



## **CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2025 and 2024**

**(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, 2025 and 2024, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholder's 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### **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.

### **Emphasis of Matter**

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2024, have been restated. Our opinion is not modified in respect of this matter.

### **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, 2025 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 Accounting Standards, 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 29, 2026

## Consolidated Statements of Financial Position

Expressed in Canadian dollars.

As at December 31,	Note	2025	2024
			(As restated note 3(c))
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$515,365	\$216,069
Accounts and other receivables	6	633,428	733,073
Investments	7,14	395,246	538,879
<b>Total assets</b>		<b>\$1,544,039</b>	<b>\$1,488,021</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	15	\$2,801,059	\$2,602,386
Deferred income	8	685,300	—
Income tax payable		30,098	31,598
<b>Total liabilities</b>		<b>\$3,516,457</b>	<b>\$2,633,984</b>
<b>Shareholders' Deficiency</b>			
Share capital	10	\$27,430,683	\$27,430,683
Warrants	11	88,143	1,358,759
Contributed surplus		4,314,682	3,476,639
Accumulated deficit		(33,805,926)	(33,412,044)
<b>Total shareholders' deficiency</b>		<b>(1,972,418)</b>	<b>(1,145,963)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>\$1,544,039</b>	<b>\$1,488,021</b>

Nature of Operations and Going Concern note 1  
 Commitments and Contingencies note 17  
 Subsequent events note 19

On behalf of the Board,

"Signed"

Jonathan Buick  
 Director

"Signed"

Gabriel Pindar  
 Director

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

## Consolidated Statements of Operations and Comprehensive Loss

Expressed in Canadian dollars.

For the years ended December 31,	Note	2025	2024
			(As restated- note 3(c))
<b>Operating expenses</b>			
Exploration expenditures (recovery)	8	\$(46,962)	\$3,399,880
Property acquisition costs	8	235,409	982,410
Management fees	15	196,228	416,524
Professional and consulting fees		76,648	231,217
Shareholder and investor relations		28,726	277,916
General and administrative expenses		27,768	33,930
Share-based compensation expense	12	267,397	779,163
<b>Loss for the year before the under-noted items and income tax:</b>		<b>785,214</b>	<b>6,121,040</b>
<b>Other (income) expenses</b>			
Gain on flow-through premium	9	—	(539,979)
Unrealized (gain) loss on investments	7	143,633	(257,996)
Foreign exchange (gain) loss		(5,342)	13,690
Interest expense (income) net		170,347	(2,095)
<b>Loss for the year before income tax</b>		<b>1,093,852</b>	<b>5,334,660</b>
Income tax expense	18	—	30,081
<b>Net loss and comprehensive loss for the year</b>		<b>\$1,093,852</b>	<b>\$5,364,741</b>
<b>Net loss per share - basic and diluted</b>	<b>16</b>	<b>\$0.00</b>	<b>\$0.02</b>
<b>Weighted average number of shares outstanding during the year – basic and diluted</b>		<b>278,938,729</b>	<b>264,250,511</b>

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

## Consolidated Statements of Changes in Shareholders' Deficiency

For the years ended December 31, 2025 and 2024

Expressed in Canadian dollars.

	Note	SHARE CAPITAL		RESERVES		SHAREHOLDERS' EQUITY (DEFICIT)	
		Common Shares #	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
						(As restated-note 3(c))	
<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 private placement	10(iii)	20,000,000	800,000	—	—	—	800,000
Share issue costs		—	(75,956)	19,956	—	—	(56,000)
Shares issued for property purchase	8,10(i,ii)	6,075,000	302,625	39,922	—	—	342,547
Shares issued for finder's fee		400,000	20,000	—	—	—	20,000
Vesting of Restricted Stock Units (RSUs)	11	—	—	—	461,151	—	461,151
Shares issued for RSUs settlement	10(iv)	1,999,998	320,000	—	(320,000)	—	—
Flow-through share premium	9	—	(262,500)	—	—	—	(262,500)
Share-based compensation	12	—	—	—	318,012	—	318,012
Warrants expired	11	—	—	(498,162)	498,162	—	—
Options expired	12	—	—	—	(165,445)	165,445	—
Net loss for the year		—	—	—	—	(5,364,741)	(5,364,741)
<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>\$(33,412,044)</b>	<b>\$(1,145,963)</b>
Warrants expired	11	—	—	(1,270,616)	1,270,616	—	—
Options expired	12	—	—	—	(59,970)	59,970	—
Share-based compensation	12	—	—	—	267,397	—	267,397
Cancellation of RSUs	12	—	—	—	(640,000)	640,000	—
Net loss for the year		—	—	—	—	(1,093,852)	(1,093,852)
<b>Balance – December 31, 2025</b>		<b>278,938,729</b>	<b>\$27,430,683</b>	<b>\$88,143</b>	<b>\$4,314,682</b>	<b>\$(33,805,926)</b>	<b>\$(1,972,418)</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	2025	2024
			(As restated note 3(c))
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		<b>\$(1,093,852)</b>	<b>\$(5,364,741)</b>
Adjustments to non-cash items:			
Gain on flow-through premium	9	—	(539,979)
Shares issued for properties	8	—	362,547
Share-based compensation expense	12	<b>267,397</b>	779,163
Unrealized (gain) loss on investments	7	<b>143,633</b>	(257,996)
Foreign exchange (gain) loss		<b>(1,500)</b>	
Shares received from option of properties		—	(280,883)
Net change in non-cash working capital balances:			
Accounts receivables and prepaids	6	<b>99,645</b>	(192,715)
Accounts payable and accrued liabilities		<b>198,673</b>	2,313,883
Income tax payable		—	31,598
Deferred income	8	<b>685,300</b>	—
		<b>\$299,296</b>	<b>\$(3,149,123)</b>
<b>FINANCING ACTIVITIES</b>			
Private placement proceeds	9	—	800,000
Share issue costs	9	—	(56,000)
		—	744,000
<b>Net increase (decrease) in cash</b>		<b>\$299,296</b>	<b>\$(2,405,123)</b>
Cash, beginning of year		<b>216,069</b>	2,621,192
<b>Cash, end of year</b>		<b>\$515,365</b>	<b>\$216,069</b>

### Non-cash activities:

Warrants issued for finders' fees	\$—	\$19,956
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*The accompanying notes are an integral part of these consolidated financial statements.*

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2025 and 2024**

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 (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”, and the Frankfurt Stock Exchange under the symbol “1QB1”. The address of the corporate office is Suite 1800, 372 Bay Street Toronto, Ontario, M5H 2W9.

These consolidated financial statements for the years ended December 31, 2025 and 2024 (the “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, 2025, the Company has accumulated losses of \$33,805,926 (December 31, 2024 - \$33,412,044), \$515,365 of cash (December 31, 2024 - \$216,069) and working capital deficit of \$1,972,418 (December 31, 2024 - \$1,145,963).

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 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**

The Consolidated Financial Statements, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) 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, 2025 and 2024**

Expressed in Canadian dollars.

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**b) Basis of Measurement**

The 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 29, 2026.

**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, 2025 and 2024 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**

The 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) Restatement Due to Errors**

- (i) Understatement of accounts receivable and prepaids and overstatement of exploration expenditures

The consolidated financial statements have been restated to reflect additional Quebec Mining Tax Credits ("QMTC") receivable that were not recorded in the year ended December 31, 2024. Pursuant to this omission, the \$453,704 of QMTC have been recorded in accounts receivable and prepaids and in exploration and evaluation expenses as a recovery item, in 2024.

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2025 and 2024**

Expressed in Canadian dollars.

(ii) Understatement of income tax payable and income tax expense

The Consolidated Financial Statements have been restated to reflect an income tax provision that was not recorded in the year ended December 31, 2024. Pursuant to this restatement, income tax payable balance as at December 31, 2024 is \$31,598 (US \$21,960).

<b>Statement of Financial Position As at December 31, 2024</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
<b>Assets</b>			
Current assets			
Cash	\$ 216,069	\$ —	\$ 216,069
Accounts receivable and prepaids (i)	279,369	453,704	733,073
Investments	538,879	—	538,879
<b>Total assets</b>	<b>\$ 1,034,317</b>	<b>\$ 453,704</b>	<b>\$ 1,488,021</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 2,602,386	\$ —	\$ 2,602,386
Income tax payable (ii)	—	31,598	31,598
<b>Total liabilities</b>	<b>2,602,386</b>	<b>31,598</b>	<b>\$2,633,984</b>
<b>Shareholder's Deficiency</b>			
Share capital	27,430,683	—	27,430,683
Warrants	1,358,759	—	1,358,759
Contributed surplus	3,476,639	—	3,476,639
Accumulated deficit	(33,834,150)	422,106	(33,412,044)
<b>Total shareholders' deficiency</b>	<b>(1,568,069)</b>	<b>422,106</b>	<b>(1,145,963)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 1,034,317</b>	<b>\$ 453,704</b>	<b>\$ 1,488,021</b>

<b>Statement of Loss and Comprehensive Loss As at December 31, 2024</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
Operating expenses			
Exploration expenditures (i)	\$ 3,853,584	\$ (453,704)	\$ 3,399,880
Loss for the year before the under-noted items and income tax	6,574,744	(453,704)	6,121,040
Other income (expenses)			
Foreign exchange (gain) loss (ii)	12,173	1,517	13,690
Loss before taxes	5,786,847	(452,187)	5,334,660
Income tax expense (ii)	—	30,098	30,098
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 5,786,847</b>	<b>\$ (422,106)</b>	<b>\$ 5,364,741</b>

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2025 and 2024**

Expressed in Canadian dollars.

<b>Statement of Shareholders' Equity (Deficiency) As at December 31, 2024</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
Balance - December 31, 2023 – Deficit	\$ (28,212,748)	\$ —	\$ (28,212,748)
Options expired	165,445	—	165,445
Net loss for the year	(5,786,847)	422,106	(5,364,741)
Balance - December 31, 2024 - Deficit	\$ (33,834,150)	\$ 422,106	\$ (33,412,044)

<b>Statement of Cash Flows As at December 31, 2024</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
Net loss for the year (i)	\$(5,786,847)	422,106	\$(5,364,741)
Net change in non-cash working capital balances:			
Income tax payable (ii)	—	31,598	31,598
Accounts receivable (i)	260,989	(453,704)	(192,715)
Accounts payable (i)	2,313,883	—	2,313,883
Net cash used in operating activities	(3,149,123)	—	(3,149,123)

**d) Exploration and Evaluation Expenditures (“E&E”)**

The Company expenses both the cost of its exploration and evaluation expenditures (“E&E”), and the cost of acquiring and maintaining 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.

**e) 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.

**f) 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.

## Notes to the Consolidated Financial Statements For the years ended December 31, 2025 and 2024

Expressed in Canadian dollars.

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### g) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of loss and profit, 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.

### h) 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 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.

### i) 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

**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2025 and 2024**

Expressed in Canadian dollars.

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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 remeasured. 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.

**j) 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, 2025 and 2024, the Company had no material restoration, rehabilitation or environmental costs as the environmental disturbance to date is minimal.

**k) 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

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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.

**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.

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**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.

**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.

**l) 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.

**m) Grant income**

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the government grant relates to an expense item, it is recognised as recovery of expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.”

**4. Material Accounting Estimates and Judgments**

The preparation of these financial statements requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cashflows.

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Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in these financial statements is discussed below:

**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.

**iii. Going concern assumption**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

**iv. Provisions and contingencies**

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is required.

**v. Flow-through shares**

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to the premium on flow-through shares liability. The reduction to the premium

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liability in the period of renunciation is recognized through operations.

**vi. Existence of decommissioning and restoration costs and timing of expenditure**

Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.

**vii. Valuation of deferred income tax assets**

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiatives, and deferred tax rates.

**5. New Accounting Standards Issued and Future Accounting Changes**

Effective January 1, 2025, the Company adopted amendments to IAS 21. These amendments did not have any material impact on the Company's consolidated financial statements.

**Future Accounting Changes**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2026 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the financial statements.

**IFRS 9 & IFRS 7, Classification and Measurement of Financial Instruments** - 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.

**IFRS 18, Presentation and Disclosure in Financial Statements** - In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace 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.

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**6. Accounts receivable and prepaids**

	<b>2025</b>	2024
	\$	\$
Sales tax receivable	45,657	235,722
Mining tax credits receivable (i)	437,316	453,704
Grant funding receivable (ii)	142,776	—
Prepaid expenses	7,679	43,647
<b>Balance, December 31, 2025</b>	<b>\$633,428</b>	<b>\$733,073</b>

(i) See note 3(c) - Restatement Due to Error

(ii) On July 2, 2024 the Company became eligible for a grant from Québec's Ministère des Ressources Naturelles et des Forêts (the "MRNF"). The MRNF grant of \$167,000 was sought out to contribute towards the planned metallurgical test work programme to be carried out in 2024 on the Company's lithium projects. The initial 15% totaling \$25,050 was received in 2024 and the balance of \$142,776 has been received in 2026.

**7. 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, 1,100,000 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.

At December 31, 2025, the Company continues to hold 1,100,000 common shares and 200,000 warrants of Legacy Gold (2024 – 1,100,000 common shares and 200,000 warrants) with a fair market value of \$374,000 for the common shares based on the quoted market price of \$0.34 and \$21,246 for the warrants based on a Black-Scholes model (December 31, 2024 - \$484,000 and \$54,879 respectively).

The following table summarizes information regarding the Company's investments for the years ended December 31, 2025 and 2024.

	<b>Publicly Traded Shares</b>	<b>Warrants</b>	<b>Total</b>
Balance, December 31, 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>
Unrealized loss	(110,000)	(33,633)	(143,633)
<b>Balance, December 31, 2025</b>	<b>\$374,000</b>	<b>\$21,246</b>	<b>\$395,246</b>

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**8. Exploration Projects/Mining Interests**

**LITHIUM**

James Bay, Quebec Canada

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) 6,000,000 common shares valued at \$300,000 (based on the trading price of the common shares at the Date of Acquisition), and b) 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. See notes 10(i) and 11(i) – *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.

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 \$6,000,000.

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. Champion's Quebec property interest portfolio comprises of certain claims in the Eeyou Istchee James Bay territory.

On December 19, 2025, the Company entered into a mining claims acquisition agreement (the "Sale Agreement") with a director (the "Buyer") pursuant to which the Buyer shall acquire the Company's wholly owned Champion Lithium Project (the "Project") located in the Eeyou Istchee James Bay territory of Quebec.

As consideration for the Project, the Company shall receive cash payments in the aggregate of US\$1,000,000 (the "Consideration"). The completion of the transaction contemplated by the Sale Agreement remains subject to the approval of all regulatory and other approvals, including the approval of the Canadian Securities Exchange. On December 30, 2025 the Buyer advanced \$685,300 (US\$500,000) of the Consideration. The partial payment has been recorded to deferred income on the statements of financial position.

**POLYMETALLIC**

Champagne Project, Idaho USA

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 a certain patent mill site which are located inside the project area controlled by Champion.

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To maintain the mineral claims in good standing, the Company is required to incur minimum annual exploration expenditures. For 2026, the minimum annual expenditures is expected to be approximately US\$60,000. Any expenditures incurred in excess of the minimum requirement may under certain circumstances be carried forward and applied to future periods.

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

During the year ended December 31, 2025, the option agreement expired.

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:

- 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.

During the year ended December 31, 2025, the option agreement expired.

**COBALT**

Idaho Cobalt, Idaho, USA

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

To maintain the mineral claims in good standing, the Company is required to incur minimum annual exploration expenditures. For 2026, the minimum annual expenditures is expected to be approximately

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US\$60,000. Any expenditures incurred in excess of the minimum requirement may under certain circumstances be carried forward and applied to future periods.

**GOLD**

Baner Project, Idaho, USA

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:

- i) On completion of the Transaction, Champion Electric will receive:
  - a. Cash payment of C\$75,000;(received);
  - b. 1,100,000 common shares of Prestwick Capital Corp. (now “Legacy Gold or “Legacy”); (received); and
  - c. Warrants to purchase up to 200,000 Legacy Gold shares at \$0.30 per share for two (2) years from the date of issuance (received).

Within 18 months from the completion of the sale, the Company to receive (“Payment #1 Date”):

- a. Cash payment of C\$350,000;
- b. 200,000 Legacy Gold shares; and
- c. Warrants to purchase up to 200,000 Legacy Gold shares at the last closing price for the shares prior to the date of issuance, for two (2) years from the date of issuance.

Within 12 months from the Payment #1 Date, Champion to receive (“Payment #2 Date”):

- a. Cash payment C\$500,000; and
- b. Warrants to purchase up to 200,000 Legacy Gold at the last closing price for the 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 Legacy, free and clear of all encumbrances, subject to a 1% net smelter return royalty (the “NSR”) in favor of the Company. Legacy may buy back the NSR in exchange for a \$7,500,000 payment to Champion Electric.

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

During the year ended December 31, 2025, the Company incurred \$188,447 (2024 - \$4,382,290) of E&E expenditures.

	<b>December 31 2025 (\$) <sup>(1)</sup></b>	December 31, 2024 (\$) <sup>(1)</sup>
Acquisition – James Bay	<b>68,512</b>	695,427
Acquisition – Champagne	<b>83,868</b>	109,469
Acquisition – Cobalt	<b>83,029</b>	177,514
Acquisition – Baner	—	—
<b>Total property acquisition and claims costs</b>	<b>235,409</b>	982,410
Exploration – James Bay	<b>(66,694)</b>	4,078,683
Exploration – Champagne	—	73,432
Exploration – Cobalt	<b>3,334</b>	79,693
Exploration – Baner	—	(378,224)
Quebec mining tax credits (reduction)	<b>16,398</b>	(453,704)
<b>Total exploration</b>	<b>(46,962)</b>	3,399,880
<b>Total E&amp;E</b>	<b>\$188,447</b>	\$4,382,290

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

**9. 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. During the year ended December 31, 2025, a premium liability of \$nil (2024 - \$262,500) was recognized, in respect of private placements completed during the years ended December 31, 2025 and 2024.

During the year ended December 31, 2025, a total of \$nil (2024 - \$3,019,835) was expended on eligible Canadian Exploration Expenses (“CEE”), which resulted in a total of \$nil (2024 - \$539,979) being derecognized as flow-through share premium.

<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 and December 31, 2025</b>	<b>\$—</b>

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**10. Share Capital**

The Company is authorized to issue an unlimited number of common shares. At December 31, 2025 and December 31, 2024 there are 278,938,729 common shares issued and outstanding.

**2024 Activity**

(i) 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”), 3,000,000 warrants (note 11) 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.

(ii) 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.

(iii) 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 9 - *Warrants*).

(iv) 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.

**2025 Activity**

(v) During the year ended December 31, 2025, there were no share issuances.

**11. 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.

**2024 Activity**

(i) On February 12, 2024, the Company issued 3,000,000 warrants in connection with the acquisition of certain Lithium claims. A fair value of \$39,922 was assigned to these warrants. See note 10 – *Share Capital*.

(ii) 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. See note 10 – *Share Capital*.

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- (iii) The following table summarizes the assumptions used in the valuation of the warrants itemized in (i) and (ii) above:

Issue date	Feb 12, 2024	Aug. 19, 2024
Fair value	\$39,922	\$19,956
Number of warrants	3,000,000	1,400,000
Exercise price	\$0.20	\$0.05
Risk-free rate of return	4.24%	3.33%
Annualized volatility	107.36%	139.91%
Expected life	2.00	2.00
Dividend yield	0%	0%

- (iii) During the year ended December 31, 2024, a total of 27,459,940 warrants, with exercise prices ranging from \$0.10 to \$0.15, expired, unexercised. The warrants' fair value of \$498,162 was reclassified to contributed surplus.

**2025 Activity**

- (iv) During the year ended December 31, 2025, a total of 28,076,326 warrants with exercise prices ranging from \$0.15 to \$0.25 expired. The warrants' fair value of \$1,270,616 has been reclassified to contributed surplus.

A summary of warrant activity during the years ended December 31, 2025 and 2024 is shown below:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance – December 31, 2023</b>	<b>55,836,266</b>	<b>\$0.15</b>
Issued – 11 (i)	3,000,000	0.20
Issued – 11 (ii)	1,400,000	0.05
Expired – 11 (iii)	(27,459,940)	(0.10-0.15)
<b>Balance – December 31, 2024</b>	<b>32,776,326</b>	<b>\$0.19</b>
Expired – 11 (iv)	(28,076,326)	(0.15-0.25)
<b>Balance – December 31, 2025</b>	<b>4,700,000</b>	<b>\$0.16</b>

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At December 31, 2025, there are 4,700,000 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
3,000,000	39,922	\$0.20	0.04	Jan. 15, 2026
300,000	28,265	\$0.25	0.35	May 7, 2026
1,400,000	19,956	\$0.05	0.63	Aug.19, 2026
<b>4,700,000</b>	<b>\$88,143</b>	<b>\$0.16</b>	<b>0.24</b>	

See note 19.

**12. Share-based Incentive Plans**

**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.

**2024 Activity**

- (i) 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 the total fair value of options, 4,500,000 options valued at \$249,454 were issued to related parties and the balance to consultant and others.
- (ii) During the year ended December 31, 2024, a total of 4,425,000 options with exercise prices of \$0.05 to \$0.20, expired.

**2025 Activity**

- (iii) During the year ended December 31, 2025, a total of 300,000 options with an exercise price of \$0.30, expired.

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A summary of stock option activity during the years ended December 31, 2024, and 2025 is shown below:

	Number of stock options outstanding	Weighted average exercise price
<b>Balance, December 31, 2023</b>	<b>13,825,000</b>	<b>\$0.10</b>
Granted (i)	5,550,000	\$0.075
Expired (ii)	(4,425,000)	\$(0.05-0.20)
<b>Balance, December 31, 2024</b>	<b>14,950,000</b>	<b>\$0.09</b>
Expired (iii)	(300,000)	\$(0.30)
<b>Balance, December 31, 2025</b>	<b>14,650,000</b>	<b>\$0.09</b>

A summary of the issued and outstanding stock options as at December 31, 2025, is as follows:

Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Remaining Contractual Life – Years	Expiry Date
\$0.20	500,000	500,000	0.23	March 24, 2026
\$0.20	100,000	100,000	0.32	April 26, 2026
\$0.15	400,000	400,000	1.30	April 19, 2027
\$0.05	2,500,000	2,500,000	1.65	August 24, 2027
\$0.08	3,000,000	3,000,000	2.05	January 18, 2028
\$0.13	2,100,000	2,100,000	2.36	May 11, 2028
\$0.16	550,000	550,000	2.61	August 9, 2028
\$0.075	5,500,000	5,500,000	3.20	March 14, 2029
<b>\$0.09</b>	<b>14,650,000</b>	<b>14,650,000</b>	<b>2.38</b>	

**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. 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.

On April 29, 2025, the Board of Directors passed a resolution to cancel the settlement of the remaining 4,000,002 RSUs. Pursuant to IFRS 2, when a grant of equity instrument is cancelled/forfeited during the vesting period, for other than a grant cancellation by forfeiture when the vesting conditions are not met, the

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vesting period of the remaining RSUs is accelerated and any unamortized fair value shall immediately be recognized in the Company's financial statements. Accordingly, the remaining fair value of \$267,397 has been charged to the statement of loss during this reporting period. On cancellation of the remaining RSUs, their fair value of \$640,000 was reclassified to retained earnings.

For the year ended December 31, 2025, the Company recorded share-based compensation expense for the RSUs of \$267,397 (December 31, 2024- \$461,151).

**13. 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. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2025 and December 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

**14. 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.

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).

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As at December 31, 2025 and 2024, the Company's financial instruments are classified as follows:

Categories of Financial Instruments	December 31, 2025	December 31, 2024 (As restated note 3(c))
Financial Assets—amortized cost		
Cash	<b>\$515,365</b>	\$216,069
Accounts receivable	<b>633,428</b>	733,073
Financial Assets – fair value through profit and loss		
Investments	<b>395,246</b>	538,879
Financial Liabilities – amortized cost		
Accounts payable and accrued liabilities	<b>2,801,059</b>	2,602,387

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:

Investment, fair value	Level 1 (Quoted Market Price)	Level 2 (Valuation technique-observable market-market inputs)	Level 3 (Valuation technique non-observable market-market inputs)	Total
Legacy shares	\$374,000	—	—	\$374,000
Legacy warrants	—	21,246	—	21,246
<b>December 31, 2025</b>	<b>\$374,000</b>	<b>\$21,246</b>	<b>—</b>	<b>\$395,246</b>

Investment, fair value	Level 1 (Quoted Market Price)	Level 2 (Valuation technique-observable market-market inputs)	Level 3 (Valuation technique non-observable market-market inputs)	Total
Legacy shares	\$484,000	—	—	\$484,000
Legacy warrants	—	54,879	—	54,879
<b>December 31, 2024</b>	<b>\$484,000</b>	<b>54,879</b>	<b>—</b>	<b>\$538,879</b>

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.

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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. At December 31, 2025, the Company had \$515,365 in cash to settle \$2,801,059 of accounts payable and accrued liabilities (December 31, 2024 - \$216,069 of cash to settle \$2,602,386 of accounts payable and accrued liabilities). 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 engages 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, 2025, the Company had the following foreign United States ("US") denominated balances.

	<b>2025</b>	2024 (As restated note 3(c))
Cash	<b>\$ 372,827</b>	\$ 1,706
Accounts payable and accrued liabilities	<b>(265,185)</b>	(66,806)
Deferred income	<b>(500,000)</b>	—
Income taxes payable	<b>(21,960)</b>	(21,960)

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 Company in the amount of \$56,786 at December 31, 2025 (December 31, 2024 – \$3,255).

## Notes to the Consolidated Financial Statements For the years ended December 31, 2025 and 2024

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### 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 \$39,525 (December 31, 2024 - \$53,888).

### **15. 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, financial reporting and corporate secretarial services provided by the CFO and Corporate Secretary (the "Services"). During the year ended December 31, 2025, Grove billed the Company a total of \$186,000 (2024 - \$240,502). Included in accounts payable and accrued liabilities as at December 31, 2025, is \$425 (December 31, 2024 - \$42,831) owed to Grove for unpaid Services. The amount is unsecured, non-interest bearing, and due on demand.

During the year ended December 31, 2025, the Company incurred professional legal fees of \$1,500 (2024 - \$286,897) from a law firm ("Legalco") of which a director of the Company is a former partner. At December 31, 2025, a total of \$288,594 (2024 - \$286,897) is owed to Legalco for unpaid services. The amounts are unsecured, non-interest bearing and due on demand.

On December 10, 2025, the Company entered into the Sale Agreement with a director (the "Buyer") pursuant to which the Buyer shall acquire the Company's wholly owned Champion Lithium Project located in the Eeyou Istchee James Bay territory of Quebec, for Consideration of US\$1,000,000. As at December 31, 2025, the Buyer has advanced \$685,300 (US\$500,000) prior to the transfer of claims which has been recorded to deferred income (2024 - \$nil). See note 8 – *Exploration and Evaluation Expenditures*.

Included in accounts payable and accrued liabilities as at December 31, 2025, is \$164,472 (2024 - \$nil) owing to a director of the Company. The amount is unsecured, non-interest bearing, and due on demand.

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**(b) Key management compensation**

During the year ended December 31, 2025, the Company remunerated its former Chief Executive Officer (“CEO”) \$10,227 (2024 - \$225,000). Included in accounts payable at December 31, 2025 is \$62,983 (2024 - \$65,136) owing for unpaid management fees 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, 2025, the Company granted an aggregate of nil (2024 – 4,500,000) stock options to certain directors and officers. See note 11 – *Share-based Incentive Plans*.

Key Management Compensation for the years ended December 31, 2025, and 2024 is as follows:

	2025	2024
Salary and wages	\$ 10,227	\$ 225,000
Corporate services	186,000	240,502
Share-based compensation	267,397	710,605
	<b>\$463,624</b>	<b>\$1,176,107</b>

**16. Loss Per Share**

The calculation of basic loss per share for the year ended December 31, 2025, and 2024 was based on total loss attributable to common shareholders of \$1,093,852 (2024- \$5,364,741) and a weighted average number of common shares outstanding of 278,938,729 and 264,250,511 respectively.

**17. 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 financing 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 determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, the Company can be challenged by 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.

Flow-through agreements require the Company to renounce certain tax deductions for CEE incurred on the Company’s mineral properties to flow-through subscribers. As at December 31, 2025 and 2024, the Company has met its flow-through spending commitments.

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Corporate Services Agreement

During the years ended December 31, 2025 and 2024, the Company retained Grove to provide the Services on a monthly retainer basis. Termination of the arrangement may be effected by either party with three months termination notice. See note 15 – *Key Management Compensation*.

As a triggering event has not taken place, these contingent payments have not been reflected in the Annual Financial Statements.

**18. Provision for Income Taxes**

	<b>December 31, 2025</b>	December 31, 2024 (As restated note 3(c))
Loss before income taxes	<b>\$(1,093,852)</b>	\$(5,334,662)
Expected income tax recovery based on statutory rate	<b>(290,000)</b>	(1,414,000)
Adjustment to expected income tax recovery		
Share-based compensation	<b>71,000</b>	206,000
Flow-through renunciation	<b>—</b>	657,000
Expenses not deductible for tax purposes	<b>(4,000)</b>	26,000
Other	<b>(462,000)</b>	(541,000)
Change in foreign exchange rates	<b>141,000</b>	(176,000)
Change in tax rates	<b>(21,000)</b>	47,000
Change in unrecorded deferred tax assets	<b>565,000</b>	1,195,000
<b>Income tax expense (recovery)</b>	<b>\$—</b>	\$—

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following temporary differences because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. Deferred income tax assets in Canada have not been recognized in respect of the following deductible temporary differences:

	<b>December 31, 2025</b>	December 31, 2024 (As restated note 3(c))
Non-capital losses carried forward - Canada	<b>\$ 10,630,000</b>	\$ 8,090,000
Non-capital losses carried forward – United States	<b>10,968,000</b>	11,351,000
Share issue costs	<b>255,000</b>	413,000
Mineral property costs	<b>5,267,000</b>	5,239,000
Other temporary difference	<b>133,000</b>	—
<b>Total</b>	<b>\$ 27,253,000</b>	\$ 25,093,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available so that the Company can use the benefits. The non-capital losses expire between 2039 to 2045. The other temporary differences do not expire under current legislation.

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**19. Subsequent events**

- i) On January 15, 2026, a total of 3,000,000 warrants with an exercise price of \$0.20 expired.
- ii) On March 24, 2026, a total of 500,000 stock options priced at \$0.20 expired, unexercised.
- iii) On March 25, 2026, the Company completed a debt settlement (the "Transaction"). Pursuant to the terms of Transaction, the Company has settled an aggregate of \$1,821,548 owed to arm's length creditors of the Company through the issuance of 44,006,638 common shares in the capital of the Company and a cash payment of \$789,812.
- iv) On April 26, 2026, a total of 100,000 stock options priced at \$0.20 expired, unexercised.
- v) On April 28, 2026, the Company granted an aggregate of 600,000 stock options to two newly-appointed directors. The options vest immediately, are priced at \$0.45 and expire in five years.