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 NINE MONTHS ENDED DECEMBER 31, 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 nine months ended December 31, 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 February 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 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

Fermont Iron Property, Quebec

On May 27, 2008, the Company acquired an option to acquire up to a 70% interest in 15 iron-rich mineral concessions totalling 261.5 km^2 in the Fermont Iron Ore District ("FIOD") 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.

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			
Paid	200,000	300,000	–
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 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
MOIRE 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	40,600,000	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.

On November 24, 2008, the Company provided an update on results of the initial field work completed to date as part of the Phase 1 exploration program on the fifteen mineral concessions (refer to the table for a complete listing of concessions), of the Fermont Property in the FIOD.

The Fermont Property Phase II Exploration Campaign

On February 12, 2009, the Company announced that a drill program is being initiated to delineate iron mineral resources on the Fermont Property. The Company plans to drill a total of 5,000 m on three of the Fermont Property's projects (Bellechasse-Midway, Fire Lake North, and Moire Lake East) that contain approximately 233,000,000 tonnes of historical resources* (see table above) that grade 30% iron which is typical of the iron grades for the FIOD and the Labrador City and Wabush iron mines.

The historical data from these projects were compiled and drill hole and magnetic sections were used to determine potentially large iron formations for drilling. Preferential targets are located within a few kilometres of existing road infrastructure and are those selected by the Company's geologists with the best potential to be validated as NI 43-101 compliant resources with upside potential. Drill targeting benefited from the high resolution airborne Magnetic and Electromagnetic (VLF-EM) geophysical survey that was completed in August 2008. Some targets are a follow-up to the helicopter-borne reconnaissance prospecting program completed in October 2008. Two kilometric ridges of iron formation located on the and Fire Lake North project adjacent to the north of ArcelorMittal's Fire Lake open pit mine were deemed prospective by the Company's geologists for immediate drilling.

The Company staked additional claims in the FIOD following the reconnaissance program in October 2008. A total of 146 claims covering 77 km² were added to the Fermont Property for a total area of 341 km². A total of 66 new claims covering 35 km² were added to the Audrey-Ernie Lake property. Fire Lake North had 31 (16.4 km²) new claims added and was merged with the former Don Lake property. The new combined property contains the two kilometric quartz specularite ridges that are planned to be drill tested. A total of 28 new claims (14.6 km²) were added to the Harvey-Tuttle Lakes property. Other additions include 13 new claims (6.89 km²) which were added to the Hope Lake SW property, and 2 new claims (1.04 km²) which were added to the Oil Can Lake property. A new addition was the Jeannine Lake property, consisting of 6 new claims for a total of 3.18 km².

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 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 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 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 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 13, 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	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 and February 26, 2009, updates on the field exploration program at the Attikamagen Property.

Attikagamagen Property Exploration Program

On February 26, 2009, the Company announced assay results received from the channel/grab sample and diamond drilling programs completed in 2008 at the Attikamagen Property. The program focused on classic magnetite(-hematite)-quartz iron formation or taconite outcrops from the two highest priority targets at the Lac Sans Chef and Jennie Lake. Here taconites are repeated by folding adding significant width potential. These folded areas offer the best potential for significant iron mineral resources and are outlined by strong airborne magnetic anomalies along a 60 km strike length on the Attikamagen Property.

More than 35% of the iron assays from both Lac-Sans-Chef and Jennie Lake areas returned values between 30% iron and 50% iron. The channel/grab assay results average 26.79% iron in 564 samples from 37 locations in the Lac-Sans-Chef area. At Lac-Sans-Chef, the iron formations consist of strongly magnetic, black, laminated magnetite up to 20m wide, in places deformed, repeated, forming intervals of magnetite-rich rocks that are up to 100m wide, covering 5 areas that extend close to 2,500m in length and 300m in width. The Jennie Lake area has a higher iron content average of 30.66% iron in 193 samples from 10 locations, and this area of iron formation is also relatively more magnetic, based on field observations.

Channel sampling on outcrops was complimented by grab samples in areas of poor outcrop exposure. The averages quoted are a combination of channels and grab samples taken perpendicular to the orientation of the taconites. The lengths of the non-continuous channel and grab sampled areas varied between 5m and 200m. The channel samples were taken wherever possible and were taken on sections or lines with a 400m line-spacing. The sampling protocol was used to evaluate grade and volume potential of large areas to help focus future drilling targets.

Diamond drilling in 4 holes totaling 433 m tested the taconites in the Lac-Sans-Chef area. Iron assays range from 25% iron to 32.03% iron, and the global average grade of all the intersections is 27.93% iron.

Iron assay results confirm the taconite grade potential of the Attikamagen Property in the eastern portion of the Schefferville Mining Camp. Schefferville was historically renowned for hosting some of the world's largest direct-shipping Iron ore (or "DSO") bodies associated with taconites; however, the taconites themselves were never really mined since they were not deemed economic at the time. The DSO term is only used for historical accuracy and is not intended to imply that a positive economic study has been completed.

Mira Geoscience Ltd. (of Montreal, Quebec) is currently completing a 3-D geological model and a magnetic inversion model to better understand the geometry of the taconites on the Attikamagen Property. The airborne magnetic survey response was utilized to estimate the volume of taconite and the resource potential for the Attikamagen Property. The taconite resource potential will be disclosed as an exploration target with a range of tonnages and grades that includes the supporting technical information. The potential quantity and grade is strictly conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the discovery of a mineral resource.

The Company's ongoing evaluation indicates that both the Lac-Sans-Chef and Jennie Lake areas have potential for hosting significant iron mineral resources. At Lac-Sans-Chef the 30-50 m wide taconite is tightly and vertically folded with 8 fold-repetitions within a 2 km by 3 km sector. Locally the magnetic signature is relatively lower and these horizons 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 glaciation.

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") to the southeast where the Company has completed its second year obligations of a 3 year option to earn a 70% interest.

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 51% interest			
Paid	10,000	50,000	–
May 5, 2009	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)	10,000	250,000	300,000
June 11, 2010	–	–	500,000
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, 2010	–	100,000	–
	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.chamionminerals.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.

Financings

On December 5, 2008, the Company completed a non-brokered private placement of 3,625,000 units at a price of $0.40 per unit for gross proceeds of $1,450,000. The Private Placement was arranged with Becher McMahon Capital Markets Inc. Each unit consisted of one common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) and one-half warrant, with each whole warrant entitling the holder to purchase one common share at a price of $0.70 per common share until June 5, 2010. In connection with the private placement, the Company paid a commission of $116,000, representing 8% of the gross proceeds and issued 362,500 finders fee warrants entitling the holder to purchase one common share at a price of $0.40 per common share until June 5, 2010.

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

On February 9, 2009, the Company completed a non-brokered private placement of 286,000 common shares at a price of $0.35 per share for gross proceeds of $100,100 to a director and a company controlled by a director, which will be used for working capital and to finance continued exploration program on the Company's exploration 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

9 months ended December 31

	2008	**2007**
	$	**$**
General and administrative expenses		
Professional fees	109,894	136,691
Consulting fees	144,805	36,000
Stock-based compensation	172,000	-
General and office	253,757	55,306
	680,456	227,998
Loss before taxes	(680,456)	(227,998)
Part XII.6 tax	(41,700)	-
Loss for the period	(722,156)	(227,998)

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

a) an increase in stock-based compensation due to stock options granted in the current period.
b) an increase in consulting fees and general and office expenses due to increased activity in the current period.
c) increase in Part XII.6 taxes.

3 months ended December 31

	2008	2007
	$	$
General and administrative expenses		
Professional fees	19,603	124,770
Consulting fees	47,091	25,500
General and office	166,119	46,916
	232,812	197,187
Loss before taxes	(232,812)	(197,187)
Part XII.6 tax	(41,700)	-
Loss for the period	(274,512)	(197,187)

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

a) an increase in consulting fees and general and office expenses due to increased activity in the current period.
b) increase in Part XII.6 taxes.

Summary of Quarterly Results

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
	$	$	$	$	$	$	$	$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss								
- Total	36,048	30,811	109,791	197,187	160,489	337,529	110,114	274,512
- Per share	0.00	0.00	0.01	0.02	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 December 31, 2008, working capital was $1,701,887 (March 31, 2008 - $831,763). The increase in working capital was primarily due to the receipt of $2,950,000 in respect of financings 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.

Pursuant to flow-through financings completed during the year ended December 31, 2008, the Company is committed to make $1,450,000 of Canadian exploration expenditures by December 31, 2009.

Related Party Transactions

For the 9 months ended December 31, 2008, consulting fees included $70,560 (2007 - $31,500) paid to companies controlled by a director and three officers of the Company; mineral resource properties included $368,536, (2007 - $53,351) paid to companies controlled by two directors and two officers of the Company;

share issue costs included $32,932 (2007 - $nil) paid to a law firm controlled by a director; and legal fees included $84,596 (2007 - $nil) paid to a law firm controlled by a director. Accounts payable and accrued liabilities includes no amount (March 31, 2008 - $9,994) 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.

International Financial Reporting Standards ("IFRS"):
In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP 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. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 ("First Time Adoption of IFRS") exemptions. The Company hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting and business activities, such as financing and compensation arrangements during 2009.

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.

	9 months ended December 31	
	2008	**2007**
	$	**$**
General and administrative expenses		
Professional fees	109,894	136,691
Consulting fees	144,805	36,000
Stock-based compensation	172,000	-
General and office	253,757	55,306
	680,456	227,998

	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	518,370	875,670
Exploration	108,994	123,508	211,658	–	662,532	1,106,692
Balance, December 31, 2008	1,100,995	442,771	250,158	63,800	1,180,902	3,038,626

Shares Outstanding at February 27, 2009

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
20,023,535 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
$0.70	1,812,500	June 5, 2010
$0.40	362,500	June 5, 2010
	3,948,100	

Stock options
Authorized:
On September 30, 2008 the Company adopted a fixed stock option plan, under which, the Company may grant up to 3,220,000 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.