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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED MARCH 31, 2010

The following discussion and analysis provides a review of current activities and a comparison of the performance and financial position of Champion Minerals Inc. (the "Company") for the year ended March 31, 2010. It should be read in conjunction with the audited financial statements and accompanying notes. The financial data in this document has been prepared in accordance with Canadian GAAP. Additional information relating to the Company is available on SEDAR at www.sedar.com. Comments in this document are prepared as of July 22, 2010.

Certain of the statements set forth in this MD&A, such as statements regarding planned activity and working capital, and the availability of capital resources to fund capital expenditures and working capital are forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. There are numerous risks and uncertainties that can affect the outcome and timing of events, including many factors beyond the control of the Company. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's actual results and plans for fiscal 2011 could differ materially from those expressed in this document. All dollar amounts are stated in Canadian dollars unless otherwise indicated.

The Company

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on the TSX Venture Exchange (the "TSX-V") on Tier 2 under the symbol CHM and on the Frankfurt Stock Exchange under the symbol P02 (WKN – A0LF1C). The Company is currently proceeding with a listing application to list its common shares for trading on the TSX.

Overall Performance

Fermont Iron Property, Quebec

On August 31, 2009, the Company executed a definitive option and joint venture agreement to acquire up to a 70% interest in 16 iron-rich mineral concessions totalling 384.6 km^2 in the Fermont Iron Ore District ("FIOD") of north-eastern Quebec (the "Fermont Agreement"). The option was acquired from The Sheridan Platinum Group Ltd. ("Sheridan") and Fancamp Exploration Ltd. ("Fancamp")(collectively, the "Vendors"). The properties, termed the Fermont Property (the "Fermont Property"), are situated 250 km north of the St. Lawrence River port town of Port-Cartier and centered 60 km southwest of Fermont.

In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn a 65% interest			
On closing (paid and issued)	200,000	700,000	–
May 27, 2009 (paid, issued and incurred)	200,000	300,000	750,000
May 27, 2010 (paid and issued)	200,000	400,000	–
May 27, 2011 (paid and issued)	200,000	600,000	–
May 27, 2012 (paid, issued and incurred)	200,000	900,000	5,250,000
	1,000,000	2,900,000	6,000,000
To increase to a 70% interest	–	500,000	All necessary expenditures to completion of a positive bankable feasibility study

On May 13, 2009, the Company announced the optioning of the Penguin Lake Iron Property from The Sheridan Platinum Group Ltd. and Fancamp Exploration Ltd. The 39 claim / 20.67 km^2 Penguin Lake Property is located immediately north of Arcelor Mittal's Mount Reed Deposit in the FIOD.

The Penguin Lake Iron Property has been integrated into the Fermont Agreement through the issuance of 400,000 shares of the Company to the vendors (200,000 to *Fancamp Exploration Ltd.*, and 200,000 shares to *The Sheridan Platinum Group Ltd.*). The Penguin Lake Property hosts a historical mineral resource of 100 million tonnes grading 30% Iron[1] (MRNFQ GM File #13035, 1963).

In addition, in view of the close association with the Company in the developing FIOD, The Sheridan Platinum Group and Fancamp Exploration Ltd. have granted Champion a first right of refusal on their last wholly-owned iron property in the district in the event of a third party participation. The 29 claim / 15.37 km^2 Lamelée Lake Iron Property is located immediately northeast of the Consolidated Thompson Iron Mines Ltd. ("Consolidated Thompson") Peppler Lake Iron Deposit (935 million tonnes @ 29.7% Iron) and is characterized by a magnetic signature similar to, but larger than, that of the Bloom Lake Deposit with Measured and Indicated Reserves of 826.9 million tonnes at a grade of 29.35% Iron currently under development by Consolidated Thompson located 50km to the north. Previous work on the Lamelée Lake Iron Property has been confined to geophysics and geological mapping, and no historical resource has been established.

The Company now controls a land package of roughly 384.6 km^2 in 16 strategic claim blocks of which 2 host an initial NI 43-101 Mineral Resource Estimate of 503.3 million tonnes grading 28% Iron, and 6 host historic mineral resources[1] of approximately 578 million tonnes grading 30.4% Iron.

The Fermont Property's significant initial Mineral Resource Estimate and historic pre-NI 43-101 Mineral Resources are located in proximity to and locally contiguous to an operating and a number of former operating iron mines and projects currently being developed for iron mining. The pre-NI 43-101 Mineral Resources[1] are outlined in the table below.

[1] This mineral resource estimate is strictly historical in nature, is non-compliant to NI 43-101 Mineral Resources and Mineral Reserves standards, and should therefore not be relied upon. A Qualified Person has not done sufficient work to classify the historical mineral resource estimates as current mineral resources.

Cluster and Claim Block		No. Claims (km²)	Historical Mineral Resources[1]	
			Tonnes (millions)	Grade (% Iron)
CLUSTER 1				
1	Moire Lake	25/10.9	101	30.8[3]
CLUSTER 2				
2	O'Keefe-Purdy-Audrea Lakes	71/37.2	25	35.5[3]
3	Harvey-Tuttle Lakes	122/63.9	n/a	n/a
4	Bellechasse	13/6.8	updated and current	
5	Midway Southeast	15/7.9	n/a	n/a
6	Oil Can Lake	19/10.0	n/a	n/a
7	Fire Lake North	76/39.9	updated and current	
8	Hope Lake	61/32.2	n/a	n/a
9	Lamêlée Lake[2]	16/8.4	n/a	n/a
CLUSTER 3				
10	Cassé Lake	27/14.2	n/a	n/a
11	Audrey-Ernie Lakes	106/56.0	23	33.2[3]
12	Big Three Lakes	9/4.8	25	34.0[3]
13	Aubertin-Tougard Lakes	52/27.6	n/a	n/a
14	Jeannine Lake	6/3.2	n/a	n/a
15	Silicate-Brutus Lakes	56/29.8	304	29.4[3]
16	Penguin Lake	60/31.8	100	30.0[3]
	TOTALS	**34/384.6**	**578**	**30.4**

(1) The historical Mineral Resources estimates quoted are strictly historical in nature and are non-compliant to NI 43-101 Mineral Resource standards, and should therefore not be relied upon. A Qualified Person has not done sufficient work to classify these historical Mineral Resource estimates as current NI 43-101 compliant Mineral Resources.
(2) Champion holds a first right of refusal to acquire the Lamêlée Lake Claim Block.
(3) From Paquet, 1963 (*Ministère des ressources naturelles et de la faune Québec* Assessment File GM 13035).

On June 8, 2010, the Company announced that it had fulfilled the requirements to earn-in an undivided 65% right, title and interest in and to all of the claim blocks of the Fermont Iron Property covered by the Fermont Agreement. The Vendors and the Company will now form a joint venture ("JV") reflective of their proportionate ownership interests in the Fermont Iron Property in order to explore and develop the retained mineral concessions. The Company will retain a right-of-first-refusal on any part or all of the Vendors' proportionate interest in each of the mineral concessions comprising the Fermont Iron Property. If the Vendors elect not to fund their proportionate interest in the JV, their interest would be diluted and, when the Vendors' interest is reduced below a 10% remaining interest, the Vendors would be left with a 3% NSR royalty subject to a buyback clause at the Company's option to reduce the NSR royalty to 2% by paying $3 million. The Company would also retain a first-right-of-refusal on the royalty. There is also a 10 km area of influence around each mineral concession.

On June 23, 2010, the Company entered into an agreement with Sheridan to purchase Sheridan's remaining 17.5% interest in the Fermont Property. On July 16, 2010, the Company announced that, in accordance with the terms of its agreement with Sheridan, it had closed in escrow pending recording and registration of all applicable transfers. The Company acquired Sheridan's remaining 17.5% interest in the Fermont Property with the payment of $2,000,000 ($1,000,000 payable on closing and instalments of $500,000 payable on the dates that are 12 months and 18 months after closing) and the issuance of 4,000,000 common shares. With completion of the acquisition of this additional 17.5%, the Company increased its ownership in the Fermont Property Joint Venture and its properties to 82.5%. Fancamp retains the other 17.5% interest. Sheridan and Fancamp also retain a 3% royalty, which may be reduced to 2% by the Company paying $3,000,000 to the Vendors.

The Fermont Property Exploration Campaign

On November 19, 2009 the Company announced an initial Mineral Resource Estimate ("MRE") on the Fermont Property. P&E Mining Consultants Inc. ("P&E") provided the Company with an initial MRE from the Bellechasse and Fire Lake North Claim Blocks ("Bellechasse" and "Fire Lake North"). The MRE forms part of a NI 43-101 Technical Report, titled *Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area Quebec*, *Canada*, dated December 23, 2009, available under the Company's filings on SEDAR at www.sedar.com.

The MRE was estimated by Fred Brown, CPG, *Pr. Sci. Nat.*, and Eugene Puritch, P. Eng., both of P&E and independent Qualified Persons under NI 43-101 guidelines. At a 15% Iron cut-off grade, there are a combined 503.3 million tonnes grading 28.0% Iron in the Inferred Mineral Resources[2] category from both Bellechasse and Fire Lake North divided as follows:

@ 15% Iron cut-off grade	Inferred Mineral Resources[(1)]	
	Tonnes (millions)	**Grade (% Iron)**
Bellechasse Claim Block		
	215.1	28.7
Fire Lake North Claim Block		
	288.2	27.5
Total	503.3	28.0

(1) The quantity and grade of the reported Mineral Resources within the Bellechasse and Fire Lake North claim blocks are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill holes and outcrops. There has been insufficient exploration to define any of the resources as Indicated or Measured Mineral Resources and there is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Geological and Resource Modeling Parameters

- The resource estimates were done using Inverse Distance Squared ("ID^2") interpolation on four-meter composites within modeled mineralization domains defined by assay values.
- Resources were evaluated from historic and current drill hole assay results. The mineralized areas were interpreted from transverse sections defined by drill hole traces combined with geophysical data.
- The 15% Iron cut-off grade was derived from the following: US$1.00 per iron unit, based on the ArcelorMittal Mines Canada October 2009 European deliveries of concentrate (FOB Port-Cartier, Quebec) price set at US$1.0242 per iron unit; processing of US$1.67/tonne of ore; concentrate transport of US$4.75/tonne of ore; G&A of US$0.75/tonne of ore; and a process recovery of 85%.
- A bulk density of 3.30 tonnes per cubic metre was used to calculate tonnages from the volumetric estimates of the resource grade block model. The bulk density was verified by P&E site visit samples which were analyzed at SGS Lakefield.
- Any discrepancies in the estimate numbers are due to rounding effects; rounding followed the recommendations in NI 43-101.

[2] *Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling gathered through appropriate techniques from drill holes and outcrops, and reasonably assumed, but not verified, geological and grade continuity. There has been insufficient exploration to define any of the resources as Indicated or Measured Mineral Resources and there is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources.*

- The Mineral Resources for the Bellechasse and Fire Lake North were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

The following table outlines sensitivities to the Resource Estimate from the previous table and presents conceptual optimized pit-shell results, undiluted and in-situ, utilizing a mining cost of US$1.76/tonne of ore and waste, and pit slopes of 45 degrees.

@ 15% Iron cut-off grade	**Conceptual Optimized-Pit Results**	
	Tonnes (millions)	**Grade (% Iron)**
Bellechasse Claim Block		
	177.2	29.2
Fire Lake North Claim Block		
	274.4	27.7
Total	451.6	28.3

A comparison of results demonstrates the amenability of the Inferred Mineral Resources to potential open pit mining with 90% of Inferred Mineral Resource reporting within a conceptual open-pit shell.

In addition to the Inferred Mineral Resources identified at Fire Lake North, it is estimated that between 140 million to 175 million tonnes of additional “mineralized material” is present for which no sampling data is available to estimate grade. Furthermore, magnetic signatures and 3 diamond drill holes in the NE portion of Fire Lake North indicate a complexly re-folded unit of Iron formation is present that has yet to be modeled for additional “potential resources” due to insufficient drilling. Mineralized material and potential resources are not recognized Mineral Resources categories and there is no guarantee that future exploration will convert any of this material and/or potential to compliant NI 43-101 Mineral Resources.

Iron mineralization at Bellechasse is magnetite-rich, while at Fire Lake North the primary Iron bearing mineral is specular hematite. Both varieties are typical FIOD styles of mineralization and differ from taconite Iron mineralization. The taconite is finer grained and generally less favourable for concentration, requiring more energy for crushing and grinding when compared to varieties found in the FIOD.

All drill core logging and sample preparation from the recent diamond drilling was conducted by qualified Company personnel under NI 43-101 guidelines at the Company's core logging facilities in Labrador City, Newfoundland. The NQ-sized drill core was split and one-half retained in the core tray as a reference sample while the other half core samples were individually bagged, tagged, and sealed within large sealed nylon bags and shipped by commercial ground transport for analysis to ALS-Chemex Laboratories in Val d'Or, Quebec. Certified reference standards and blank samples were inserted regularly for Quality Assurance and Quality Control purposes.

The combined 503.3 million tonne Inferred Resource represents more than 4-times the historical Mineral Resources at both Bellechasse and Fire Lake North. Drilling to date has confirmed that magnetic responses from the airborne geophysical survey flown in 2008 are linked to Iron formations along a 15km long corridor, the Bellechasse - Fire Lake Iron Corridor, one of several target areas located on the Fermont Property. The current Iron resources bode well for the other claim blocks, 6 of which host historical Mineral Resources of 578 million tonnes and another 8 claim blocks that host significant magnetic anomalies outlining Iron formations. The Iron grades of the historical Mineral Resources are similar to the producing mines and other deposits in the area. Both Bellechasse and Fire Lake North are located 20 km northeast of Consolidated Thompson Iron Mine’s combined Lamalee-Peppler Lake projects, and 45 km to the south of the Bloom Lake Mine that is under construction. Fire Lake North sits adjacent to the north of ArcelorMittal’s Fire Lake Mine (341 million tonnes grading 33.4% Iron), a seasonal operation that supplies ore to the Mont Wright Mine and Concentrator Complex located approximately 50 km to the north (www.arcelormittal.com; MRNFQ Files).

On February 2, 2010, the Company announced that a 10,000m drilling campaign was slated to begin by mid-February at the 25 km^2 Mammoth Iron Zone on the 69 km^2/122 claims Harvey-Tuttle Claim Block ("Harvey-Tuttle"). The Company also announced that it was also preparing a 5,000m drilling program on Fire Lake North where the Company has already outlined (in 2009) NI 43-101 compliant Inferred Mineral Resources[2] of 288.2 million tonnes grading 27.5% Iron. Fire Lake North is contiguous to the north of ArcelorMittal's Fire Lake Mine.

On May 4, 2010, the Company announced the first Iron assay results from diamond drill holes FL10-01 and FL10-06 of the 11 drill hole winter 2010 drill program on Fire Lake North including an intersection of 38.3% Iron over 133.9 m. The Iron mineralization is associated with zones of coarse-grained specularite within quartz-specularite and quartz-magnetitie-specularite iron formations, the optimal mineralization in the Fermont Iron Ore District.

On May 11, 2010, the Company announced results from the first two drill holes, HT10-07 and HT10-09 from the completed winter 2010 diamond drill campaign at Harvey-Tuttle. HT10-07 intersected 234.0m of sub-massive to massive magnetite iron formation with an average grade of 26.7% Iron, including 168.4m grading 30.3% Iron that also included 93.2m of 35.6% Iron, on the Turtleback Mountain Target of the 25km^2 Mammoth Iron Zone.

On May 18, 2010, the Company announced Iron assay results from the remaining diamond drill holes completed during the winter 2010 drill program at Fire Lake North. A total of 4,142m were drilled in 24 holes at a drill hole spacing of 400 meters during the campaign. The East Limb target is comprised of two parallel north-south trending iron formations approximately 300 meters apart that extend for several kilometers. The best Iron assay interval results were obtained in drill holes FL-10-01, FL-10-04, FL-10-06, FL-10-07, FL-10-08, and FL-10-09. Drill holes FL-10-01 (30.2% Iron over 79.1 meters) and FL-10-06 (38.3% Iron over 133.9 meters) were previously announced by the Company on May 4, 2010.

The Southwest target is interpreted to be a wide bowl-shaped iron formation, with drill holes FL-10-21 and FL-10-24 returning significant intersections of iron oxide mineralization. Both target areas host Fermont style quartz specularite-magnetite mineralization, and contain higher grade zones of coarse-grained specularite with up to 3-5mm sized crystals.

The most significant iron assay intervals from the East Limb and Southwest targets are located within 1.5 kilometers north of the ArcelorMittal Fire Lake Mine claim boundary.

Metallurgical tests will quantify weight recovery and the quality and grade of the concentrate produced from the assays listed above. Comparatively, the iron ore at ArcelorMittal's Fire Lake Mine is considered to have excellent metallurgy associated with this type of high grade and coarse grained iron oxide mineralization.

At Fire Lake North, a follow up drill program is being planned to further explore for this higher quality specularite mineralization and to further delineate their extent along strike and down dip. The target area near the eastern claim boundary will also be drill tested. Other claim blocks in the area such as O'Keefe Purdy, Midway and Oil Can Lake are also being evaluated for drill testing.

The Company also announced that the 2010 drill program on the Harvey-Tuttle will resume after spring break up and will remain the key component of the Company's exploration efforts due to its significant blue sky potential. The Company's objective is to define over 1 billion tonnes of Iron mineral resources at Harvey-Tuttle and to define several smaller 200 million to 500 million tonnes Iron resources close to existing infrastructure. These estimates are purely conceptual in nature and are not part of a recognized mineral resource or mineral reserve category. They are being used by the Company to identify priority mineralized target areas for diamond drill testing and definition.

The Company has sufficient cash reserves to complete its scheduled exploration program at the Fermont Property.

Attikamagen Lake Iron Property, Labrador and Quebec

On July 20, 2007, the Company completed the acquisition of the Attikamagen Lake Iron Property (the "Attikamagan Property") which consisted of 52 claims in western Labrador, located 15 km E-NE of Schefferville, Quebec.
The Company acquired a 100% interest in the Attikamagen Property from an arm's length vendor by making cash payments totaling $40,000 and issuing 100,000 common shares of the Company at a deemed value of $0.30 per share. Further to an amendment agreement dated February 15, 2008, the Company has agreed to pay an aggregate royalty of $1.50 per tonne of iron content in any and all iron ore, pellets or other product produced from the Attikamagen Property, calculated at the port when shipped in exchange for the issuance of 150,000 common shares to the vendor. The Company has the right and option at any time to purchase the royalty upon payment of $2.5 million.

On March 28, 2008 the Company expanded its property holdings adjacent to its wholly-owned Attikamagen Property. With the staking of the Lake Attikamagen Extension Claim Block, which consisted of 451 claims contiguous to and partially surrounding the 52 claim Attikamagen Property, Champion's Labrador property holdings increased to 503 claims comprising 126 km^2. On the Quebec side of the Labrador/Quebec border, adjacent to the northern portion of the Attikamagen Extension Claim Block, the Company staked an additional 29 claims, the Lac Sans Chef Quebec Claim Block, comprising 13.7 km^2. Collectively, the Attikamagen Property, Attikamagen Extension Claim Block and Lac Sans Chef Quebec Claim Block cover 139.7 km^2 and will be referred to as the Attikamagen Property.

On June 18, 2008 the Company completed the acquisition of the Pterodactyl Claims consisting of 16 claims in western Labrador, adjacent to the Attikamagen Property. Champion acquired a 100% interest in the Pterodactyl Claims from an arm's length vendor, through the issuance of 110,000 fully paid and non-assessable common shares of the Company. The Pterodactyl Claims represent a strategic addition to the Company's property holdings in western Labrador. This claim group hosts the favorable Sokoman Formation that is tightly folded and repeats the favorable horizon four times within a 6 square kilometre area and form an integral part of Champion's Attikamagen Property exploration program.

On September 3, 2008, the Company announced the acquisition of additional claims along the north-western and western perimeter of the Attikamagen Property. An additional 300 claims were staked in Quebec, and 98 claims were staked in Labrador, thereby increasing the size of the Attikamagen Property to 938 claims comprising 310.7 square kilometers extending over a 56 km strike length. The provincial boundary is the topographic high separating both provinces. The Attikamagen Property has a strike length of taconite bearing Sokoman Iron Formation of 34km in Labrador and 22km in Quebec.

On May 12, 2008, the Company and Labec Century Iron Ore Inc. ("LCIO") signed a $12,500,000 definitive option and joint venture agreement (the "Attikimagen Agreement"), as amended July 9, 2009 and March 25, 2010 to allow LCIO to earn up to a 60% interest in the Company's Attikamagen Property. Pursuant to the March 25, 2010 amendment agreement the dates in the Attikamagen Agreement by which remaining payments are permitted to be made by LCIO were extended by one year and the $12,500,000 exploration expenditures required to be funded by LCIO to earn up to a 60% interest have been increased by $500,000 to $13,000,000. In order to earn its interest, the LCIO must incur exploration expenditures as follows:

	Exploration expenditures $
To earn 51% interest	
March 26, 2009 (incurred)	2,500,000
March 26, 2011	2,500,000
March 26, 2012	2,500,000
	7,500,000
To increase to 56% interest	
March 26, 2013	2,500,000
To increase to 60% interest	
March 26, 2014	3,000,000
	13,000,000

Pursuant to the Agreement, the Company announced on August 14, 2008, October 16, 2008, November 17, 2008, February 26, 2009, April 27, 2009 and February 17, 2010, updates on the field exploration program at the Attikamagen Property.

Attikagamagen Property Exploration Program

On February 17, 2010, the Company and LCIO provided an update on the exploration program at the Attikamagen Property following the completion in 2009 of a detailed mapping and sampling campaign and a 2008 airborne magnetic survey by LCIO.

Three main taconite or magnetite (hematite) silica iron formation target areas have been identified for follow up work at Hayot Lake, Lac Sans Chef and Jennie Lake. Systematic metallurgical tests are underway to quantify the efficiency of weight recovery by magnetic and gravity separation on representative composite samples for each area. Following these results, a drill program is planned for the summer of 2010.

The Attikamagen Property also has very good potential for identifying and building Direct Shipping Ore (or “DSO”) mineral resources. The DSO term was used by previous operators in the Schefferville area to designate “oxidized iron ore” with iron grades in excess of 55%, and is only used here for historical reference and is not intended to imply that a positive economic study has been completed on the Attikamagen Property. As such, concurrently with the taconite exploration program, a DSO exploration program is planned for the summer of 2010. A 20 line-kilometer gravity survey over four favorable DSO target areas has been initiated and is expected to be completed this winter.

In April 2009, the Company completed geophysical Magnetic Inversions (“MI”), Magnetic Volumetric Estimates (“MVE”) and Taconite Tonnage Potential Estimates (“TTPE”) (*refer to the April 27, 2009 news release by the Company*). The objective of the study (the “Study”) was to better understand the geometry of the taconite iron formation on the Property. The airborne vertical gradient magnetic survey response was utilized for the MI and MVE of the taconites across the entire 80km long Attikamagen Property and more specifically in the selected target areas.

The Study and the Taconite tonnage Potential Estimates or TTPE were part of a NI *43-101 Technical Report*, available with the Company’s other filings on SEDAR at **www.sedar.com.**

MI are generally used in outlining the lengths, widths, depths and dips of the magnetic units, in this case taconites, ultimately resulting in an estimate of their volumes (“MVE”) and also conceptual Taconite Tonnage Potential Estimates (“TTPE”) at different specific gravities, but not their grades. The Company and LCIO are of the opinion the MVE and conceptual TTPE can add value to the exploration targeting process at the Attikamagen Property by producing higher quality drill targets to possibly convert the conceptual TTPE to mineral resources. The conceptual TTPE quantities are strictly conceptual in nature, being used to refine exploration efforts, and are stated as a range of tonnes, in that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the conceptual TTPE being delineated as a Mineral Resource.

At specific gravities of 3.0, 3.3 and 3.6 tonnes/m^3, the total conceptual TTPE in explored and unexplored areas of the Attikamagen Property vary from 24.404 billion to 29.285 billion tonnes of iron formation; whereas the field sampled or explored taconites iron formations yielded values ranging from 3.873 billion to 4.651 billion tonnes and 1.355 billion to 1.626 billion tonnes, of iron formation respectively for the Lac-Sans-Chef and Jennie Lake sectors.

Taconites at Lac-Sans-Chef demonstrate excellent upside conceptual potential where tightly folded taconite iron formations with 8 fold-repetitions form intervals of magnetite-rich rocks that extend 3km in length and 300m in width. Previously released channel and grab sample assays (*refer to the Company's news release dated February 26, 2009*) from Lac-Sans-Chef averaged 26.79% Iron, and assays from limited drill core averaged 27.93% Iron; whereas the Jennie Lake channel and grab sample assays averaged 30.66% Iron.

Locally where the magnetic signature is relatively lower along strike of higher magnetic anomalies there is a good potential for DSO. Typically the DSO is found in low-lying areas where the taconite does not outcrop since it is usually softer and more friable and has been scraped to a lower elevation due to glaciations. The ongoing gravity surveys will help to refine these target areas where a low magnetic response corresponds with a high gravity anomaly.

The Attikamagen Property could potentially host significant taconite mineral resources with grades in the range of 26.5% to 30% Iron based on the limited surface and drill core sampling to date. The conceptual TTPE and assay grades are very similar to those outlined in the Schefferville Mining Camp of Quebec and Labrador for the LabMag and KeMag Deposits containing NI 43-101 Measured and Indicated Resources of 4.590 Billion Tonnes at 29.32% Iron and 1.349 Billion Tonnes at 30.9% Iron respectively (*New Millenium Capital Corp. website*).

Pursuant to the Agreement LCIO is solely responsible for funding the Attikamagen Property exploration program.

Gullbridge and Powderhorn Base Metals Properties, Newfoundland

On May 5, 2008, the Company executed a definitive option and joint venture agreement (the "Gullbridge Agreement") with Copper Hill Resources Inc. ("Copper Hill"), as amended March 26, 2010, to acquire an interest in the Gullbridge Base Metals Property (the "Gullbridge Property"), in the Buchans Mining Camp, Newfoundland. The Gullbridge Property adjoins the Company's National Instrument 43-101 Qualifying Powderhorn Property ("Powderhorn" or "Powderhorn Property") to the southeast.

In order to earn its interest in the Gullbridge Property, the Company must make the option payments, issue common shares and incur exploration expenditures as follows:

	Option payments $	Common shares	Exploration expenditures $
To earn 51% interest			
On closing (paid and issued)	10,000	50,000	–
May 5, 2009 (paid, issued and incurred)	10,000	100,000	200,000
March 26, 2010 (issued)	–	75,000	–
May 5, 2011	10,000	75,000	200,000
May 5, 2012	–	–	400,000
	30,000	300,000	800,000
To increase to 75% interest			
2 years after earning 51% interest	–	150,000	700,000
To increase to 85% interest	–	–	All necessary expenditures up to the completion of a positive bankable feasibility study

The Company entered into an option agreement (the “Option Agreement”) on June 11, 2006 with Copper Hill, as amended May 5, 2008 and March 26, 2010, to acquire a 70% interest in the Powderhorn mineral exploration property. The Powderhorn Property consists of a total of 115 claims covering an area of 29 square kilometres situated in the Buchans-Robert's Arm Belt, in Central Newfoundland, Canada. It is approximately 40 km to the NE of, and on strike with, the renowned Buchans Mine Volcanogenic Massive Sulphide (“VMS”) deposits which produced 16.2 million tonnes from 5 ore bodies with average mill head grades of 14.5% Zn, 7.6% Pb, 1.3% Cu, 126 g/t Ag and 1.4 g/t Au (source: J.G. Thurlow, 1990).

Pursuant to the Option Agreement, the Company has the option to acquire a 70% interest in the Powderhorn Property. In order to earn its interest, the Company must make option payments, issue common shares and incur exploration expenditures as follows:

To earn 70% interest	**Option payments $**	**Common shares**	**Exploration expenditures $**
Paid, issued and incurred prior to March 31, 2008	40,000	250,000	200,000
June 11, 2008 (paid, issued and incurred)	10,000	250,000	300,000
At the earliest date the Company completes the exploration expenditure requirements, makes an economic discovery as evidenced by a pre-feasibility study or June 11, 2009 (issued)	–	100,000	–
June 11, 2011	–	–	500,000
	50,000	600,000	1,000,000

The Powderhorn Property is encumbered with a 2.85% net smelter royalty (“NSR”), of which 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

On February 17, 2009, the Company announced that diamond drilling, logging and sample assay results had been received for 3 diamond drill holes completed in January 2009 on the Powderhorn and Gullbridge Properties. The work is being partially funded by a 2008 Government of Newfoundland and Labrador Ministry of Natural Resources grant under the *Junior Company Exploration Assistance Program* awarded to its joint-venture partner Copper Hill Resources Inc.

A total of 1,477 m of drilling was completed in 3 holes (PH09-01 to 03) designed to test the first 3 of 5 coincident ground gravity and airborne magnetic anomalies identified on the two properties. The first two holes (PH09-01 and PH09-02) were drilled on the Powderhorn Property and the third hole was drilled on the Gullbridge Property (PH09-03) located contiguously to the north and northwest of Powderhorn Lake. A brief description of the 3 drill holes is available under the Company's filings at www.sedar.com or on the Company's website www.championminerals.com.

The Company's geological model for the Gullbridge-Powderhorn area is similar geologically and in metallogenic context to the Neves Corvo area of the Iberian Pyrite Belt in Portugal. The large massive sulphide deposits of Neves Corvo lay below extremely conductive sedimentary rocks (similar to the Gullbridge-Powderhorn area) that made their discovery by conventional electromagnetic geophysical methods more difficult. Gravity surveying provided critical data necessary to delineate prospective base metal horizons at Neves Corvo, eventually leading to the discovery of the World-Class base metal deposit.

In 2010, the Company plans to proceed with the gravity modelling and pending further drilling results, proceed with down-hole electromagnetic surveys and deepening of PH09-01 and DP09-03 to further evaluate target areas 1 and 3 identified from a gravity survey the Company completed on the area. The magnetite-ilmenite potential of target area 2 will be evaluated in addition to drill testing the two principal remaining target areas 4 and 5.

The Company is investigating the Gullbridge-Powderhorn area by applying a similar strategy that led to Neves Corvo discoveries. The Company contracted Abitibi Geophysics of Val d'Or (Quebec) to complete a regional ground gravity survey over the eastern half of the Gullbridge Property and the NW portion of the adjoining Powderhorn ground. A total of 1,360 stations were surveyed on 200m centers covering 57.5 km^2 of both properties. Five high priority target areas (Target areas 1 to 5) were identified for follow-up investigation that may coincide with possible Volcanogenic Massive Sulphides style mineralization typical of the Buchans Mining Camp.

The Company has completed all the necessary option payments and common share issuances to Copper Hill pursuant to the Option Agreement for the Powderhorn Property. The Company is required to expend $500,000 in exploration on or before June 11, 2011 in order to earn a 70% interest in the Powederhorn. To date the Company has made option payments totaling $50,000, issued 600,000 common shares to Copper Hill and incurred over $500,000 in exploration expenditures.

Pursuant to the Gullbridge Agreement the Company is required to make a final option payment of $10,000 and complete a final share issuance of 75,000 common shares to Copper Hill, as well as incur $200,000 in exploration expenditures on or before May 5, 2011 and a further $400,000 in exploration expenditures on or before May 5, 2012. To date the Company has made option payments totaling $20,000, issued 225,000 common shares to Copper Hill and incurred over $200,000 in exploration expenditures.

It is the Company's intention to meet its ongoing requirements in order to complete its earn-in for the Powderhorn and Gullbridge Properties. The Company currently has the cash requirements needed in order to fulfill its exploration expenditure requirements pursuant to the Powderhorn and Gullbridge Agreements.

$12,190,000 Bought-Deal Financing

In addition to the equity private placements and proceeds derived from the acceleration of one series of warrants, detailed in the Liquidity and Capital Resources section below, the Company completed a $12,190,000 bought-deal financing consisting of the private placement of 10,600,000 units at $1.15 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for $1.50 until April 30, 2012. The financing was completed by a syndicate of underwriters led by Canaccord Financial Ltd.

The Company intends to use the proceeds of the financing to fund the exploration and development of the Company's Fermont Property, as well as for general corporate purposes.

Risks and Uncertainties

The Company is exposed to financing risk as it is not in commercial production on any of its mineral resource properties, and accordingly, has no revenues. The Company finances its operations by raising capital in the equity markets. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future, particularly in light of the current financial equity market conditions.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licenses.

The Company is exposed to commodity price risk with respect to iron ore prices. A significant decline in metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

Results of Operations

Years ended March 31

	2010 **$**	**2009** **$**
Expenses		
Professional fees	80,745	128,438
Consulting fees	641,493	351,000
Stock-based compensation	503,236	172,000
General and administrative	288,689	258,689
Investor relations	360,089	75,330
Travel	279,315	63,365
Part X11.6 tax	17,192	56,877
	2,170,759	1,105,699
Loss before the following item	(2,170,759)	(1,105,699)
Management fees	60,794	-
Loss before income taxes	(2,109,965)	(1,105,699)
Future income tax recovery	548,600	315,500
Loss for the period	(1,561,365)	(790,199)

The increase in stock-based compensation reflects the fair value for stock options granted in the current period; the increase in consulting fees reflects bonuses for the directors and officers; and the increase in investor relations and travel reflect the costs of the Company's efforts to expand its shareholder base in Europe and Dubai.

3 months ended March 31

	2010	2009
	$	$
Expenses		
Professional fees	37,655	18,544
Consulting fees	505,293	206,195
General and administrative	101,438	143,627
Investor relations	198,345	-
Travel	112,532	-
Part XII.6 tax	17,192	15,177
	972,455	383,543
Loss before the following item	(972,455)	(383,543)
Management fees	18,794	315,500
Loss before income taxes	(953,661)	(68,043)
Future income tax recovery	548,600	-
Loss for the period	(405,061)	(68,043)

The increase in stock-based compensation reflects the fair value for stock options granted in the current period; the increase in consulting fees reflects bonuses for the directors and officers; and the increase in investor relations and travel reflect the costs of the Company's efforts to expand its shareholder base in Europe and Dubai.

Summary of Quarterly Results

	Q1 2009 $	Q2 2009 $	Q3 2009 $	Q4 2009 $	Q1 2010 $	Q2 2010 $	Q3 2010 $	Q4 2010 $
Revenue	Nil	Nil	Nil	Nil	42,000	Nil	Nil	18,794
Loss								
- Total	337,529	110,114	274,512	68,043	183,499	656,182	316,622	405,061
- Per share	0.02	0.01	0.02	0.00	0.00	0.03	0.013	0.011

The loss for the first quarter of 2009 included stock-based compensation of $172,000 for stock options granted during the quarter. The loss for the second quarter of 2010 includes stock-based compensation of $387,189 for stock options granted during the quarter. The loss for the third quarter of 2010 includes stock-based compensation of $116,047 for stock options granted during the quarter.

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

The Company monthly burn rate (excluding discretionary investor relation and travel expenses) is approximately $50,000 and the Company is committed to make the following payments during the next year to retain its interests in its mineral resource properties:

Property	Nature of payment	Amount $	Due date
Gullbridge	Option payment	10,000	May 5, 2011
	Exploration expenditures	200,000	May 5, 2011
Powderhorn	Exploration expenditures	500,000	June 11, 2011

As at March 31, 2010, the Company had a working capital of $4,735,231, which included cash of $6,225,219 and subsequent to March 31, 2010, the Company raised additional financing. While the Company has sufficient funds to meet its current commitments, the Company will require additional funding to fund its operations and the exploration of its mineral resource properties. Without additional funding, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available.

Financings

On September 14, 2009 the Company completed a private placement of 3,200,000 units at a price of $0.25 per unit for gross proceeds of $800,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.50 per share on or before March 14, 2011. The common share purchase warrants were subject to an acceleration of the expiry date (see "Warrant Acceleration" below).

On December 31, 2009, the Company completed a private placement of 4,594,780 units at a price of $0.55 per flow-through unit for gross proceeds of $2,527,129. Each flow-through unit consists of one common share issued on a flow-through basis under the Income Tax Act (Canada) and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of $0.85 per share until June 30, 2011.

On January 11, 2010, the Company completed a private placement of 3,800,000 units at a price of $0.50 per unit for gross proceeds of $1,900,000. Each unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of $0.75 per share until July 11, 2011.

On January 13, 2010, the Company completed a private placement of 3,500,000 common shares at a price of $0.48 per share for gross proceeds of $1,680,000.

On February 22, 2010, the Company completed a private placement of 1,799,999 units at a price of $0.60 per unit for gross proceeds of $1,080,000. Each unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of $0.90 per share until August 22, 2011.

On April 30, 2010, the Company completed a $12,190,000 bought-deal financing consisting of the private placement of 10,600,000 units at $1.15 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for $1.50 until April 30, 2012. The financing was completed by a syndicate of underwriters led by Canaccord Financial Ltd.

The Company intends to use the proceeds of the financing to fund the exploration and development of the Company's Fermont Property, as well as for general corporate purposes.

Warrant Acceleration and Exercise of Warrants

On February 19, 2010, the Company announced that it had accelerated the expiry date of the 3,200,000 warrants (the “Warrants”) to purchase common shares of the Company issued as part of the unit offering closed on September 14, 2009 to March 18, 2010 (the “New Expiry Date”). On March 19, 2010, the Company announced that it had received proceeds of $1,600,000 in connection with the exercise of the Warrants.

The Company further announced on June 8, 2010 that 1,787,500 common shares were issued by the Company pursuant to the exercise of a series of $0.70 warrants with a June 5, 2010 expiry date, of which 1,627,500 common shares were issued subsequent to the year ended March 31, 2010. The Company received aggregate proceeds of $1,251,250 in connection with the warrant exercise.

Related Party Transactions

	Year ended March 31, 2010 $	**Outstanding as at March 31, 2010 $**
Mineral resource properties, geological consulting services		
Alex Horvath, a director of the Company	63,638	26,500
Jean Lafleur	62,309	
MRB & Associates, a company controlled by Martin Bourgoin, Executive Vice President, Exploration/Operations	577,821	271,787
Jeff Hussey & Associates Inc., a company controlled by Jeff Hussey, Vice President, Exploration	129,351	21,801
Share issue costs		
Sheldon Huxtable Professional Corporation, a law firm controlled by Donald A. Sheldon, a director of the Company	12,001	34,961
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer of the Company	186,500	55,000
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer of the Company.	101,000	75,000
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary of the Company	102,000	75,000
MRB & Associates, a company controlled by Martin Bourgoin, Executive Vice President, Exploration/Operations	3,756	–
Legal fees		
Sheldon Huxtable Professional Corporation, a law firm controlled by Donald A. Sheldon, a director of the Company	42,768	98,241

These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Critical Accounting Estimates

Mineral resource properties
Costs relating to the acquisition, exploration and development of mineral resource properties are deferred until the properties are brought into commercial production, at which time, they are amortized over the estimated useful life of the related property on a unit-of-production basis. The cost of mineral resource properties includes the cash consideration and the fair value of shares issued on the date the property is acquired. The proceeds from options granted on properties are credited to the cost of the related property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations.

The recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The amount shown for mineral resource properties does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource properties.

Stock-based compensation
Stock-based compensation is determined using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. Changes in these input assumptions can materially affect the estimate of fair value.

Changes in Accounting Policies including Initial Adoption

On April 1, 2009, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" which replaced Section 3062. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred.

On April 1, 2009, the Company adopted amendments to CICA Handbook Section 1000, "Financial Statement Concepts" which clarify the criteria for the recognition of an asset specifically as it relates to the use of the matching principle. Accordingly, certain items that may have been previously recognized as assets may not be able to be reflected as such under the new recommendations. The adoption of this amended accounting standard did not have an effect on the Company's financial position or results of operations.

On June 1, 2009, the Company adopted amendments to CICA Handbook Section 3862, "Financial Instruments - Disclosures" which included amendments for additional disclosures about fair value measurements of financial instruments and enhanced liquidity risk disclosure. The additional fair value measurement disclosures include the classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The adoption of these new standards did not have an effect on the Company's financial statements.

Future Changes in Accounting Policies

On April 1, 2011, the Company will adopt CICA Handbook Section 1582, "Business Combinations", which will replace Section 1581, "Business Combinations". The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

On April 1, 2011, the Company will adopt CICA Handbook Sections 1601, "Consolidated Financial Statements" and Section 1602, "Non-controlling Interests", which together, will replace section 1600, "Consolidated Financial Statements". Section 1601establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have an effect on the Company's financial statements.

International Financial Reporting Standards ("IFRS"):

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian generally accepted accounting principles for publicly accountable enterprises. The Company will report interim and annual financial statements, including comparative financial statements, in accordance with IFRS beginning with the interim financial statements for the 3 months ended June 30, 2011.

IFRS Transition Plan
The Company has established an IFRS transition plan for the implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete.
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards*.	Complete.
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In progress, completion expected during Q2 2011.
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, completion expected during Q2 2011.
Quantification of the financial Statement impact of changes in accounting policies.	Throughout 2011.
Management and employee education and training.	Throughout the transition process.

Impact of Adopting IFRS on the Company
As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes. To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies. The Company's Chief Financial Officer

has and will continue to receive training on the relevant aspects of IFRS and the anticipated changes to accounting policies. The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First-time adoption of IFRS

IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS, generally requires retrospective application of IFRS. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has identified the following optional exemptions that it expects apply in its preparation of an opening IFRS statement of financial position as at April 1, 2010, the Company's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments which were issued after February 11, 2008 and had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.

Prior to reporting interim financial statements in accordance with IFRS for the 3 months ended June 30, 2011, the Company may decide to apply other optional exemptions contained in IFRS 1. IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas that the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

Exploration and Evaluation Expenditures

IFRS currently allows an entity to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to some restrictions. The Company expects to retain its current policy of deferring exploration and evaluation expenditures until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. Therefore, the Company does not expect that the adoption of IFRS will result in any significant change to the related line items within its financial statements.

Impairment of (Non-financial) Assets

IFRS, like Canadian GAAP, requires an assessment at each reporting date as to whether there are indicators of impairment of deferred exploration and evaluation costs. The factors considered under IFRS are quite similar to Canadian GAAP, but there are some differences. IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of deferred exploration costs will be changed to reflect these differences; however, the Company does not expect this change will have an immediate impact to the carrying value of its assets. The Company will perform impairment assessments as at the Transition Date in accordance with IFRS.

Share-based Payments
In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP. The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

Asset Retirement Obligations (Decommissioning Liabilities)
IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences, however, the Company does not expect this change will have an immediate impact to the carrying value of its assets.

Property and Equipment
IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP. The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

Income Taxes
In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

As the review of accounting policies is completed, appropriate changes to ensure the integrity of internal control over financial reporting and disclosure controls and procedures will be made. For example, any changes in accounting policies could result in additional controls or procedures being required to address reporting of first time adoption as well as ongoing IFRS reporting requirements. The Company has identified resource requirements to establish appropriate IFRS financial reporting expertise at all levels of the business.

The Company will hold an IFRS information session with members of the Board of Directors (including Audit Committee members) in the second quarter of 2011. During this session, management and external consultants will provide the Board with a review of the timeline for implementation, the implications of IFRS standards to the business and an overview of the impact to the financial statements (as experienced in Europe by comparable companies). As a result of the information session, the Audit Committee members will review the Audit Committee Charter and make the necessary changes to reflect the requirements for IFRS financial expertise. The Audit Committee will continue to receive quarterly presentations and project status updates from management.

Subsequent Disclosures
Further disclosures of the IFRS transition process are expected as follows:

- The Company’s Management Discussion and Analysis for the 2011 interim periods and the year ended March 31, 2011 will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual financial statements.

- The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending June 30, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending June 30, 2011 will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and the Company’s transition date IFRS statement of financial position (as at April 1, 2010).

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

	Years ended March 31	
	2010	**2009**
	$	**$**
General and administrative expenses		
Premises	59,005	30,054
Office	164,753	134,976
Public company costs	64,930	93,659
	288,689	258,689

	March 31, 2009	**Acquisition costs**	**Exploration**	**March 31, 2010**
	$	**$**	**$**	**$**
Powderhorn	1,257,444	28,000	18,062	1,303,506
Attikamagen	442,771	–	(3,373)	439,398
Gullbridge	359,547	119,500	(82,880)	396,167
Pterodactyl	63,800	–	–	63,800
Fermont	1,772,250	429,000	884,954	3,086,204
Bellechase	–	–	31,300	31,300
Harvey Tuttle	–	–	1,412,629	1,412,629
Fire Lake North	–	–	888,007	888,007
	3,895,812	576,500	3,148,699	7,621,011

Shares Outstanding at July 22, 2010

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
60,349,997 common shares.

Warrants
Outstanding:

Exercise price	Warrants outstanding	Expiry date
Common share warrants		
$0.85	2,333,317	June 30, 2011
$0.75	1,828,500	July 11, 2011
$0.60	350,000	July 13, 2011
$0.90	900,000	August 22, 2011
$1.50	5,300,000	April 30, 2012
	10,711,817	

Unit warrants		
$0.55	263,360	June 30, 2011
$0.50	70,000	July 11, 2011
$1.15	636,000	April 30, 2012
	969,360	

Stock options
Authorized:
The Company has a fixed stock option plan, under which, the Company may grant up to 4,075,000 stock options. On January 14, 2010, the Company increased the number of shares which may be subject to option grants under the stock option plan to 7,600,000, subject to shareholder and securities regulatory approvals.
Outstanding:

Exercise price	Options outstanding	Options exercisable	Expiry date
$0.45	1,000,000	1,000,000	January 10, 2013
$0.70	310,000	310,000	May 16, 2013
$0.30	1,420,000	1,420,000	September 16, 2014
$0.33	152,500	152,500	September 24, 2014
$0.405	230,000	230,000	November 9, 2014
	3,112,500	3,112,500	

Subject to shareholder and regulatory approval, the Company granted stock options on January 14, 2010, February 2, 2010 and March 2, 2010. A summary of the stock options granted is presented below:

Commitment to grant stock options	January 14, 2010	February 2, 2010	March 2, 2010
Options to be granted	2,200,000	300,000	550,000
Exercise price	$0.80	$0.85	$1.00
Expiry date	January 14, 2015	February 2, 2015	March 2, 2015

Forward-Looking Statements
All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “will”, “would”, “should”, “guidance”, “potential”, “continue”, “project”, “forecast”, “confident”, “prospects”, and similar expressions typically are used to identify forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to

predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements due to a number of factors, including but not limited to the Company's access to additional capital to fund future activities, the loss of mineral properties or the inability to obtain mining licences, the inherently risky nature of the Company's activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, the political stability and economic uncertainty of those areas in which the Company carries on operations and the lack of infrastructure in those areas, title risks, the risks and uncertainties associated with joint ventures and the Company's reliance on third parties, statutory and regulatory compliance, the adequacy and availability of insurance coverage, the Company's dependence upon employees and consultants and fluctuations in mineral prices. These risks, as well as others, could cause actual results and events to vary significantly.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.