d) Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services, or obligations between related parties.

**e) Finance Income and Expenses**

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues using the effective interest method. Finance income is considered an operating activity for cash flow purposes.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized using the effective interest method. Finance costs are considered an operating activity for cash flow purposes.

**f) Taxes**

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of loss, except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

**i) Current income tax**

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

**ii) Deferred tax**

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized where the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

**g) Loss per share**

Basic loss per share is calculated by dividing total loss from continuing operations attributable to shareholders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**3. Material Accounting Policies, continued**

adjusting the shares issued at the beginning of the period by the number of shares repurchased or issued during the period, multiplied by a time-weighting factor.

Diluted loss per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential shares. The effects of anti-dilutive potential shares are ignored in calculating diluted loss per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

**h) Share-based compensation and warrants**

The Company has a stock option plan (the "SOP") whereby employees, directors, officers and consultants may acquire shares of the Company, for a specified option amount at a future date. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using an appropriate valuation model and is recorded as share-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The fair value associated with the options is transferred to share capital upon exercise or to deficit upon expiry.

The Company has a restricted share unit ("RSU") plan (the "RSUP") whereby the Company may award to eligible directors, officers, employees and consultants RSUs pursuant to the terms of the RSUP. RSU payments may be awarded in shares, in cash or a combination of shares and cash. When these payments are cash-settled, the fair value of the RSUs awarded, representing the estimated market value of the Company's shares is recognized as share-based compensation expense at the grant date, with a corresponding amount recorded as a liability. The fair value of the RSUs is re-measured at the end of each reporting year and at the date of settlement, with changes in fair value recognized as share-based compensation expense in the year. Where RSUs are equity-settled, the fair value of the RSUs at the date of grant is charged to the statement of loss over the vesting term. Equity-settled RSUs are not subsequently re-measured. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Warrants are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes option pricing model. Consideration paid on the exercise of warrants is credited to share capital and the fair value recorded in warrants reserve is transferred to share capital upon exercise. Upon expiration, the fair value of the warrants is reclassified to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

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**3. Material Accounting Policies, continued**

**i) Asset retirement obligations ("ARO")**

ARO is obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, or expensed in the consolidated statements of loss if there is no related asset, as soon as the obligation to incur such costs arises.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market-based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

As at December 31, 2024 and 2023, the Company has no material restoration, rehabilitation and environmental costs as the environmental disturbance to date is minimal.

**j) Financial Assets and Liabilities**

**Financial assets**

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either Fair Value through Profit or Loss ("FVPL") or Fair Value through Other Comprehensive Income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

**Subsequent measurement – financial assets at amortized cost**

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

**Subsequent measurement – Financial assets at FVPL**

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company investments are measured at FVPL.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**3. Material Accounting Policies, continued**

**j) Financial Assets and Liabilities, continued**

**Subsequent measurement – Financial assets at FVOCI**

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements

of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

**De-recognition**

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

**Impairment of financial assets**

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

**Financial liabilities**

Initial recognition and measurement

Financial liabilities are measured at amortized cost unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

**Subsequent measurement – financial liabilities at amortized cost**

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**3. Material Accounting Policies, continued**

**j) Financial Assets and Liabilities, continued**

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

**k) Flow-through shares (“FT Shares”)**

From time to time, the Company will issue flow-through common shares to finance its exploration program. According to the terms of the Flow-through Share agreements, these FT Shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the FT Shares into i) a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a gain on flow-through premium for the amount of tax reduction renounced to the shareholders.

Proceeds received from the issuance of FT Shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

**l) Leases**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company’s incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be re-measured when there is a change in either the future lease payments or upon assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and the interest on the obligation. Interest expense on the lease obligation is included in the consolidated statements of loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low-value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**4. Critical Judgments and Accounting Estimates**

The preparation of consolidated financial statements in conformity with IFRS requires Management to make critical judgments, estimates, and assumptions that affect the application of the accounting policies to the financial information presented. Actual results may differ from the estimates, assumptions, and judgments made.

**Material Accounting Judgments**

The critical judgments that Management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's consolidated 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 has determined 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.

**Accounting Estimates and Assumptions**

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 a material adjustment to the amounts recognized in the consolidated financial statements are:

**i. 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.

**ii. 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 is 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.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**4. Critical Judgments and Accounting Estimates, continued**

**Commitments and Contingencies**

See note 16.

**5. New Accounting Standards Issued 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.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**6. Investments**

On October 3, 2024 the company entered into an option agreement with Legacy Gold Mines Ltd. (“Legacy Gold”) As part of option consideration, the company received cash of \$75,000, 1.1 million common shares of Legacy Gold valued at \$258,500 based on the quoted market price at the time of issuance and 200,000 warrants to purchase 200,000 common shares of Legacy Gold at \$0.30 per share for two years from the date of issuance valued at \$22,383 using the Black-Scholes model (Note 13).

At December 31, 2024, the Company held 1.1 million common shares and 200,000 warrants of Legacy Gold (2023 – nil) with a fair market value of \$484,000 for the common shares based on the quoted market price of \$0.44 and \$54,879 for the warrants based on the Black-Scholes model (December 31 2023 - \$nil) (Note 13).

The following table summarizes information regarding the Company's public investments for the years ended December 31, 2024 and 2023.

	Publicly Traded Security	Warrants	Total
Balance, December 31, 2022 and 2023	\$0	\$0	\$0
Acquisitions	258,500	22,383	280,883
Unrealized gain	225,500	32,496	257,996
<b>Balance, December 31, 2024</b>	<b>\$484,000</b>	<b>\$54,879</b>	<b>\$538,879</b>

**7. Exploration Projects/Mining Interests**

**LITHIUM**

James Bay, Quebec Projects

During the years ended December 31, 2023, the Company acquired certain claims in the Eeyou Istchee James Bay territory of Quebec (“JB”). Consideration included payments in \$120,000 cash, 12,900,000 common shares, 1,750,000 warrants and 520,000 finders’ fees-shares.

All claims related to the project contain provisions for a) the Vendors to retain a net smelter royalty (“NSR”) and b) the Company to repurchase the NSRs for certain future consideration including cash and/or the issuance of common shares. If/when spodumene is discovered on one or more of the claim areas, a bonus may also be paid in either cash or with the issuance of common shares. The vendors will retain a 2% NSR on the claims and the Company has the option to repurchase 1% of the NSR for \$1,000,000.

As no triggering event as defined by the terms of the Provisions has occurred, the contingent cash payments and equity issuances have not been recorded in the consolidated financial statements.

On February 12, 2024, (the “Date of Acquisition”), the Company completed the acquisition of certain (Des Bois) claims in the JBA. Consideration for the lithium-based claims included the issuance of a) \$100,000 cash, b) 6,000,000 common shares valued at \$300,000 (based on the trading price of the common shares at the Date of Acquisition), and c) 3,000,000 common share purchase warrants with an exercise price of

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**7. Exploration Projects/Mining Interests, continued**

\$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. See notes 9(xiii) and 10(vi) – *Share capital and Warrants*. 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.

**POLYMETALLIC**

Champagne Project

The company has certain patented claims (private property) that are located within the Company’s past-producing Champagne Project in Idaho, USA. The claims include certain patent lode mining claims and certain patent mill site which are located inside the project area controlled by Champion.

On May 6, 2020, Champion signed a binding Property Option Agreement (the “Agreement”) with a private family (the “Optionor”) which provides an option to acquire additional claims that are also located within the Company’s past producing Champagne Project. Under the terms of the Agreement, Champion shall pay the Optionor US\$8,000 (paid) and issue 100,000 Champion common shares (issued). Further, the Company will pay US\$8,000 on each anniversary date of the option agreement thereafter for the first 20 years of the agreement. The agreement can be renewed for an additional 20 years upon payment of US\$15,000 and the issuance of shares with a value of US\$20,000 on each anniversary date.

Champion can purchase a 100% interest in the claims by paying the Optionor the following in US\$:

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

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

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

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

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**7. Exploration Projects/Mining Interests, continued**

- An initial payment of US\$10,000 and 50,000 common shares of the Company (completed);
- Annual payments of US\$10,000 and 50,000 common shares of the Company on the first and second anniversaries, each of which is an option to be paid at the sole discretion of the Company (completed);
- Annual payments of US\$10,000 and 75,000 common shares of the Company on the third and fourth anniversaries (completed); and
- On or before the fifth anniversary, Champion has the option to remit the final consideration of US\$190,000 and 200,000 common shares of the Company.

**COBALT**

Idaho Cobalt (Idaho)

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

**GOLD**

Baner Project (Idaho)

Since October 2017, the Company has owned 100% of the Baner Property in Idaho, USA. In February 2018 the Company staked certain claims comprising the Baner property. These claims are in good standing.

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 Legacy Gold (“Common Shares”); (received) and
  - c. warrants to purchase up to 200,000 Common Shares of Legacy Gold 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 of Legacy Gold; and
  - c. warrants to purchase up to 200,000 Common Shares of Legacy Gold at the last closing price for the Common Shares prior to the date of issuance, for two 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 of Legacy Gold prior to the date of issuance, for two 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.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**7. Exploration Projects/Mining Interests, continued**

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 Legacy Gold, free and clear of all encumbrances, subject to a 1% net smelter return royalty (the "NSR") in favor of the Company. Legacy Gold may buy back the NSR in exchange for a \$7.5 million payment to Champion Electric.

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

During the years ended December 31, 2024, the Company incurred \$982,410 (2023 - \$2,362,103) of property acquisition costs (including cash and the issuance of common shares) and \$3,853,584 (2023 - \$3,218,633) of E&E for the Company's active projects:

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

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

**8. Flow-through Share Premium Liability**

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of loss and comprehensive loss on a pro-rata basis based on the corresponding eligible exploration expenditures that have been incurred. A premium liability of \$(262,500) (2023 - \$521,250) was recognized, in respect of private placements completed during the years ended December 31, 2024 and 2023.

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).

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**8. Flow-through Share Premium Liability, continued**

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

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

**9. Share Capital**

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:

- (i) On January 18, 2023, 247,372 common shares were issued to contractors as compensation for services rendered. A fair value of \$11,181 was assigned to these shares using quoted market price at the date of issuance.
- (ii) On February 22, 2023, the Company acquired certain Lithium claims for \$25,000 cash, the issuance of 2,000,000 common shares and 125,000 common shares for finder's fees valued at \$12,500, based on the quoted market price of the Company's common shares at the date of issuance.
- (iii) On February 27, 2023, the Company closed a private placement offering with the issuance of 15,500,000 common shares, for gross proceeds of \$1,240,000 (the "February Offering"). The February Offering was subscribed for by a newly-appointed Director.
- (iv) On March 2, 2023, the Company acquired certain Lithium claims for \$70,000 cash, the issuance of 2,000,000 common shares (the "March Purchase Shares") and 100,000 common shares for finder's fees. The March Purchase Shares were valued at \$270,000, and the finders' fee shares were valued at \$13,500, based on the quoted market price of the Company's common shares at the date of issuance.
- (v) On May 12, 2023, the Company closed a private placement offering with the issuance of 7,692,308 common shares, for gross proceeds of \$1,000,000 (the "May Offering"). The May Offering was subscribed for by a newly-appointed Director.
- (vi) On May 23, 2023, the Company acquired certain Lithium claims for \$25,000 cash, the issuance of 3,000,000 common shares (the "May 23 Purchase Shares"), and 175,000 common shares for finders' fees. The May 23 Purchase Shares were valued at \$420,000 and the finders' fees were valued at \$24,500 based on the quoted market price of the Company's common shares at the date of issuance.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**9. Share Capital, continued**

- (vii) On May 26, 2023, the Company acquired certain Lithium claims for the issuance of 700,000 common shares (the "May 26 Purchase Shares"), 250,000 warrants (Note 10), and 35,000 common shares for finders' fees. The May 26 Purchase Shares were valued at \$108,500 and the finders' fees were valued at \$5,425 based on the quoted market price of the Company's common shares at the date of issuance.
- (viii) On June 12, 2023, the Company closed a private placement with the issuance of 20,850,000 Charitable Flow-Through Shares for gross proceeds of \$4,170,000 ("CFT Offering"). In connection with closing the CFT Offering, the Company paid \$104,250 cash finders' fees.
- (ix) On June 29, 2023, the Company made a third annual payment as part consideration for the five-year option for the acquisition of certain property interests in Idaho, USA, by issuing 50,000 common shares, valued at \$0.165 each, based on the quoted market price of the shares on the date of issue.
- (x) On July 6, 2023, the Company acquired certain Lithium claims for \$70,000 cash, the issuance of 3,500,000 common shares (the "June Purchase Shares") and 1,500,000 common share purchase warrants (Note 10). The June Purchase Shares were valued at \$595,000 based on the quoted market price of the Company's common shares at the date of issuance.
- (xi) On July 26, 2023, the Company acquired certain Lithium claims for the issuance of 1,700,000 common shares (the "July Purchase Shares") and 85,000 common shares for finders' fees. The July Purchase Shares were valued at \$263,500 and the finders' fees were valued at \$13,175 based on the quoted market price of the Company's common shares at the date of issuance.
- (xii) During the year-ended December 31, 2023, a total of 2,300,000 common shares were issued upon the exercise of 2,300,000 stock options, for proceeds of \$181,000 (Note 11).
- (xiii) On February 12, 2024, the Company acquired ("DesBois Lithium Project" or "DLP") for the issuance of 6,000,000 common shares (the "February 2024 Purchase Shares"), 3,000,000 warrants (Note 10) 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.
- (xiv) On June 21, 2024, the Company made a fourth annual payment as part consideration for the five-year option for the acquisition of certain property interests in Idaho, USA, by issuing 75,000 common shares, valued \$2,625 based on the quoted market price of the Company's common shares at the date of issuance.
- (xv) 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 (Note 10).
- (xvi) 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.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**10. Warrants**

From time to time, the Company issues warrants as a component of equity financings. The Company assigns a fair value to the warrants using a Black-Scholes option pricing model, as at the date of issuance. As warrants are exercised, the fair value is transferred to share capital. Should warrants expire unexercised, the fair value is reclassified to contributed surplus.

- (i) On March 14, 2023, a total of 100,000 warrants were exercised for gross proceeds of \$10,000.
- (ii) On May 26, 2023, the Company issued 250,000 warrants in connection with the acquisition of certain Lithium claims. See note 9(vii). A fair value of \$24,211 was assigned to these warrants.
- (iii) During June 2023, a total of 5,303,000 warrants were exercised for gross proceeds of \$540,300.
- (iv) On July 6, 2023, a total of 1,500,000 warrants were issued in connection with the acquisition of certain Lithium claims. See note 9(x). A fair value of \$158,042 was assigned to these warrants.
- (v) On July 23, 2023, 200,000 warrants were exercised for gross proceeds of \$20,000.
- (vi) On February 12, 2024, the Company issued 3,000,000 warrants in connection with the acquisition of certain Lithium claims. See note 9(xiii). A fair value of \$39,922 was assigned to these warrants.
- (vii) On August 19, 2024 the Company issued 1,400,000 broker warrants in connection with the FT Offering. A fair value of \$19,956 was assigned to these warrants.

The following table summarizes the assumptions used in the valuation of the warrants itemized in (ii), (iv) (vi) and (vii) above:

	May 26, 2023	July 6, 2023	Feb. 12, 2024	Aug. 19, 2024
<b>Issue date</b>	<b>May 26, 2023</b>	<b>July 6, 2023</b>	<b>Feb. 12, 2024</b>	<b>Aug. 19, 2024</b>
Fair value	\$24,211	\$158,042	\$39,922	\$19,956
Number of warrants	250,000	1,500,000	3,000,000	1,400,000
Exercise price	\$0.16	\$0.17	\$0.20	\$0.05
Risk-free rate of return	4.3%	4.75%	4.24%	3.33%
Annualized volatility	123.81%	122.62%	107.36%	139.91%
Expected life	1.87	1.71	2.00	2.00
Dividend yield	0%	0%	0%	0%

**Expired**

- (viii) During the year-ended December 31, 2023, a total of 14,205,000 warrants, with exercise prices ranging between \$0.45 to \$ \$0.50, expired.
- (ix) During the year-ended December 31, 2024, a total of 27,459,440 warrants, with exercise prices ranging from \$0.10 to \$0.15, expired.
- (x) Subsequent to the year-end, a total of 16,190,358 warrants, with an exercise price of \$0.15, expired

The fair value of the expired warrants has been reclassified to contributed surplus.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**10. Warrants, continued**

A summary of warrant activity during the year ended December 31, 2024 and 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, December 31, 2022</b>	<b>73,894,266</b>	<b>\$0.21</b>
Issued – notes 8 (ii)(iv)	1,750,000	\$0.15
Exercised – notes 8 (i)(iii)(v)	(5,603,000)	\$(0.10)
Expired – notes 8 (viii)	(14,205,000)	(\$0.50)
<b>Balance, December 31, 2023</b>	<b>55,836,266</b>	<b>\$0.15</b>
Issued – note 8(vi)	3,000,000	\$0.20
Issued – note 8(vii)	1,400,000	\$0.05
Expired – notes 8(ix)	(27,459,440)	(\$0.10-\$0.15)
<b>Balance, December 31, 2024</b>	<b>32,776,826</b>	<b>\$0.19</b>

At December 31, 2024, there are 32,776,826 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
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	Aug. 19, 2026
<b>32,776,326</b>	<b>\$1,358,759</b>	<b>\$0.19</b>	<b>0.44</b>	

**11. Share-based Incentive Plans**

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

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**11. Share-based Incentive Plans, continued**

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

**SOP**

Champion has a stock option plan that provides for the granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. Terms of the options granted are subject to the allocation and approval by the Board of Directors. All options granted are subject to a four-month hold period from the date of grant as required by the CSE.

- (i) On January 18, 2023, the Company granted an aggregate of 4,200,000 stock options to certain directors, officers, and consultants. These five-year options vested immediately and have an exercise price of \$0.08. The options were assigned a fair value of \$186,703 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.055; risk-free rate of return – 3.27%; annualized volatility – 122.49%; and dividend yield – 0%.
- (ii) On May 11, 2023, the Company granted an aggregate of 2,150,000 stock options to certain directors, officers, and consultants. These five-year options vested immediately and have an exercise price of \$0.13. The options were assigned a fair value of \$194,200 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.105; risk-free rate of return – 2.94%; annualized volatility – 133.58%; and dividend yield – 0%.
- (iii) On August 9, 2023, the Company granted an aggregate of 550,000 five-year stock options to certain consultants. These options have an exercise price of \$0.16 and vest one third on grant, one third on the first anniversary and the remaining third on the second anniversary. The options were assigned a fair value of \$66,860 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.15; risk-free rate of return – 3.86%; annualized volatility – 114.09 %; and dividend yield – 0%.
- (iv) During the year-ended December 31, 2023, a total of 2,300,000 common shares were issued on the exercise of 2,300,000 stock options for proceeds of \$181,000.
- (v) During the year-ended December 31, 2023, a total of 3,200,000 stock options expired unexercised.
- (vi) On March 14, 2024, the Company granted an aggregate of 5,550,000 stock options to certain directors, and consultants. These five-year options vested immediately and have an exercise price of \$0.075. The options were assigned a fair value of \$307,661 based on a Black-Scholes option pricing model using the following assumptions: share price – \$0.07; risk-free rate of return – 3.60%; annualized volatility – 109.65%; and dividend yield – 0%. Out of total fair value of options, 4,500,000 options valuing \$249,454 were issued to related parties and rest to consultant and others.
- (vii) During the year-ended December 31, 2024 a total of 1,550,000 options expired.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**11. Share-based Incentive Plans, continued**

A summary of stock option activity during the year ended December 31, 2024, is as follows:

	Number of stock options outstanding	Weighted average exercise price
<b>Balance, December 31, 2022</b>	<b>12,425,000</b>	<b>\$0.13</b>
Granted – notes 9(i)(ii)(iii)	6,900,000	\$0.08-\$0.16
Exercised – note 9(iv)	(2,300,000)	\$(0.13)
Expired - note 9(v)	(3,200,000)	\$(0.22)
<b>Balance, December 31, 2023</b>	<b>13,825,000</b>	<b>\$0.10</b>
Granted – note 9(vii)	5,550,000	\$0.075
Expired - note 9(vi)	(4,425,000)	\$(0.05-\$0.20)
<b>Balance, December 31, 2024</b>	<b>14,950,000</b>	<b>\$0.09</b>

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
<b>\$0.09</b>	<b>14,950,000</b>	<b>14,950,000</b>	<b>3.33</b>	

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**11. Share-based Incentive Plans, continued**

**RSU Plan**

Champion has an RSU Plan that provides for the granting of restricted stock units up to a maximum of 10% of the Company's issued and outstanding common shares, less any issued and outstanding stock options. Terms of the RSUs are subject to the allocation and approval by the Board of Directors. Each RSU shall be converted into one common share as vesting occurs. RSUs are measured at fair value on the grant date. On August 8, 2023, the Company granted 6,000,000 RSU's. The cumulative fair value of \$692,603 (\$231,452-2023) 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 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, pursuant to the vesting of 1,998,998 shares on August 19, 2024 a total of 4,000,002 RSUs are unvested (2023 – 6,000,000).

**12. Capital Management**

The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares and adjust its capital spending to manage current and projected debt levels. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate cash to meet the ongoing financial obligations of the Company. To assess capital operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

**13. Financial Instruments and Risk Management**

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

**Fair values**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**13. Financial Instruments and Risk Management, continued**

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the input used in making the measurements. The fair value hierarchy shall have the following levels:

- a) quoted market prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As at December 31, 2024 and 2023, the Company's financial instruments were classified as follows:

	December 31, 2024	December 31, 2023
<b>Financial Assets - amortized cost</b>		
Cash	\$216,069	\$2,621,192
Accounts receivable	235,742	278,853
<b>Financial Assets - fair value through profit and loss</b>		
Investments	538,879	-
<b>Financial Liabilities - amortized cost</b>		
Accounts payable and accrued liabilities	\$2,602,386	\$216,217

The fair values of all the Company's financial instruments except investments approximate the carrying value due to the short-term nature of the financial instruments. The Company's activities expose it to a variety of financial risks: liquidity risk and market risk (currency fluctuations, interest rates, and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Financial assets (liabilities)	Level 1	Level 2	Level 3	Total
	(Quoted market price)	(Valuation technique - observable market inputs)	(Valuation technique - non-observable market inputs)	
Investments	\$484,000	\$54,870	\$0	\$538,870
<b>December 31, 2024</b>	<b>\$484,000</b>	<b>\$54,870</b>	<b>\$0</b>	<b>\$538,870</b>

*Level 2 Hierarchy*

The non-trading warrants on public investments related to the Company's investment in Legacy Gold is a level 2 financial instrument. The Company valued the warrants using a Black-Scholes Option model with the following inputs:

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**13. Financial Instruments and Risk Management, continued**

<b>Year-end</b>	<b>Exercise price</b>	<b>Expected life (years)</b>	<b>Risk free interest rate</b>	<b>Dividend yield</b>	<b>Expected volatility</b>	<b>Underlying share price</b>	<b>Fair value per warrant</b>
October 3, 2024	\$0.30	2.00	3.05%	0%	100%	\$0.24	0.11
December 31, 2024	\$0.30	1.76	3.05%	0%	100%	\$0.44	0.27

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As the Company's industry is very capital-intensive, the majority of its spending is related to its capital programs. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. The Company's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. The Company also mitigates liquidity risk by maintaining an insurance program to minimize exposure to insurable losses. At December 31, 2024, the Company had \$216,069 in cash to settle \$2,602,386 of accounts payable and accrued liabilities (December 31, 2023 - \$2,621,192 of cash to settle \$216,217 of current indebtedness). Amounts recorded for flow-through share premium liability will not be settled in cash. Accordingly, Management considers Champion's liquidity risk to be significant.

Market Risk

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

Interest rate risk

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

Foreign exchange risk

The Company does engage in transactions and activities in currencies other than its reported currency as a portion of its exploration activities are carried out in the USA. Accordingly, expenses, assets and liabilities in the USA result in the Company being exposed to foreign exchange fluctuations. The Company does not have a hedging policy and attempts to mitigate foreign exchange risk by buying US dollars at optimal spot rates whenever possible.

As at December 31, 2024, the Corporation had foreign cash balances in the Canadian equivalent of \$1,706 and trade payables of \$66,806 (December 31, 2023 – foreign cash balances of \$21,709 and trade payables of \$36,642). Sensitivity to a plus or minus 5% change in the foreign exchange rate would have resulted in a decrease in the net assets of the Corporation in the amount of \$3,255 at December 31, 2024 (December 31, 2023 – decrease of \$747). The Corporation does not undertake currency hedging activities to mitigate its foreign currency risk).

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

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**13. Financial Instruments and Risk Management, continued**

Commodity and equity risk

**Price Risk**

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. As the Company's properties are in the exploration and evaluation stage and to date do not contain any identified mineral resources or reserves, the Company does not hedge against commodity price risk.

**Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital.

Other price risk typically arises from exposure to equity and commodity securities. If the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant statement of operations could have increased or decreased by approximately \$55,500 (2023 - \$nil).

**14. Related Party Transactions and Key Management Compensation**

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

**(a) Related party transactions**

Since November 2021, the Company has retained Grove Corporate Services Ltd. ("Grove") to provide certain professional corporate services to the Company, including administrative, investor relations and 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 and accrued liabilities 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 incurred professional fees to a law firm for legal, services totalling \$286,897 (2023 - \$140,538). One of the directors of the Company is a partner in this law firm. Included in accounts payable and accrued liabilities at December 31, 2024, is \$286,897 owing to this law firm (2023 - \$1,220). The amounts are unsecured, non-interest bearing and due on demand.

**(b) Key management compensation**

During the year ended December 31, 2024, the Company remunerated its Chief Executive Officer ("CEO") \$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 owing to him (2023 - \$7,827). The amount is unsecured, non-interest bearing and due on demand.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**14. Related Party Transactions and Key Management Compensation, continued**

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. See note 11 – *Share-based Incentive Plans*.

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
	<b>\$1,176,107</b>	<b>\$952,384</b>

(1) 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. During the year ended December 31, 2023 a total of 6,000,000 RSUs were granted to the current directors. During the financial year ending December 31, 2024, 1,999,998 common shares were issued to the directors as they became vested.

**15. Loss Per Share**

The calculation of basic loss per share for the year ended December 31, 2024, and 2023 was based on total loss attributable to common shareholders of \$5,786,847 (2023 - \$7,412,599), and a weighted average number of common shares outstanding of 264,250,511 and 226,456,815 respectively.

**16. Commitments and Contingencies**

Environment

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company periodically evaluates its obligations under environmental regulations and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through commitments.

From time-to time, the Company and its associates enter into flow-through financings and indemnify the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**16. Commitments and Contingencies, continued**

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 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, it would trigger a payable amount of \$450,000. As no terminations have taken place as at December 31, 2024, no provision has been made in the consolidated financial statements.

**17. Income Taxes**

**a Provision for Income Taxes**

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (December 31, 2023 – 26.5%) to the effective tax rate is as follows:

	2024 \$	2023 \$
Loss before income taxes	(5,786,848)	(7,412,599)
Expected income tax recovery based on statutory rate	(1,534,000)	(1,964,000)
Adjustment to expected income tax recovery:		
Share based compensation	206,000	177,000
Flow-through renunciation	657,000	1,371,000
Expenses not deductible for tax purposes	26,000	125,000
Other	(516,000)	-
Change in foreign exchange rates	(243,000)	-
Change in tax rates	47,000	-
Change in unrecorded deferred tax asset	1,357,000	291,000
<b>Deferred income tax provision (recovery)</b>	<b>-</b>	<b>-</b>

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024, and 2023**

Expressed in Canadian dollars.

**b Deferred Income Taxes**

	2024	2023
	\$	\$
<u>Unrecognized deferred tax assets</u>		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards - Canada	8,090,000	7,662,000
Non-capital loss carry-forwards - United States	11,830,000	10,866,000
Share issue costs	413,000	544,000
Mineral property costs	5,596,000	1,590,000
<b>Total</b>	<b>25,929,000</b>	<b>20,662,000</b>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against the Company can use the benefits. The non-capital losses expire between 2038 to 2044. The other temporary differences do not expire under current legislation