

Champion Electric Enters into Binding LOI to Option Baner Gold Project in Idaho to Prestwick Capital Corporation

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All amounts expressed are in Canadian dollars

Toronto, May 15, 2024 - [Champion Electric Metals Inc.](#) (CSE: LTHM) (OTCQB: CHELF) (FSE: 1QB0) ("Champion Electric" or the "Company") is pleased to announce that it has entered into a binding letter of intent (the "LOI") with respect to a transaction (the "Transaction") whereby Prestwick Capital Corporation Limited (TSXV: PWIK) ("Prestwick") will obtain an option (the "Option") to acquire from Champion Electric a 100% undivided interest in and to the mineral claims comprising the Baner gold project located in Idaho County, Idaho, USA (the "Baner Gold Project"). The Baner Gold Project is comprised of 215 unpatented lode claims covering approximately 4,520 acres (1,829 hectares).

Jonathan Buick, President and CEO, commented: "Once Champion Electric made the decision to pivot to critical minerals, we've been looking for a partner who would be able to advance our gold assets and give them the attention they deserve. The Baner Gold Project has always been very promising, with results strong enough that it got the attention of Prestwick's founders. It's an experienced group of people that has had numerous world-class mining successes, including Kirkland Lake Gold and Rupert Resources, they have the right experience to bring capital and expertise to explore and develop the Baner Gold Project while Champion focuses on its lithium and cobalt operations."

Prestwick is a "capital pool company" as defined in the policies of the TSX Venture Exchange (the "Exchange") and intends the Transaction to constitute its Qualifying Transaction (as such term is defined in the policies of the Exchange).

The Transaction

The LOI contemplates the negotiation and execution of a binding definitive option agreement (the "Option Agreement"), and to exercise the Option, Prestwick will be required to make cash payments and issue securities as follows:

1. Prestwick has paid Champion \$25,000 upon execution of the LOI.
2. On completion of the Transaction, paying or issuing (as applicable) to Champion:
 1. \$75,000;
 2. 1.1 million common shares of Prestwick ("Common Shares"); and
 3. warrants to purchase up to 200,000 Common Shares at \$0.30 per share for two (2) years from the date of issuance.

3. Paying or issuing (as applicable) to Champion within 18 months from the completion of the Transaction ("Payment #1 Date"):
 1. \$350,000;
 2. 200,000 Common Shares; and
 3. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance.
4. Paying or issuing (as applicable) to Champion within 12 months from the Payment #1 Date ("Payment #2 Date"):
 1. \$500,000; and
 2. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance.

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

The Common Shares issuable under the Option will be deemed to be issued at a price equal to \$0.235 per share, being the price of the Common Shares on the Exchange on May 14, 2024. These Common Shares will be subject to hold periods under applicable securities laws, and subject to voluntary escrow lasting until Payment #2 Date, with an escrow release schedule to be negotiated and set forth in the Option Agreement.

Prestwick intends to use its working capital and a concurrent financing to be completed in connection with the Transaction to make the cash payments required under the terms of the Option. During the term of the Option, Prestwick will have the exclusive right to manage and operate all work programs carried out on the Baner Gold Project in its sole discretion. Prestwick will also be responsible for maintaining the Baner Gold Project in good standing through such time.

The completion of the Transaction is subject to a number of conditions, including Prestwick completing its confirmatory due diligence in respect of the Baner Gold Project, execution of the Option Agreement (by no later than July 12, 2024), Exchange approval, obtaining all necessary third-party consents, and the Baner Gold Project satisfying the Exchange's Initial Listing Requirements for a Mining Issuer (pursuant to Policy 2.1 - Initial Listing Requirements of the Exchange), including, without limitation, the public float requirements.

The Common Shares are presently halted, and it is expected they will remain halted until the Transaction is completed and approved by the Exchange.

The proposed Transaction will not constitute a "Non-Arm's Length Qualifying Transaction" (as such terms is defined by the Exchange), because of which, it is not expected that Prestwick will be required to obtain shareholder approval for the Transaction.

Investors should refer to Prestwick's current and future news releases to find out more about management, directors and insiders of Prestwick upon completion of the Transaction, concurrent financing terms, sponsorship, finder's fees payable and other material information as it becomes available.

Champion Electric Metals maintains several other significant polymetallic projects and cobalt properties in Idaho. The Company has opened a data room to share data with interested parties on possible transactions for the Champagne polymetallic project in Butte County. For anybody interested, please contact jbuick@champem.com.

About Champion Electric Metals Inc.

Champion Electric is a discovery-focused exploration company that is committed to advancing its highly prospective lithium properties in Quebec, Canada and cobalt properties in Idaho, United States. In addition, the Company owns the Baner gold project in Idaho County and the Champagne polymetallic project in Butte County near Arco.

The Company's shares trade on the CSE under the trading symbol "LTHM", on the OTCQB under the trading symbol "CHELF", and on the Frankfurt Stock Exchange under the symbol "1QB0". Champion Electric strives to be a responsible environmental steward, stakeholder and contributing citizen to the local communities where it operates, taking its social license seriously, employing local community members and service providers at its operations whenever possible.

ON BEHALF OF THE BOARD OF CHAMPION ELECTRIC

"Jonathan Buick"

Jonathan Buick, President and CEO

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

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Cautionary Statements

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

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

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance, and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

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