CHAMPION MINERALS INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS THREE MONTHS ENDED JUNE 30, 2008

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 three months ended June 30, 2008. It should be read in conjunction with the unaudited interim 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 August 28, 2008.

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 2009 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 and Alberta and its common shares are listed for trading on the TSX Venture Exchange (the "TSX-V") on Tier 2 under the symbol CHM.

Overall Performance

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") consisting of 52 claims in western Labrador, located 15 km E-NE of Schefferville, Quebec.

The Company acquired a 100% interest in the 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 24, 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 consists 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 to the vendor of 100,000 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. An historical geological report indicates that this folding and structural thickening with associated fracture systems has the potential to host enriched iron ore (Burgess, L.C.N. 1951). The Pterodactyl Claims will become an integral part of Champion's 2008 Attikamagen Property exploration program.

On May 13, 2008, the Company and Labec Century Iron Ore Inc. ("CIOI") signed a definitive option and joint venture agreement (the "Agreement") between Champion and CIOI to allow CIOI to earn up to a 60% interest in the Company's Attikamagen Property by expending up to $12.5 million in exploration and development work expenditures on the Attikamagen Property.

Under the terms of the Agreement, CIOI can earn an initial 51% interest in the Property by funding $7.5 million over a 3 year period in yearly increments of C$ 2.5 million per year in staged expenditures, for the exploration and development of the Attikamagen Property. Pursuant to the Agreement, and after earning the initial 51% interest, CIOI will have the option to increase its interest in the Attikamagen Property to 56% by expending a further $2.5 million in Year 4, and to 60% by expending an additional $2.5 million in Year 5. After CIOI completes its earn-in, CIOI and Champion will form a joint venture reflective of their proportionate ownership interests in the Attikamagen Property. Champion will remain manager and operator of the Attikamagen Property until CIOI vests a 51% interest.

Pursuant to the Agreement, the Company announced on August 14, 2008 an update on the recently initiated field exploration program at the Attikamagen Property. CIOI is currently financing the Phase 1 exploration and development program on the Attikamagen Property.

Attikagamagen Property Phase 1 Exploration Program

The Company mobilized geological field crews to the Attikamagen Property in June 2008 to evaluate the size and grade potential for "direct shipping ore" ("DSO"), and "taconite" iron. Occurrences of "DSO" were mapped by L.C.N. Burgess and highlighted a potential for both types of iron mineralization in the Lac-Sans-Chef, Jennie Lake and Joyce Lake areas of the Attikamagen Property where folding repeats the Sokoman iron formation several times (Geologic Report of the area West of Attikamagen Lake; Iron Ore Company, 1951).

The Company believes there is excellent potential for taconite iron mineralization throughout the Attikamagen Property and discovering "DSO" is significant in low lying areas at Lac-Sans-Chef, Jenny Lake and Joyce Lake. Observations conclude that glaciers stripped the softer material creating topographic lows. In order to detect DSO potential, airborne magnetic data will be used to define targets going forward.

A 1,010 line-kilometre, airborne, high-resolution Magnetic and Radiometric geophysical survey was completed over the Attikamagen Property to delineate the geometry of the iron formation and to define potentially larger tonnage taconite, with associated DSO mineralization. Magnetic inversion processing of the airborne magnetic data in combination with recent geological mapping will be used to create a 3-D model of the iron formation which can then be used for an initial volumetric estimation. Highlights of the program to date include:

Lac-Sans-Chef area

The Company mapped a kilometric-scale taconite iron formation better known as the Pink Grey Chert ("PGC") and Lower Red Chert ("LRC") members of the Sokoman Formation in the Schefferville area. The PGC is black, finely laminated magnetite and the LRC is a magnetic chert iron formation with a combined width averaging 30m or more. This taconite is isoclinally folded, and fold limb repetitions produced at least 6 iron formation bands in a 2km wide area that extend over 3km. A 3,000m drilling campaign is scheduled to test the down dip extent with the objective of defining iron tonnage potential. Channel sampling totaling approximately two tonnes of taconite has been completed and is being sent for assaying at the *ALS Group Laboratories* in Val-d'Or, Quebec.

Jennie Lake area

In the Jennie lake area, the PGC and LRC units are similarly repeated by tight folding with steeply dipping limbs. Airborne magnetic data illustrates the presence of three to four fold-repeated horizons extending from Jennie Lake to Lac Sans Chef, a distance of 30km.

Fermont Iron Property Acquisition, Quebec

On May 27, 2008 the Company announced the signing of a Binding Provisional Agreement (the "Fermont Agreement") with Fancamp Exploration Ltd. and The Sheridan Platinum Group Ltd. (collectively, the "Vendors"), allowing Champion to acquire up to a 70% interest in 15 iron-rich mineral concessions totalling 261.5 km^2 in the Fermont Iron Ore District of north-eastern Quebec. 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.

Under the terms of the Fermont Agreement, Champion can earn an initial 65% interest in the Fermont Property at the Company's option by expending $6 million in staged exploration and development work expenditures on the Fermont Property, making cash payments to the Vendors totalling $1 million, and issuing 2.5 million shares to the Vendors - all over a 4-year period as described in the table below. The Vendors will retain a 3% Net Smelter Returns ("NSR") royalty, one third of which may be purchased by the Company for C$ 3 million.

Pursuant to the Fermont Agreement, and after earning the initial 65% interest, the Company will have the option to acquire a further 5% interest in any of the retained mineral concessions in the Fermont Property by completing a positive bankable feasibility study on the applicable retained mineral concessions. The Company will be required to make a one-time issuance of 500,000 shares to the Vendors on completion of the first feasibility study.

In order to earn its interest, the Company must make the option payment, 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)	15,000	–	–
Upon approval of the option by TSX Venture Exchange (paid and issued)	85,000	300,000	–
6 months after the date of the agreement	100,000	–	–
1 year after the date of the agreement	200,000	300,000	750,000
2 years after the date of the agreement	200,000	400,000	–
3 years after the date of the agreement	200,000	600,000	–
4 years after the date of the agreement	200,000	900,000	5,250,000
	1,000,000	2,500,000	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 C$ 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. The Fermont Agreement received TSX Venture Exchange approval on July 25, 2008 and the Company paid $85,000 and issued 300,000 common shares to the Vendors on July 28, 2008. In connection with the Fermont Agreement, the Company issued in aggregate 100,000 common shares to two arm's length parties as a finder's fee.

The Fermont Property hosts significant historic pre-National Instrument ("NI") 43-101 Mineral Resources* of 610 million tonnes @ 32.2% iron, 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 divided amongst 7 of the 15 mineral concessions:

Historic Mineral Resources* - Fermont Property

PROJECT NAME	TONNES	GRADE (% iron)	NUMBER OF DRILL HOLES
MOISE LAKE	101,000,000	30.8	65
O'KEEFE-PURDY-AUDREA LAKES	25,000,000	35.5	18
BELLECHASSE-MIDWAY	91,400,000	30.0	N/A
FIRE LAKE NORTH	40,600,00	32.0	15
AUDREY-ERNIE LAKES	23,000,000	33.2	2
BIG THREE LAKES	25,000,000	34.0	N/A
SILICATE-BRUTUS LAKES	304,000,000	29.4	18
TOTALS	610,000,000	32.2	118

* The mineral resources outlined in the preceding table are non-compliant NI 43-101 Mineral Resources since they are historical in nature and should not be relied upon. There is no direct evidence that these numbers or any portion thereof will ever be achieved at any time with further exploration work.

The Moise Lake East mineral concession is adjacent to the east of *Quebec Cartier Mines* Mount Wright producing iron ore mine and it is also located southeast of *Consolidated Thompson Iron Mines Limited's* Bloom Lake Deposit (637.7 million tonnes @ 29.8% iron) that is currently being developed and is expected to produce 7 million tonnes of iron concentrate per year at a grade 66.5% iron (source: *Consolidated Thompson Iron Mines Limited SEDAR filings available at www.sedar.com).*

The O'Keefe-Purdy-Audrea Lakes, Harvey-Tuttle Lakes, Bellechasse-Midway, Midway SE, Oil Can Lake, Don Lake, Fire Lake North, Hope Lake, Hope Lake SW and Cassé Lake mineral concessions tie onto the Quinto Mining Corporation ("Quinto") Claim Group, which owns the Peppler Lake Iron Project containing an estimated 250 million tonnes @ 28.2% iron based on a NI 43-101 Technical Report issued by Quinto in 2006 (source: *Quinto Mining Corporation SEDAR filings available at www.sedar.com*).

All of the iron mineralization on the Fermont Property is linked to magnetite and/or specularite (hematite) iron formations in various proportions. The Fermont Property has received limited historical exploration work; however, the iron formations tend to have positive relief, the iron mineralization and ores are easily recognized visually, and they can be explored using airborne and ground magnetic geophysical surveys. Magnetic highs outline magnetite-rich iron formations, whereas magnetic lows tend to be hematite-rich iron formations and zones of secondary iron enrichment due to near surface oxidation. The historical sizes and iron grades were determined with minimal drilling, as outlined in the above table of historical Mineral Resources, and are not compliant with current NI43-101 standards; accordingly, they cannot and should not be relied upon.

Acquisition of the Gullbridge Base Metals Property, 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.

Pursuant to the Gullbridge Agreement, the Company has the option to earn a 51% interest in the Gullbridge Property by paying Copper Hill $30,000 over a three year period, issuing common shares of the Company as follows: i) 50,000 common shares within 15 days of the execution of the definitive option agreement, which have been issued ii) 100,000 common shares on the first year anniversary of the option agreement, and ii) 150,000 common shares on the second year anniversary of the option agreement; and completing $800,000 in exploration work on the Property over a 3 year period, whereby $200,000 would be required in each of the first two years, and $400,000 in exploration work would be required for the third year. The Company will have a further option to increase its interest to 75% by funding an additional $700,000 in exploration and issuing an additional 150,000 common shares of the Company within a further 2 year period. The Company would also have the option to increase its interest to 85% by funding all necessary expenditures to completion of a positive bankable feasibility study.

The Gullbridge Property adjoins the Company's National Instrument 43-101 Qualifying Powderhorn Property ("Powderhorn") to the southeast where the Company has completed its second year obligations of a 3 year option to earn a 70% interest.

Powderhorn Property, Newfoundland

The Company entered into an option agreement (the "Option Agreement") on June 11, 2006 with Copper Hill to acquire a 70% interest in a mineral exploration property, the Powderhorn Lake Project (the "Powderhorn 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 by: i) paying $50,000 which was paid by June 11, 2008; ii) incurring exploration expenditures of $1,000,000 on the Powderhorn Property on or before June 11, 2010 in the following yearly increments: $200,000 by June 11, 2007 and $300,000 by June 11, 2008, which has been incurred, and $500,000 by June 11, 2010, assuming the Company fulfills all of its obligations under the Gullbridge Option Agreement with Copper Hill, otherwise the $500,000 work commitment would be due June 11, 2009; and iii) issuing 600,000 common shares as follows: 100,000 common shares which were issued on November 26, 2006 at a deemed price of $0.20 per common share, 150,000 common shares which were issued on June 11, 2007 at a deemed price of $0.30 per common share, 250,000 common which were issued June 11, 2008 at a deemed price of $0.98 per common share, and 100,000 common shares before June 11, 2009; or upon completion of exploration expenditures required pursuant to the Option Agreement, or promptly after an economic discovery as evidenced by a pre-feasibility study has been made on the Powderhorn Property.

The Powderhorn Property is currently encumbered with a 2.85% Net Smelter Royalty ("NSR"), owned by various parties, of which 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

VMS-style mineralization was discovered on the Powderhorn Property in 1999 along the shores of the Powderhorn Lake, and also along new logging roads which were opened up in the surrounding property. Surface sampling and shallow drilling conducted by Copper Hill and Billiton Resources Canada Inc. ("Billiton") in 1999 and 2001 (average 100m deep) outlined altered and mineralized felsic volcanics, outcropping over an area of 2 by 1 km. Mineralization consists of both exhalative, massive zinc-rich layers with grades up to 9% zinc in chip samples from surface float and feeder-type, copper and gold mineralization assaying up to 3.1% copper and 3.5 g/t Au over 0.5m at a depth of 36m in drill core from one of the holes drilled by Billiton (source: D.H.C. Wilton, March 25, 2002, Geological Report Powderhorn Lake Property). Mineralization is open in all directions.

At the Powderhorn Property, 7 diamond drill holes completed by the Company to-date have intersected stringer-style copper mineralization similar to the Gullbridge Mine and zinc-gold-silver mineralization similar to the Sturgeon River occurrence.

Re-interpretation of the regional geological setting has been enhanced by a June 2007 government airborne magnetic survey. The Company's new geological model suggests that the extensive sedimentary rocks located between the stringer copper mineralization at Gullbridge to the northwest and Powderhorn to the southeast is part of a regional syncline or graben within the Roberts Arm Formation. The prospective horizons for disseminated, stringer-style and massive sulphide accumulations could potentially lay immediately beneath the sedimentary rocks.

The new geological model for the Gullbridge-Powderhorn area is remarkably similar to the prolific Neves Corvo area of the Iberian Pyrite Belt (the "Belt") in Portugal, a similar geological and metallogenic context. The large massive sulphide deposits discovered at Neves Corvo lay beneath sedimentary rocks in a graben/syncline within the Belt. The extremely conductive nature of the overlying sedimentary rocks made the discovery of massive sulphides at Neves Corvo by conventional electromagnetic geophysical methods more difficult. Gravity surveying provided critical data necessary to delineate the prospective horizons, eventually leading to the discovery of World-Class base metal deposits.

The Company is planning to investigate the new geological model for the Gullbridge-Powderhorn area by applying a similar strategy that led to discoveries in the World-Class Neves Corvo base metal deposits. The Company is planning a regional ground gravity survey over the entire Gullbridge Property and the northwest portion of the adjoining Powderhorn Property. The proposed survey will cover 57.5 km^2 with stations on 200 m centers that will be in-filled to 75 m to further delineate anomalous areas. Concurrently, the Company will be working to compile and synthesize existing mine and drill hole data, surface geology and structural data for development of a 3-D geological model to compliment the interpretation of the gravity survey results. Target areas identified from the gravity and modeling results will likely be further delineated by deep electromagnetic surveying in preparation for diamond drilling later in 2008.

Financing

On May 13, 2008 the Company completed of a non-brokered private placement of 3 million units (the “Units”) at a price of $0.50 per Unit, for gross proceeds to the Company of C$ 1.5 million. Each Unit consists of one common share and one-half of one common share purchase warrant of the Company (the “Warrants”). Each whole Warrant has a term of 12 months and entitles the holder to purchase one common share at a price of $0.75.

The net proceeds of the private placement will be used for working capital and to finance continued exploration at the Powderhorn, Gullbridge and Fermont properties.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and 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 Company is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are 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.

Results of Operations

3 months ended June 30

	2008	2007
	$	$
General and administrative expenses		
Professional fees	82,247	11,922
Consulting fees	50,500	10,500
Stock-based compensation	172,000	-
General and office	32,782	8,390
Loss for the period	337,529	30,811

The increase in the loss compared to the same period in the previous year was due to the following factors:

a) an increase in professional fees due to legal fees incurred with respect to an option granted on the Attikamagen property
b) an increase in stock-based compensation due a change in the stock options granted in the current period.
c) an increase in general and office expenses due to increased activity in the current period.

Summary of Quarterly Results

	Q2 2007 $	**Q3 2007 $**	**Q4 2007 $**	**Q1 2008 $**	**Q2 2008 $**	**Q3 2008 $**	**Q4 2008 $**	**Q1 2009 $**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss								
- Total	60,351	25,346	36,048	30,811	109,791	197,187	160,489	337,529
- Per share	0.00	0.00	0.00	0.00	0.01	0.02	0.01	0.02

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.

As at June 30, 2008, working capital was $1,859,589 (March 31, 2008 - $831,763). The increase in working capital was primarily due to the receipt of $1,500,000 in respect of a financing during the period. Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration programs. The cost and duration of future exploration programs will depend on the results of current exploration programs and therefore, the Company is not able to forecast future cash requirements. The Company has sufficient funds to maintain its current mineral resource properties and carry out certain planned exploration programs, but the Company will require additional financing to complete exploration programs in 2009 and future years.

Related Party Transactions

For the 3 months ended June 30, 2008, consulting fees included $31,500 (2007 - $10,500) paid to companies controlled by a director and two officers of the Company and mineral resource properties included $60,183 (2007 - $6,000) paid to a companies controlled by one director and two officers of the Company. Accounts payable and accrued liabilities includes no amount (2007 - $22,075) payable to a company controlled by one director of the Company. 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, 2008, the Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

On April 1, 2008, the Company adopted CICA Handbook Section 1535, "Capital Disclosures" which requires disclosure of qualitative information about its objectives, policies and processes for managing capital; disclosure of quantitative data about what is regarded as capital; and disclosure of compliance with any externally imposed capital requirements and the consequences of such non-compliance.

On April 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which requires disclosures to enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of risks arising from financial instruments and non-financial derivatives.

Beyond additional disclosure, the adoption of these new accounting standards did not have an effect on the Company's financial statements.

Future Changes in Accounting Policies

On April 1, 2009, the Company will adopt CICA Handbook Section 3031, "Inventories", which will replace 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 will adopt CICA Handbook Section 3064, "Goodwill and Intangible Assets" which will replace Section 3062. 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. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

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 June 30	
	2008	**2007**
	$	**$**
General and administrative expenses		
Professional fees	82,247	11,922
Consulting fees	50,500	10,500
Stock-based compensation	172,000	-
General and office	32,782	8,390
	337,529	30,811

	Powderhorn $	**Attikamagen** $	**Gullbridge** $	**Pterodactyl** $	**Fermont** $	**Total** $
Balance, March 31, 2007	270,925	–	–	–	–	270,925
Acquisition costs	55,000	160,563	–	–	–	215,563
Exploration	411,076	158,700	–	–	–	569,776
Balance, March 31, 2008	737,001	319,263	–	–	–	1,056,264
Acquisition costs	255,000	–	38,500	63,800	25,370	382,670
Exploration	64,767	168,921	9,487	–	–	243,175
Balance, June 30, 2008	1,056,768	488,184	47,987	63,800	25,370	1,682,109

Shares Outstanding at August 28, 2008.

Shares

Authorized:
Unlimited number of common shares.

Outstanding:
16,112,535 common shares.

Warrants

Outstanding:

Exercise price	**Warrants outstanding**	**Expiry date**
$0.45	93,100	April 18, 2009
$0.75	1,500,000	May 12, 2009
$0.50	180,000	May 12, 2009
	1,773,100	

Stock options

Authorized:
10% of the issued and outstanding common shares at the date of granting, which on August 28, 2008 represents 1,611,253 stock options.

Outstanding:

Exercise price	Options outstanding	Options exercisable	Expiry date
$0.45	1,152,500	1,152,500	January 10, 2013
$0.70	325,000	325,000	May 16, 2013
	1,477,500	1,477,500	

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. The Company expressly disclaims any intent or obligation to update these forward-looking statements, unless the Company specifically states otherwise.

Additional Information

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