

CHAMPION BEAR RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Champion Bear Resources Ltd. (the "Company" or "Champion Bear") as at September 30, 2023.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2022. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A was prepared using information that is current as of November 29, 2023. Additional information relating to the Company is available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements, which are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project", "plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. These statements are not guarantees of future performance and undue reliance should not be placed on them. The forward-looking statements contained in this report speak only as of the date thereof and are expressly qualified by this cautionary statement.

Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. The Company is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to companies in the same business. These risks and uncertainties include, among other things, the speculative nature of mineral exploration and development activities, the Company's need for additional funding to continue its exploration efforts, operating hazards and risks incidental to mineral exploration, the Company's properties are in the exploration stage only and do not contain a known body of commercial ore, uncertainties associated with title to mineral properties, changes in general economic, market and business conditions; competition for, among other things, capital, acquisitions of mineral properties and skilled personnel; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in mineral exploration, development and production.

All amounts in this report are stated in Canadian dollars unless otherwise specified.

CHAMPION BEAR RESOURCES LTD.

COMPANY DESCRIPTION

The Company is a mineral exploration company focused exclusively on the historically prospective regions of the province of Ontario. The Company has assembled a large land position in the Dryden and Sudbury areas totaling almost 17,000 hectares. The Company's primary targets are copper and the platinum group and precious metals and to a lesser extent, polymetallic base metal and pegmatite-hosted tantalum deposits. To date the Company has not generated revenue from mining operations. While no economic deposits have been identified, the Company is in the advanced exploration stage to identify economic deposits. The Company's ability to continue as a going concern is dependent on both its ability to obtain additional financing to meet these commitments and discharge its working capital deficiency as well as the ongoing forbearance of its creditors and related parties to which amounts are owed.

GOING CONCERN

As at September 30, 2023, the Company has incurred cumulative losses of \$30,159,539 (December 31, 2022 – \$29,965,556) and its current liabilities exceeds its current assets by \$2,926,701 (December 31, 2022 – \$2,820,419). The ability of the Company to continue operations is dependent upon the existence of economically recoverable reserves, successful development of the Company's mineral properties, continued receipt of financial support, completion of equity financings, and generating profitable operations in the future. It is not possible to predict whether economically recoverable reserves exist, the Company's financing efforts will be successful, or if the Company will attain a profitable level of operations. As a result of these factors, there is a material uncertainty that may result in significant doubt as to the ability of the Company to meet its obligations as they come due and continue as a going concern.

These matters raise significant doubt on the ability of the Company to continue to meet its obligations and continue as a going concern. Should the going concern assumption not be appropriate, certain asset and liability amounts would require adjustment and reclassification.

Based on exploration and administrative expenditures budgeted for 2023 and current commitments, the Company anticipates that it will be required to undertake additional measures to fund operations during the year. There is a risk that obtaining additional financing at the current share prices will have a dilutive effect on its current shareholders.

CHAMPION BEAR RESOURCES LTD.

ANNUAL FINANCIAL SUMMARY

For the three years ended December 31

	2022	2021	2020
Expenses	\$ 261,360	\$ 362,684	\$ 479,545
Other (income) loss	-	(25,000)	(130,689)
Net loss	261,360	337,684	348,856
Total comprehensive loss	261,360	337,684	348,856
Current assets	\$ 17,046	\$ 11,390	\$ 3,458
Property and equipment	10,200	10,665	13,460
Exploration and evaluation assets	4,992,082	4,880,623	4,824,930
Total assets	5,019,328	4,902,678	4,841,848
Current liabilities	\$ 2,837,464	\$ 3,146,286	\$ 2,826,884
Long-term liabilities	\$ 300,759	\$ -	\$ -
Shareholders' equity	1,881,105	1,756,392	2,014,964
Total liabilities and shareholders' equity	5,019,328	4,902,678	4,841,848
Loss per share - basic and diluted	\$ 0.01	\$ 0.01	\$ 0.01

RESULTS OF OPERATIONS

Nine months ended September 30, 2023

During the nine months ended September 30, 2023, the Company incurred a net loss before income tax of \$193,983 as compared to a net loss before income taxes of \$218,962 for the comparative period in 2022.

During the nine months ended September 30, 2023, the Company recognized \$nil of share-based compensation expense as compared to \$4,862 for the comparative 2022 period.

General and administrative expenses for the nine months ended September 30, 2023 as compared to the prior 2022 period as detailed in the following table:

General and Administrative expenses	Nine months ended September 30	
	2023	2022
Office and administration	\$ 27,674	\$ 30,713
Travel	-	25
Transfer agent and regulatory fees	18,443	16,988
Professional fees	139,790	96,064
	\$ 185,907	\$ 143,790

CHAMPION BEAR RESOURCES LTD.

Professional fees decreased for the nine months ended September 30, 2023 as compared to the same period in 2022 due to an decrease in accounting and legal fees.

Total stock-based compensation expense was lower in the nine months ended September 30, 2023 compared to the same period in 2022.

For the nine months ended September 30, 2023, the Company recognized \$nil of share-based compensation expense for options granted (2022 - \$4,862). Each vesting installment is accounted for as a separate arrangement with the related share-based compensation expensed in a graded vesting method.

In September 2019, the Company entered into an agreement to purchase a 100% interest in the claims held by 1544230 Ontario Inc. An initial non-refundable payment of \$1,000 was made upon signing this agreement. Additional payments of \$6,000 were made in 2020, \$12,000 on the first anniversary, and \$16,000 on the second anniversary. A payment of \$25,000 was made in 2022, on the third anniversary. There is a 1.5% NSR Option to buy back for \$1,000,000. In 2020, the Company also issued 100,000 common shares to the Optionor recorded at a market value of \$12,000. These terms have been met, the Company has earned a 100% in these claims. On February 7, 2023, the Company's President exercised 600,000 options to acquire common shares of the Company at \$0.15 per share.

On December 22, 2022, the Company's President exercised 510,000 options to acquire common shares of the Company at a price of \$0.18 per share. On February 7, 2023, the Company's President exercised 600,000 options to acquire common shares of the Company at a price of \$0.15 per share.

The total number of options outstanding as at September 30, 2023 and December 31, 2022 is 3,122,385 and 3,722,385.

In September 2021 Champion Bear reached agreements with certain of its creditors who have either provided loans or services to the Company to extinguish, or partially extinguish, certain of the Corporation's outstanding debts owing to them in exchange for the issuance of common shares ("**Shares**") of the Corporation. The creditors include certain related parties of the Company, including Jason Hastie, the Company's Chief Financial Officer, an assignee of David Haigh and Frederick Plomp, each of whom are directors (collectively, the "**Related Parties**"). Every other creditor, with the exception of the Related Parties, is an arm's length party who is either a creditor or provided consulting services to the Company.

An aggregate of 1,568,193 Shares at a deemed price of \$0.10 per Share were proposed to be issued to the creditors pursuant to this Application which includes an aggregate of 801,200 Shares to be issued to the Related Parties. An aggregate of 700,000 Shares were proposed to be issued to the Company's Chief Financial Officer representing \$70,000.00 in extinguishment of the debt owing to him personally and to a holding company he controls and directs for services rendered in his capacity as Chief Financial Officer. An aggregate of 101,200 Shares were proposed to be issued to two directors representing an aggregate of \$10,120.00 in extinguishment of the debt owing to them and/or holding companies they control for consulting services rendered.

The Application was approved by the TSX Venture Exchange (the "**TSXV**") on April 22, 2022. The Shares issued pursuant to the shares for debt agreements were subject to a four month plus one day hold period in accordance with applicable securities laws.

CHAMPION BEAR RESOURCES LTD.

In November 2021, the Company applied for TSX approval to issue 850,000 common shares relating to the \$85,000 private placement from John Squarek, a director of the Company. On July 21, 2022, the TSX approved with a revised amount of \$0.10875 per share and a total of 781,609 shares. On September 14, 2022, this private placement was completed.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the process of exploring its mineral property interests, which will require the Company to obtain financing, and has not yet determined whether its mineral properties contain reserves that are economically recoverable. To ensure the mineral claims remain in good standing, the Company has certain commitments to meet and if these commitments are not met the Company will lose their right to explore these mineral properties. Therefore, the Company's ability to continue as a going concern is dependent on its ability to obtain additional financing. The requirements to raise funds for general operating activities and current commitments will necessitate raising capital or disposing of assets. Should funds not be available, operations will be limited.

CAPITAL SPENDING

During the nine months ended September 30, 2023 the Company incurred the following exploration expenditures on its mineral properties as compared to the same 2022 period:

	Nine months ended September 30			
	2023		2022	
Plomp Farm	\$	-	\$	-
Eagle Rock		3,200		13,905
Other		-		-
	\$	3,200	\$	13,905

CHAMPION BEAR RESOURCES LTD.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Exploration expenditures

Pursuant to assessment work commitments, the Company is required to incur certain annual expenditures to ensure the claims remain in good standing. These agreements require the Company to make exploration expenditures, commencing at various anniversary dates of the mining claims, if the claims have not been converted to a mineral lease or put into production. The Ontario Ministry of Northern Development and Mines allows holders of mining claims to bank historical expenditures made by the mining claim holders and apply these against the expenditure requirements mining claim, or contiguous mining claims, in future periods. Should the minimum expenditure requirements not be satisfied and there is no available banked expenditure credit, the holder of a mining claim may apply for a one-year extension to meet the applicable expenditure requirements approval of which is subject to the Ontario Ministry of Northern Development and Mines. The Company has the following minimum requirements with respect to its exploration properties:

	Eagle Rock	Plomp Farm
2023	171,200	400
2024	215,600	13,600
2025	215,600	13,600
2026	215,600	13,600
2027	215,600	13,600

As at December 31, 2022, the Company has \$343,099, \$361,918 and \$25,328 of banked expenditure credits which can be used to offset future expenditure requirements against the Eagle Rock property, Plomp Farm property and other properties, respectively.

SHARE CAPITAL

Common shares

As at September 30, 2023 and December 31, 2022 the Company had 60,449,798 and 59,849,798 common shares outstanding.

CHAMPION BEAR RESOURCES LTD.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, the Company had the following related party transactions:

- a) Consulting fees of \$66,000 (2022 - \$66,000), were billed by Tomahawk Oil and Gas Limited ("Tomahawk"), a private corporation controlled by the Company's Chairman and President and CEO, Richard Kantor. In addition, office rent of \$27,000 (2022 - \$27,000) was incurred and payable to Richard Kantor during the same period. Included in due to related parties as at September 30, 2023 is \$1,483,959 (December 31, 2022 - \$1,422,359) payable to Tomahawk and \$10,450 to Richard Kantor (December 31, 2022 - \$95,750).

On September 30, 2020, the Company entered into an agreement with Tomahawk and Richard Kantor to defer the payment of amounts payable of \$1,213,078 and \$215,242, respectively, until such time as the 30-day volume weighted average trading price of the Company's common shares is at least \$2.00 per common share. This agreement was cancelled on December 13, 2022.

- b) Professional fees of \$38,700 (2022 - \$43,800), were billed by SixWest inc., a private corporation controlled by the Company's Chief Financial Officer, Jason Hastie. Included in due to related parties as at September 30, 2023 is \$176,448 (December 31, 2022 - \$133,813) payable to SixWest inc.
- c) John Squarek, a director of the Company, advanced funds of \$nil (2022 - \$137,189) to the Company, which is subject to an annual interest rate of prime plus 2%. \$85,000 was settled as a private placement on September 14, 2022. Included in due to related parties as at September 30, 2023 is \$189,893 (December 31, 2022 - \$174,189). Interest totalling \$15,704 for 2022 and the first nine months of 2023 have been calculated and both are included in the Nine Months Ended September 30, 2023, as no interest was included for the year ended December 31, 2022.
- d) Mike Sweeny, a director of the Company, advanced funds of \$nil (2022 - \$nil) to the Company in relation to claim filing expenses with regard to the Eagle Rock property. On April 19, 2022 the Company repaid the advances and the 1% interest in the Eagle Rock holdings, held as security, reverted back to the Company. Included in due to related parties as at September 30, 2023 is \$nil (2022 - \$nil).
- e) Reimbursable expenses of \$nil (2022 - \$3,854), were billed by Fred Plomp, a director of the Company. Included in due to related parties as at September 30, 2023 is \$3,854 (2022 - \$3,854) payable to Fred Plomp.
- f) David Haigh, a director of the Company, advanced funds of \$23,000 (2022 - \$14,353) to the Company. Included in due to related parties at September 30, 2023 is an amount of \$37,353 (2022 - \$14,353) due to David Haigh.

The amounts due to related parties are unsecured non-interest bearing and due on demand, except as otherwise disclosed.

CHAMPION BEAR RESOURCES LTD.

Key management personal compensation:

The Company defines key management as the Company's directors, president and CEO and CFO.

	2023	2022
Consulting fees	\$ 66,000	\$ 66,000
Professional fees	\$ 38,700	\$ 43,800
Stock-based compensation	\$ -	\$ 8,954
	\$ 104,700	\$ 118,754

Contingency

The Company has been named as a defendant in a statement of claim filed on July 31, 2019 at the Court of Queens's Bench of Alberta. The plaintiffs, Audrey Och, the Company's former Chief Financial Officer, and Brad Butler, a former director of the Company, are seeking USD \$482,213 (\$626,297 CAD) and \$265,252 CAD for alleged loans and unpaid compensation. The financial statements include a provision for disputed amounts totalling \$891,549. Management has filed a statement of defense and counterclaim on August 20, 2019 and as amended October 18, 2021. The counterclaim identified Todd Dillabough, a former director of the Company as a defendant in the counterclaim. The counterclaim against the plaintiffs and other non-arm's length parties seeks damages estimated at \$350,000, or an amount to be determined at trial. As the outcome of this lawsuit and any liability to the Company cannot be reasonably determined at this time, no additional provisions have been made in the financial statements.

Also included in the provision for amounts under dispute is \$7,111 related to expenses allegedly advanced to the Company by Todd Dillabough in the period prior to 2019.

As the former directors and chief financial officer are no longer related parties in either the current or the comparative year, the provision recorded in 2019 totalling \$898,660 been reclassified to be consistent with the current period presentation. Amounts previously presented as due to related parties were reclassified to provision for amounts under dispute on the statement of financial position.

CHAMPION BEAR RESOURCES LTD.

SELECTED QUARTERLY FINANCIAL INFORMATION

	2023			
	Dec 31	Sept 30	June 30	March 31
Net loss for the period (\$)	\$ -	\$ 34,113	\$ 101,651	\$ 58,244
Net loss per share				
-- basic and diluted (\$)	0	0	0	0
Mineral property expenditures, net (\$)	-	1,200	1,200	1,200

	2022			
	Dec 31	Sept 30	June 30	March 31
Net loss for the period (\$)	42,398	55,832	101,234	61,896
Net loss per share				
-- basic and diluted (\$)	0	0	0	0
Mineral property expenditures, net (\$)	54,054	2,000	1,200	10,705

OUTLOOK

The Company's financial success is subject to, among other things, the availability of capital resources, the sources of which are not predictable. The Company's main source of funds since incorporation has been from the issuance of equity capital and divestiture of mining interests. The Company's ability to obtain financing to explore for mineral deposits on its properties is not assured; nor is there assurance that the expenditure of funds will result in the discovery of an economic mineral deposit. The Company is actively pursuing additional equity financing in order to discharge its current liabilities and meet its commitments.

CHAMPION BEAR RESOURCES LTD.

Plomp Farm

The Plomp Farm Gold Properties are an advanced-stage exploration project located 20 kilometres west of Dryden, Ontario and consists of approximately 4,000 acres in two main claim blocks, owned 100% as patented and unpatented claims.

In the second half of 2018, the Company raised \$916,411 through issuance of shares for the purpose of pursuing its exploration programs on Plomp Farm and Eagle Rock. The private placement was completed on October 5, 2018.

In the last quarter of 2018, the Company drilled an additional eight holes at a cost of approximately \$400,000, primarily on the western claim block, comprising approximately 2,900 acres. As a result, the Company has now drilled 133 holes.

In January, 2019, the Company released its drilling results from the Plomp Farm West Gold project and the report is listed on the Company's website.

To-date, a total of 130 diamond drill holes totaling 48,334 metres have been completed on the property to delineate the stratigraphy and mineralization. Gold and silver mineralization is associated with late-stage quartz veining and quartz-sericite schist. A resource block model was generated using drill results up to 2007. An updated resource model would require additional drilling beneath Ardis Lake which splits the property to confirm continuity of the mineralization. The Plomp Farm Gold Properties, with minimal additional exploration, may provide a significant gold property for development, either through a Joint Venture or outright sale, greatly increasing shareholders value.

The Company anticipates raising further capital in an amount of approximately \$1,200,000 in 2023 for the purpose of further pursuing exploration targets on Plomp Farm.

Eagle Rock

The Eagle Rock Property is an advanced-stage copper-PEG exploration project located 65 kilometres south of Dryden, Ontario and consists of 32,850 acres with 458 staked claims held 100% by the Company and its officers, 58 claims under option to Gravel Ridge Resources and 1544230 Ontario Inc, and 17 claims under option from 1544230 Ontario Inc. The Property overlies the Entwine Intrusion Complex which hosts the Campbell Zone Cu-Au-Pt-Pd occurrence as well as several other known sulphide occurrences.

In October 2011, a Technical Report was completed by Tetra Tech Wardrop on the Eagle Rock Property and recommend a two-phase \$2.0 million program designed to delineate the Campbell Zone mineralization as well as explore the new mineralized zones identified during the 2011 prospecting campaign. In September and July 2011, the Company summer field program resulted in the identification of two new sulphide zones believed to represent the extension of the Campbell Zone:

- 1) The new West Zone returned values of up to 0.95g/t Pt+Pd+Au and 0.46% Cu+Ni that define a broad zone of surface sulphide mineralization that extends over a strike of more than 300 metres; and
- 2) The new East Lake occurrence returned up to 0.73 g/t Pt+Pd+Au and 0.29% Cu+Ni, and 0.44 g/t Pt+Pd+Au and 0.26% Cu+Ni.

CHAMPION BEAR RESOURCES LTD.

In 2017, the Company re-staked a number of mineral claims to maintain the significant contiguous 100% owned, Cu-PGE Eagle Rock Property located in NW Ontario, Canada.

As a result of capital funding raised through private placement, as noted earlier under Plomp Farm, the Company committed in the last quarter of 2018 to further drilling on Eagle Rock in a budget amount of approximately \$450,000. The drilling program was designed to collect data predominantly in the top 150 metres of the surface to fill historical data gaps near surface and complement existing data from 99 drill holes that range as deep as 426 metres. Due to winter conditions, commencement of drilling was deferred until the beginning of 2019.

In September 2019, the Company entered into an agreement to purchase a 100% interest in the claims held by 1544230 Ontario Inc. An initial non-refundable payment of \$1,000 was made upon signing this agreement. In March 2020, the Company made a payment of \$6,000 and issued 100,000 shares. Further payments of \$12,000 on the first anniversary, \$16,000 on the second anniversary were made, and \$25,000 on the third anniversary will be made. There is a 1.5% NSR Option to buy back for \$1,000,000. When these terms are met, the Company will have earned a 100% in these claims.

In November 2021, the Company entered into an agreement to purchase a 100% interest in the claims held by Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. An initial payment of \$20,000 was made upon signing this agreement as well as the issuance of 400,000 common shares (200,000 to Gravel Ridge and 200,000 to 1544230 Ontario). Additional payments are required to be made of \$24,000 each on the 1st to the 4th anniversary. There is a 1.5% NSR Production Royalty with an option to buy back 0.50% for \$1,000,000 leaving a 1.0% NSR Production Royalty held by the Optionors. See subsequent events Note 15 for the approval from the TSX Venture Exchange.

The Eagle Rock Property covers a large portion of the Entwine Lake multi-phase Sanukitoid intrusive complex that is host to Pd-Pt-Au-Cu-Ni mineralization. A total of 104 drill holes and wedges have been completed to date totaling 15,714m. The property is host to the Campbell Zone where surface sulphide showings have been drilled over a strike length of approximately 1.2km and to a vertical depth of 100m. The Campbell Zone remains open to the east and west and at-depth.

The Company anticipates raising further capital funding in the amount of approximately \$3,500,000 in 2023 in order to further develop and deepen the data recovered from drilling in January and February 2019. Alternatively, the Company may fund these activities by way of a joint venture.

Parkin Joint Venture

The Parkin Project is an advanced exploration project located 5 kilometres northeast of the Sudbury Basin comprised of 29 claims (2,850 acres) and covers a significant portion of the Parkin Offset Dike. The Company currently holds a 50% interest in the property and has a carried interest in any potential future production through a joint venture funded originally by Lonmin PLC ("Lonmin") with Wallbridge Mining Company ("Wallbridge") as operator.

This property is being evaluated for a Sudbury Offset Dike style target which is typically 2 to 10Mt containing 1-3% Ni, 1-3% Cu, 1-3g/t Pt, 1-3g/t Pd and 0.5-2g/t Au. This represents an orebody that is 50-100 metres long, 10-20 metres in thickness and hundreds of metres of depth extent.

There is currently high interest in the NE corner of the Sudbury Basin where Glencore recently discovered the 31Mt Norman West Deposit (Footwall portion: 22Mt @0.3%Ni, 3.0%Cu, 1.1g/t Pt, 1.4g/t Pd, 0.6g/t Au; Contact portion 9Mt @1.5%Ni, 0.9%Cu, 0.3g/t Pt, 0.5g/t Pd, 0.1g/t Au). Glencore and Vale are currently exploring along this trend. The Norman West deposit is along the same structure as the previous Whistle Mine (6.5Mt) and Podolsky Mines (9.9Mt). That is a total of over 47Mt of mineralization (mined and current resources along a 4km structure). Note that Parkin has not been explored very deeply in several areas.

CHAMPION BEAR RESOURCES LTD.

The Parkin Offset is interpreted to be the extension of this structure away from the Sudbury Basin for another 6-8km and the potential is high for additional discovery of significant deposits. This has been confirmed by some already high-grade mineralization exposed at surface and from previous JV drilling. A 2.7 metre channel sample of the main massive sulphide of the Brady Showing contained 9.2g/t Pt, 4.3g/t Pd, 1.57g/t Au, 11.2% Cu and 0.63% Ni.

Wallbridge was required to complete exploration expenditures in excess of \$2,000,000 to earn a 50% interest in the property by August 19, 2011 in order to earn a 50% interest in the property. That occurred, as required, after which Wallbridge exercised its option. That, in turn, triggered the remaining provisions of the Option and Joint Venture Agreement (made as of October 10, 2005) ("The Joint Venture Agreement").

As noted, under the Joint Venture Agreement, Champion Bear is carried with respect to on-going exploration and development expenditures and all costs of maintaining the property in good standing and amounts paid on behalf of Champion Bear are repayable only from eventual production proceeds, if any.

Champion Bear's initial costs of acquisition included granting of a net smelter return and a fee of \$15,000 per year. These obligations were assumed by Wallbridge under the Joint Venture Agreement.

For the last year in which it directly operated the property, Champion Bear incurred exploration costs for 2011 in the amount of \$315,483. Thereafter, Wallbridge became responsible for all such costs and including on-going costs of exploration and maintenance of the lease in good standing. This agreement is posted on Sedar.

The expected timeline for the production of a mine to commence: This expectation is dependent on capital availability and eventual success in on-going exploration.

The percentage of costs expected to be repaid by the Issuer when production of a mine commences. In the event of a commercial mining operation, Champion Bear anticipates receiving its proportional share of revenues pursuant to the Joint Venture Agreement with Wallbridge, dated October 10, 2005. As noted above, Champion Bear currently holds a 50% interest in the property.

There have not been any recoverable reserves located and valued in the Parkin properties to-date along with minimal or no expectations from the operator to allocate further funds for future drilling and development, therefore the current carrying amount has been recorded as \$ nil. The Company continues to press the operator to provide a suitable budget and drilling program and will re-visit this assessment when that occurs.

On November 18, 2022, Archer Exploration Corp. (Archer) completed the acquisition of Wallbridge Mining Company Limited ("Wallbridge") 50% interest in Champion Bear's Parkin assets in the prolific Sudbury Basin as part of the sale of its nickel assets, rights, and obligations located in Quebec and Ontario. Archer now has the obligation under the agreement with Champion Bear to carry Champion Bear's cost and expenses for the exploration and development of its 50% interest in the Champion Bear Resources Parkin property through to production.

The Company's Parkin property has the potential for significant growth at no cost to the shareholders at this stage.

CHAMPION BEAR RESOURCES LTD.

Other Mineral Interests

The Company's Separation Rapids lithium and tantalum property is located 55 km north of Kenora, northwest Ontario. The property consists of 8 mining claims in 2 blocks covering 400 acres. The carrying value of this property at March 31, 2022 is \$ nil (2021 - \$ nil).

The Company also holds a 50% interest in 20 active claims covering 2,250 acres in Ermatinger Township north of Sudbury. There have not been any recoverable reserves located and valued in the Ermatinger Property to-date along with minimal or no expectations from the operator to allocate further funds for future exploration, drilling or development.

The Company's ability to secure adequate financing for the development of the assets on economic terms, could result in a material difference from the current estimate of the recoverable amount.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, due to related parties, provision for amounts under dispute, and note payable. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company held cash of \$18,619 at September 30, 2023, which represents its maximum exposure on these assets and is held with credit worthy financial institutions.

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing to meet commitments and discharge its liabilities. The requirements to raise funds for general operating activities and current commitments will necessitate raising capital or disposing of assets (F/S Note 2).

As at September 30, 2023, the Company's financial liabilities were comprised of accounts payable and accrued liabilities which have a maturity of less than one year and amounts due to related parties, with no terms of repayment and due on demand, and note payable due after January 31, 2024

CHAMPION BEAR RESOURCES LTD.

The current challenging economic climate may lead to adverse changes in cash flow or working capital level, which may have a direct impact on the Company's results and financial position. These are other factors which may adversely affect the Company's liquidity and the Company's ability to generate profits in the future.

c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

d) Currency risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollars. The Company has amounts in provision for amounts under dispute denominated in US dollars and as such are exposed to foreign currency exchange risk related to those transactions.

e) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollars, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

f) Fair values

Financial assets and liabilities that are carried at fair value are grouped into three levels based on significant inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2: fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and

Level 3: fair value is based on inputs for the asset or liability that are not based on observable market data.

The Company has no financial instruments measured at fair value as at September 30, 2023 and December 31, 2022.

CHAMPION BEAR RESOURCES LTD.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold excess cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the nine months ended September 30, 2023.

OPERATIONAL AND BUSINESS RISKS

As a junior exploration mining company the Company's ability to raise the necessary equity proceeds for future exploration depends to a large degree on commodity price trends, general investor sentiment for companies in the junior mining exploration sector and the Company's ability to confirm the existence of sought after minerals in sufficient quantities and quality on its exploration lands. Management of the Company is of the view that the risks faced by the Company are no greater than the risks encountered by its peers.

The junior mineral exploration sector, along with the major producers and other industrial and financial sectors, has seen share prices decline significantly since the fall of 2016. Continued low market capitalization and lack of market liquidity, together with a less than receptive equity market for junior mining shares in the current market environment, could have a significant negative impact upon the Company's ability to finance ongoing exploration activities. In addition, if equity financing is obtained at current share prices, the current shareholders interests will be diluted.

The ability of the Company to continue as a going concern and the recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development and upon achieving future profitable operations.

CHAMPION BEAR RESOURCES LTD.

UPCOMING ACCOUNTING PRONOUNCEMENTS

IAS 1 “Presentation of Financial Statements” (“IAS 1”)

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that ‘settlement’ includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

The amendments were originally effective for annual reporting periods beginning on or after January 1, 2022. However, in July 2020, the effective date was deferred to annual reporting periods beginning on or after January 1, 2023. The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates 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 results could differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods. However, actual outcomes can differ from these estimates. Management has made a number of significant estimates based on present conditions and management’s planned course of action as well as assumptions about future business and economic condition which include, but are not limited to, the following:

- **Exploration and evaluation assets**

The application of the Company’s accounting policy for exploration and evaluation expenditure requires judgement in determining the existence of possible impairment indicators and whether the future economic benefits are likely, which are based on assumptions about future events or circumstances, including the Company’s expectations of commercial feasibility, resource and reserve estimates and views of future commodity prices. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written down to the estimated recoverable amount in profit or loss in the period when the new information becomes available.

CHAMPION BEAR RESOURCES LTD.

- **Stock-based compensation**

Stock based compensation is accounted for using the fair market value method. Under this method, stock option expense is determined by the Black-Scholes option pricing model using the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, estimated forfeiture rates the fair value of the Company's stock and the risk-free interest rate. Differences in the estimation process for the determination of the assumptions used could cause differences in the determination of fair value.

- **Recovery of deferred income tax assets**

Judgement is required in determining whether deferred income tax assets are recognized on the statement of financial position. Deferred income tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

DISCLOSURE CONTROLS and PROCEDURES

The Company's certifying officers file Venture Issuer Basic Certificates with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Notice to Reader' stating that the certifying officers do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.