**CHAMPION MINERALS INC.**
55 Adelaide Street East, Suite 410
Toronto, ON M5C 1K6
Tel: (416) 866-2200
Fax: (416) 361-1333

# MANAGEMENT'S DISCUSSION AND ANALYSIS
# 6 MONTHS ENDED SEPTEMBER 30, 2009

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 6 months ended September 30, 2009. It should be read in conjunction with the unaudited 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 November 27, 2009.

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 2010 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).

**Overall Performance**

*Fermont Iron Property, Quebec*

On August 31, 2009, the Company executed a definitive option and joint venture agreement in connection with the previously announced option to acquire up to a 70% interest in 16 iron-rich mineral concessions totalling 261.5 $km^2$ in the Fermont Iron Ore District ("FIOD") of north-eastern Quebec (the "Fermont Agreement"). The option was acquired from The Sheridan Platinum Group Ltd. and Fancamp Exploration Ltd. (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) | 200,000 | 700,000 | − |
| May 27, 2009 (paid and incurred) | 200,000 | 300,000 | 750,000 |
| May 27, 2010 | 200,000 | 400,000 | − |
| May 27, 2011 | 200,000 | 600,000 | − |
| May 27, 2012 | 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 |

After the Company completes its earn-in, the Vendors and the Company will form a joint venture ("JV") reflective of their proportionate ownership interests in the Fermont 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 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 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* (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 located immediately northeast of the Consolidated Thompson Iron Mines Ltd. ("Consolidated Thompson") Peppler Lake Iron Deposit (293 million tonnes @ 28.46% Iron) 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$km^2$ in 16 strategic claim blocks from which 2 host an initial National Instrument ("NI") 43-101 Mineral Resource Estimate of 503.3 million tonnes grading 28% Iron, and 6 host historic mineral resources* of approximately 578 million tonnes grading 30.4% Iron (*this mineral resource estimate is strictly historical in nature, is non-compliant to National Instrument ("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).

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* are outlined in the table below.

| Cluster and Claim Block | | No. Claims ($km^2$) | 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).

*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 will form part of a NI 43-101 Technical Report to be 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 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.
- 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 Fermont Mining District 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 Fermont Mining District.

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 (935 million tonnes grading 29.7% Iron, 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 @ 33.4% Iron).

Pursuant to the Fermont Agreement to date, the Company has made all the necessary cash payments and shares issuances to the Vendors and incurred more than $750,000 in exploration work commitments. It is the Company's intention to fulfill all the requirements and expenditures needed to earn a 65% joint venture interest in the Fermont Property on or before May 27, 2012. The Company is required to make a cash payment of $200,000 from its cash reserves and issue 400,000 common shares to the Vendors on or before May 27, 2010. The Company anticipates completing equity financings in order to fulfill its exploration expenditure requirements pursuant to the Fermont Agreement.

*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. 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. 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 eastern 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 in Labrador of 34km and 22km in Quebec.

On May 12, 2008, the Company and Labec Century Iron Ore Inc. ("CIOI") signed a definitive option and joint venture agreement (the "Agreement") to allow CIOI to earn up to a 60% interest in the Company's Attikamagen Property. In order to earn its interest, the CIOI must incur exploration expenditures as follows:

| | **Exploration expenditures $** |
|---|---:|
| **To earn 51% interest** | |
| March 26, 2009 (incurred) | 2,500,000 |
| March 26, 2010 | 2,500,000 |
| March 26, 2011 | 2,500,000 |
| | 7,500,000 |
| **To increase to 56% interest** | |
| March 26, 2012 | 2,500,000 |
| **To increase to 60% interest** | |
| March 26, 2013 | 2,500,000 |
| | 12,500,000 |

In the event that the CIOI incurs exploration expenditures of at least $3,750,000 by March 26, 2010, the CIOI may give notice to the Company that it will not incur any additional exploration expenditures and then a joint venture shall be formed on the earlier of the date of the notice or March 26, 2011 and the CIOI shall be deemed to have earned an interest in the Attikamagen Property equal to 51% of exploration expenditures incurred divided by $7,500,000. In the event that CIOI acquires an interest which is less than 51%, the Company will have the option to purchase the interest at a purchase price equal to the exploration expenditures incurred by the CIOI for 6 months after the earlier of the date of the notice or March 26, 2011.

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

*Attikagamagen Property Exploration Program*

On April 27, 2009, the Company announced results from geophysical Magnetic Inversions (“MI”), Magnetic Volumetric Estimates (“MVE”) and Taconite Tonnage Potential Estimates (“TTPE”) at the Attikamagen Property. As part of the ongoing $12.5 million option agreement between CIOI and the Company, Mira Geoscience Ltd. (“MIRA”) of Montreal (Quebec) completed 3-D geological and MI models summarized in a document titled *“Ìron Ore Volume Assessment using Airborne Magnetic Data, Attikamagen Property, Canada*, by P. Kowalczyk, P. Geo., dated March 18, 2009 (the “Study”). The objective of the Study was to better understand the geometry of the taconites or magnetite(-hematite) iron formations 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 selected target areas as requested by the Company.

The Study and the Taconite tonnage Potential Estimates or TTPE are part of a Technical Report titled “*National Instrument 43-101 Technical Report, the Attikamagen Iron Property, Western Labrador, Province of Newfoundland and Labrador (NTS Map-Sheets 23J/15 and 16 at coordinates 54˚53’30”N and 66˚36’45”W),* by John Langton, M. Sc., P. Geo., and Doug Clark, P. Geo., dated April 8, 2009 (the “Report”). The Report is available with the Company’s other filings on SEDAR at www.sedar.com and the Company’s website at www.championminerals.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 is 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 following table outlines the MVE and conceptual TTPE of the taconites from surface to a -250m vertical depth on the Attikamagen Property:

| Magnetic Volumetric Estimates above 250m | Volume ($m^3$)(1) | Taconite Tonnage Potential Estimates(2) using specific gravities of 3.0, 3.3 and 3.6 tonnes/ $m^3$ | | |
|---|---|---|---|---|
| | | 3.0 | 3.3 | 3.6 |
| Lac-Sans-Chef taconites(3) | 1,292,000,000 | 3,873,000,000 | 4,262,800,000 | 4,651,200,000 |
| Jennie Lake taconites(3) | 451,700,000 | 1,355,100,000 | 1,490,610,000 | 1,626,120,000 |
| Property-wide unexplored taconites | 6,391,000,000 | 19,176,000,000 | 21,091,100,000 | 23,007,600,000 |
| **Total** | **8,134,700,000** | **24,404,100,000** | **26,844,510,000** | **29,284,920,000** |

(1) The Volume ($m^3$) numbers are taken or derived from the MIRA Study.
(2) The Taconite Tonnage Potential Estimates are taken or derived from the NI 43-101 Report.
(3) The Taconite Tonnage Potential Estimates are supported by exploration in the Lac-Sans-Chef and Jennie Lake sectors from direct sampling evidence.

The conceptual TTPE quantities are strictly conceptual in nature, being used for the Company’s 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; whereas the field sampled or explored taconites yielded values ranging from 3.873 billion to 4.651 billion tonnes and 1.355 billion to 1.626 billion tonnes, respectively for the Lac-Sans-Chef and Jennie Lake sectors.

Taconites at Lac-Sans-Chef currently show the best upside conceptual potential. Here, the taconites are tightly folded with 8 fold-repetitions forming 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 the magnetic signature is relatively lower and these areas have potential for DSO in low-lying areas where the taconite does not outcrop since it is usually softer and more friable and it has been scraped to a lower elevation due to glaciations. The authors of the Report concluded that 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 3.665 billion tonnes @ 26.4% Iron and 2.445 billion tonnes @ 26.3% Iron, respectively.

The Company and its partner CIOI are currently preparing a major drill program based on the results to date on the Attikamagen Property, to work towards outlining in the near term the highest quantity and quality iron mineral resources. It is anticipated that the current exploration phase will satisfy the $2,500,000 expenditure required to be incurred on or before March 26, 2010. Pursuant to the Agreement CIOI is solely responsible for funding the Attikamagen 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") 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) | 10,000 | 50,000 | – |
| May 5, 2009 (paid and incurred) | 10,000 | 100,000 | 200,000 |
| May 5, 2010 | 10,000 | 150,000 | 200,000 |
| May 5, 2011 | – | – | 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 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 prior to March 31, 2008 | 40,000 | 250,000 | 200,000 |
| June 11, 2008 (paid 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 (paid) | – | 100,000 | – |
| June 11, 2010 | – | – | 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 2009, 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, 2010 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 $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 150,000 common shares to Copper Hill, as well as incur $200,000 in exploration expenditures on or before May 5, 2010. To date the Company has made option payments totaling $20,000, issued 150,000 common shares to Copper Hill and incurred $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 anticipates completing equity financings in order to fulfill its exploration expenditure requirements pursuant to the Powderhorn and Gullbridge Agreements.

**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**

***6 months ended September 30***

| | **2009**<br>**$** | **2008**<br>**$** |
|---|---|---|
| **Expenses** | | |
| Professional fees | 37,498 | 90,291 |
| Consulting fees | 86,500 | 97,714 |
| Stock-based compensation | 387,189 | 172,000 |
| General and administrative | 129,158 | 87,638 |
| Investor relations | 126,935 | - |
| Travel | 114,401 | - |
| | 881,681 | 447,644 |
| **Loss before the following item** | (881,681) | (447,644) |
| Management fees | 42,000 | - |
| **Loss for the period** | (839,681) | (447,644) |

The increase in stock-based compensation reflects the fair value for stock options granted in the current period 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 September 30***

| | **2009**<br>**$** | **2008**<br>**$** |
|---|---|---|
| **Expenses** | | |
| Professional fees | 24,892 | 8,044 |
| Consulting fees | 51,500 | 47,214 |
| Stock-based compensation | 387,189 | - |
| General and administrative | 84,697 | 54,856 |
| Investor relations | 35,436 | - |
| Travel | 72,467 | - |
| | 656,182 | 110,114 |
| **Loss before the following item** | (656,182) | (110,114) |
| Management fees | - | - |
| **Loss for the period** | (656,182) | (110,114) |

The increase in stock-based compensation reflects the fair value for stock options granted in the current period 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**

| | **Q3 2008 $** | **Q4 2008 $** | **Q1 2009 $** | **Q2 2009 $** | **Q3 2009 $** | **Q4 2009 $** | **Q1 2010 $** | **Q2 2010 $** |
|---|---|---|---|---|---|---|---|---|
| Revenue | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Loss | | | | | | | | |
| - Total | 197,187 | 160,489 | 337,529 | 110,114 | 274,512 | 68,043 | 183,499 | 656,182 |
| - Per share | 0.02 | 0.01 | 0.02 | 0.01 | 0.02 | 0.00 | 0.00 | 0.03 |

The loss for the first quarter of 2009 included stock-based compensation 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.

**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** |
|---|---|---|---|
| Fermont | Option payment | 200,000 | May 27, 2010 |
| Gullbridge | Option payment | 10,000 | May 5, 2010 |
| | Exploration expenditures | 200,000 | May 5, 2010 |
| Powderhorn | Exploration expenditures | 500,000 | June 11, 2010 |

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. If the average closing price of the common shares is over $0.75 for a period of 20 consecutive business days (following the expiry of the four month hold period), the common share purchase warrants must be exercised within ten business days of receiving written notice from the Company or they are to be terminated.

As at September 30, 2009, the Company had a working capital of $76,912, which included cash of $247,056, which is not sufficient to enable the Company to fund its operations and exploration of mineral resource properties. Without additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, 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 in the future.

On November 26, 2009 the Company announced its intention to complete, subject to TSX Venture Exchange and regulatory approvals, a private placement for gross proceeds of up to $3,000,000 consisting of:

a) Up to 2,727,272 flow-through units ("FT Unit") at a price of $0.55 per FT Unit for gross proceeds of up to $1,500,000. Each FT Unit will consist of one common share to be issued on a "flow-through" basis under the Income Tax Act (Canada) and one-half of one common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase one common share at a price of $0.85 for 18 months from the closing date of the private placement.
b) Up to 3,000,000 units ("Unit") at a price of $0.50 per Unit for gross proceeds of up to $1,500,000. Each Unit will consist of one common share and one-half of one common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase one common share at a price of $0.75 for 18 months from the closing date of the private placement.

The net proceeds of the private placement will be used for working capital and to finance continued exploration programs at the Company's exploration properties excluding the Attikamagen Property which is currently being financed by CIOI.

**Related Party Transactions**

| | **6 months ended September 30, 2009 $** | **Outstanding as at September 30, 2009 $** |
|---|---|---|
| **Mineral resource properties, geological consulting services** | | |
| Alex Horvath, a director of the Company | 17,638 | 5,250 |
| Jean Lafleur | 31,567 | 33,845 |
| MRB & Associates, a company controlled by Martin Bourgoin, Executive Vice President, Exploration/Operations | 189,551 | 26,484 |
| Jeff Hussey & Associates Inc., a company controlled by Jeff Hussey, Vice President, Exploration | 36,106 | 4,740 |
| | | |
| **Consulting fees** | | |
| 847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer of the Company | 22,500 | – |
| Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer of the Company. | 12,000 | – |
| J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary of the Company | 12,000 | – |
| | | |
| **Legal fees** | | |
| Sheldon Huxtable Professional Corporation, a law firm controlled by Don Sheldon, a director of the Company | 22,246 | 12,037 |

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 3031, "Inventories", which replaced Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

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.

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

**Future Changes in Accounting Policies**

On January 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 January 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”):**

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian generally accepted accounting principles will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS commencing with the interim financial statements for the 3 months ended June 30, 2012. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011.

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Provisions, including asset retirement obligations
- Stock-based compensation;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training. The table below summarizes the expected timing of activities related to the Company's transition to IFRS:

| | |
|---|---|
| Initial analysis of key areas for which changes to accounting policies may be required | In progress, expected to be completed by March 31, 2010 |
| Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives | Throughout 2010 |
| Assessment of first-time adoption (IFRS 1) requirements and alternatives | Throughout 2010 |
| Final determination of changes to accounting policies and choices to be made with respect to first-time adoption | Q4 2010 - Q1 2011 |
| Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements | Q4 2010 – Q2 2011 |
| Management and employee education and training | Throughout the transition process |
| Quantification of the financial statement impact of changes in accounting policies | Throughout 2011 |

**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.

| | 6 months ended September 30 | |
|---|---|---|
| | 2009 | 2008 |
| | $ | $ |
| **General and administrative expenses** | | |
| Premises | | - |
| Office | | 17,848 |
| Public company costs | 32,507 | |
| | 129,158 | 54,901 |

| | Powderhorn | Attikamagen | Gullbridge | Pterodactyl | Fermont | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| **Balance, March 31, 2008** | 737,001 | 319,263 | – | – | – | 1,056,264 |
| Acquisition costs | 255,000 | – | 38,500 | 63,800 | 527,280 | 884,580 |
| Exploration | 265,443 | 123,508 | 321,046 | – | 1,244,970 | 1,954,967 |
| **Balance, March 31, 2009** | 1,257,444 | 442,771 | 359,546 | 63,800 | 1,772,250 | 3,895,811 |
| Acquisition costs | 38,000 | – | 33,000 | – | 287,000 | 358,000 |
| Exploration | (29,931) | (3,373) | (84,401) | – | 688,740 | 571,035 |
| **Balance, Sept. 30, 2009** | 1,265,514 | 439,398 | 308,146 | 63,800 | 2,747,989 | 4,824,846 |

**Shares Outstanding at November 27, 2009**

***Shares***
Authorized:
Unlimited number of common shares.

Outstanding:
24,123,535 common shares.

***Warrants***
Outstanding:

| Exercise price | Warrants outstanding | Expiry date |
|---|---|---|
| $0.50 | 3,200,000 | March 14, 2011 |
| $0.70 | 1,812,500 | June 5, 2010 |
| $0.40 | 362,500 | June 5, 2010 |
| | 5,375,000 | |

***Stock options***
Authorized:
The Company has a fixed stock option plan, under which, the Company may grant up to 4,075,000 stock options.

Outstanding:

| Exercise price | Options outstanding | Options exercisable | Expiry date |
|---|---|---|---|
| $0.45 | 1,000,000 | 1,000,000 | January 10, 2013 |
| $0.70 | 325,000 | 325,000 | May 16, 2013 |
| $0.30 | 1,695,000 | 1,695,000 | September 16, 2014 |
| $0.33 | 152,500 | 152,500 | September 24, 2014 |
| $0.405 | 380,000 | 380,000 | November 9, 2014 |
| | 3,552,500 | 3,552,500 | |

**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.