

CHAMPION MINERALS INC.
55 Adelaide Street East, Suite 410
Toronto, ON, M5C 1K6

MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS
to be held on September 28, 2007

PROXY SOLICITATION

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by management of CHAMPION MINERALS INC. (the "Corporation") of proxies to be used at the Annual and Special Meeting (sometimes referred to as the "Meeting") of the shareholders of the Corporation, to be held at the offices of the Corporation, 55 Adelaide Street East, Suite 410, Toronto, Ontario on September 28, 2007, at 1:00 p.m. (Toronto time) and at any adjournments thereof, for the purposes set forth in the notice (the "Notice") of the Annual and Special Meeting accompanying this Circular.

All costs of this solicitation of proxies by management will be borne by the Corporation. In addition to the solicitation of proxies by mail, directors and officers and certain employees of the Corporation may solicit proxies personally by telephone or other telecommunication but will not receive additional compensation for doing so.

The information contained herein is given as of August 24, 2007, unless otherwise noted.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting.

PART ONE

VOTING INFORMATION

APPOINTMENT AND REVOCABILITY OF PROXIES

Registered Shareholders

If you are a registered shareholder, you can vote your shares at the Meeting in person or by proxy. If you wish to vote in person at the Meeting, do not complete or return the form of proxy included with this Circular. Your vote can be cast by you in person and counted at the Meeting. If you do not wish to attend the Meeting or do not wish to vote in person, complete and deliver a form of proxy in accordance with the instructions given below.

Appointment of Proxy

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation), other than the persons designated in the enclosed form of proxy, to attend and vote for and on behalf of the shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons designated in the

enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the person to be appointed or by completing another proper form of proxy.

The form of proxy must be executed by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation, by instrument in writing executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation. If the proxy is executed by a duly authorized attorney or authorized signatory of the shareholder, the proxy should reflect such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing such person's qualifications and authority to act (unless such has been previously filed with the Corporation or the Corporation's registrar and transfer agent, Equity Transfer & Trust Company).

Depositing Proxy

Proxies to be exercised at the Meeting must be mailed to or deposited with the Corporation's registrar and transfer agent, **Equity Transfer & Trust Company**, Suite 400, 200 University Avenue, Toronto, Ontario M5H 4H1, facsimile (416) 361-0470, Attention: Proxy Department, such that they are received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of the Meeting or any adjournment thereof, in default of which they may be treated as invalid, although the Chairman of the Meeting has the discretion to accept proxies filed less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof.

A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

Non-Registered or Beneficial Shareholders

Your shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or stock broker, or a clearing agency in which such an intermediary participates). If shares are listed in an account statement provided to you by a broker, then it is likely that those shares will not be registered in your name but under the broker's name or under the name of an agent of the broker such as CDS & Co. (the registration name for The Canadian Depository for Securities Limited), the nominee for many Canadian brokerage firms.

If your shares are registered in the name of an intermediary or a nominee, you are a non-registered or beneficial shareholder (a "**beneficial shareholder**"). Beneficial shareholders should be aware that only shareholders whose names appear on the share register of the Corporation are entitled to vote in person or by proxy at the Meeting.

The Corporation has distributed copies of this Circular, the accompanying Notice, and the financial statements for the year ended March 31, 2007 to intermediaries for distribution to beneficial shareholders together with the intermediary's form of proxy or voting instruction form. Unless you have waived your rights to receive these meeting materials, intermediaries are required to deliver them to you as a beneficial shareholder of the Corporation and to seek your instructions as to how to vote your shares. Brokers or agents can only vote the shares of the Corporation if instructed to do so by the beneficial shareholder.

Every broker or agent has its own mailing procedure and provides its own instructions. Typically, a beneficial shareholder will be given a voting instruction form which must be completed and signed by the beneficial shareholder in accordance with the instructions provided by the intermediary. The purpose of this form is to seek permission from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this form to vote or otherwise represent shares in person at the Meeting. If you are a beneficial shareholder, you *must* follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (formerly ADP Investor Communications Services) ("**Broadridge**"). Broadridge mails the voting instruction form to the beneficial shareholders and asks beneficial shareholders to return the instruction forms to Broadridge. Broadridge then tabulates the results of all instructions respecting the shares to be represented at the Meeting. The instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted or otherwise represented at the Meeting.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of shares owned by the non-registered shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading "Registered Shareholders".

If a beneficial shareholder who receives a voting instruction form wishes to attend and vote at the meeting in person (or have another person attend and vote on their behalf), the beneficial shareholder should strike out the names of the persons designated in the form of proxy as the proxy holder and insert the name of the beneficial shareholder (or of such other person who will attend and vote on their behalf) in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions provided by the intermediary. A beneficial shareholder has the right to demand and to receive from an intermediary holding shares on behalf of the beneficial shareholder a proxy enabling the beneficial shareholder to attend the Meeting and to vote the shares.

Beneficial shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.

Revocation of Proxies and Voting Instruction Forms

Any shareholder who executes and returns a proxy may revoke it to the extent it has not been exercised by depositing a written instrument executed by the shareholder or his, her or its attorney duly authorized in writing or by electronic signature or by transmitting by telephonic or electronic means, a revocation that is signed by electronic signature, or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation:

- (a) with the Corporation's registrar and transfer agent, **Equity Transfer & Trust Company**, Suite 400, 200 University Avenue, Toronto, Ontario M5H 4H1, facsimile (416) 361-0470, Attention: Proxy Department, at any time up to the close of business on the last business day prior to the Meeting, or any adjournment thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive meeting materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting.

VOTING AND DISCRETIONARY AUTHORITY

The proxyholders named in the accompanying form of proxy shall and will vote the shares represented thereby on any ballot in accordance with the shareholder's direction set forth in the proxy. **IN THE ABSENCE OF SUCH DIRECTION, THE SHARES REPRESENTED THEREBY WILL BE VOTED (i) FOR THE ELECTION OF THE MANAGEMENT NOMINEES NAMED IN THIS CIRCULAR AS DIRECTORS, (ii) FOR THE RE-APPOINTMENT OF KRAFT BERGER LLP, AS THE AUDITORS OF THE CORPORATION AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION AND TERMS OF ENGAGEMENT, AND (iii) FOR AN INCREASE IN THE NUMBER OF COMMON SHARES AVAILABLE TO BE ISSUED PURSUANT TO OPTIONS GRANTED UNDER THE CORPORATION'S STOCK OPTION PLAN,** all as discussed below.

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such directions, such shares will be voted in favour of the matters specified in the Notice.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice and with respect to other matters as may properly come before the Meeting or any adjournments thereof. At the date of this Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **If amendments, variations to matters identified in the Notice or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.**

RECORD DATE

The Board of Directors of the Corporation has determined that the holders of Common Shares at the close of business on August 24, 2007 (the "**Record Date**") shall be entitled to receive notice of the Meeting and to vote at the Meeting, and any adjournment thereof. Accordingly, only shareholders of record on such record date are entitled to vote at the Meeting.

OUTSTANDING VOTING SHARES, VOTING AT MEETINGS AND QUORUM

The authorized capital of the Corporation consists of an unlimited number of common shares without par value. At the date hereof, the Corporation has outstanding 8,855,667 common shares, each of which carries one vote per share. Holders of common shares as of the Record Date shall be entitled to vote their shares personally or by proxy at the Meeting. Unless otherwise required by law, every question coming before the Meeting shall be determined by a majority of votes duly cast on the matter.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the beneficial shareholder with respect to the voting of certain shares or, under applicable regulatory rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such intermediary "non-votes" will, however, be counted in determining whether there is a quorum.

A quorum for the Meeting and any adjournments thereof is two persons present in person or represented by proxy and entitled to vote thereat.

Named Executive Officer	Financial Year	Annual Compensation			Long-term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options/SARs ⁽¹⁾ Granted (#)	Shares or Units Subject to Resale Restrictions (\$)	LTIP ⁽²⁾ Payouts (\$)	
Miles Nagamatsu, Chief Financial Officer ⁽⁴⁾	2007	Nil	Nil	1,000 ⁽⁸⁾	Nil	Nil	Nil	Nil
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Larry Melnick, President and Secretary Treasurer ⁽⁶⁾	2006	\$27,000	Nil	Nil	Nil	Nil	Nil	Nil
	2005	\$36,000	Nil	Nil	Nil	Nil	Nil	Nil
	2004	\$36,000	\$30,000	Nil	425,000 ⁽⁵⁾	Nil	Nil	Nil

Notes:

- (1) "SARs" means stock appreciation rights.
- (2) Long-term incentive plans.
- (3) Thomas G. Larsen was appointed to be the President and Chief Executive Officer on March 17, 2006.
- (4) Miles Nagamatsu was appointed to be the Chief Financial Officer on March 17, 2006.
- (5) Options to acquire Subordinate Voting Shares. Cancelled effective March 17, 2006.
- (6) Larry Melnick held the position of President and Secretary-Treasurer until March 17, 2006, when he resigned as an officer and director of the Corporation. Mr. Melnick received \$27,000 in salary from the Corporation during the fiscal year ended March 31, 2006.
- (7) \$4,500 paid to Gambier Holdings Corp., a private company controlled by Thomas Larsen.
- (8) \$1,000 paid to Marlborough Management Limited, a private company controlled by Miles Nagamatsu.

Option/SAR Grants During the Most Recently Completed Financial Year

No options to purchase or acquire securities of the Corporation were granted during the financial year ended March 31, 2007 to the Company's Named Executive Officers. No options were outstanding at the end of the fiscal year ended March 31, 2007.

The following table shows the stock options granted to the Named Executive Officers under the Company's stock option plan during the most recently completed financial year ended March 31, 2007.

Named Executive Officer	Securities under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year ⁽¹⁾	Exercise or Base Price (\$/Security)	Market Value of Securities underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Thomas G. Larsen, President and Chief Executive Officer ⁽²⁾	Nil	N/A	N/A	N/A	N/A
Miles Nagamatsu, Chief Financial Officer ⁽³⁾	Nil	N/A	N/A	N/A	N/A
Larry Melnick, President and Secretary Treasurer ⁽⁴⁾	Nil	N/A	N/A	N/A	N/A

Notes:

- (1) The Corporation had no employees in fiscal 2007.
- (2) Thomas G. Larsen was appointed to be the President and Chief Executive Officer on March 17, 2006.
- (3) Miles Nagamatsu was appointed to be the Chief Financial Officer on March 17, 2006.
- (4) Larry Melnick held the position of President and Secretary-Treasurer until March 17, 2006, when he resigned as an officer and director of the Corporation.

Aggregated Option/SAR Exercised During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values for the Named Executive Officers

No options were exercised by the Named Executive Officers during the most recent fiscal year ended March 31, 2007. No options were outstanding for the Named Executive Officers as at March 31, 2007.

Long Term Incentive Plans

The Corporation has no long term incentive plans, other than stock options granted from time to time by the Board of Directors under the provisions of the Corporation's stock option plan.

Equity Compensation Plan Information

The Shareholders of the Corporation approved a new stock option plan (the "**2006 Plan**") on September 13, 2006 having attributes described below, in order to comply with current industry standards and recent developments in the law. The following summarizes the major provisions of the 2006 Plan. Under the terms of the 2006 Plan, the Board of Directors of the Corporation may, at its discretion, grant options to purchase common shares of the Corporation to directors, officers, employees and consultants of the Corporation, provided that: (i) no optionee may be granted options in any 12 month period for common shares exceeding 5% of the issued and outstanding common shares at the date of grant; (ii) the maximum

aggregate number of common shares reserved for issuance under the 2006 Plan is 515,553 and may not at any time exceed 10% of the number of the issued and outstanding common shares; (iii) the maximum number of common shares which may be reserved for issuance to insiders may not exceed 10% of the outstanding common shares at the date of the grant; (iv) the maximum number of common shares which may be issued to any one consultant in any 12 month period is 2% of the outstanding common shares at the date of issuance.

Options granted under the 2006 Plan are non-assignable and non-transferable, and vest over an 18 month period (with 25% vesting immediately, 25% vesting after 6 months, 25% vesting after 12 months, and the remaining 25% vesting after 18 months from the date granted). The option price per share granted under the 2006 Plan may not be less than the closing market price for the common shares on the principal exchange or market on which such shares are listed or quoted for trading on the last day of trading immediately preceding the date on which the option is granted, less any discount permitted under the rules of such exchange or market. The maximum term of any option is five years from the date on which the option is granted. If a person to whom options have been granted ceases to be a director, officer or employee, such person must exercise his option within thirty (30) days following the termination date, after which all of such options expire. In the event of the death or permanent disability of a designated recipient, his or her estate will have six (6) months within which to exercise the outstanding options, after which all of such options expire.

Equity Compensation Plan Table⁽¹⁾

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	515,553
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	515,553

Note:

(1) As at March 31, 2007.

Other Compensation Matters

There are no pension plan benefits in place for any of the Named Executive Officers. In addition, there are no plans in place with respect to any of the Named Executive Officers for termination of employment or change in responsibilities.

In 2007, the Corporation did not purchase directors' and officers' liability insurance.

Indebtedness of Directors, Executive Officers and Employees

No individual who is or, at any time since the beginning of the most recently completed financial year, was a director, senior officer or employee of the Corporation, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of any such director, senior officer, employee or proposed nominee is or, at any time since the beginning of the last completed financial year, was indebted to the Corporation.

REPORT ON EXECUTIVE COMPENSATION

Compensation of Executive Officers - Policy

It is the responsibility of the Board of Directors as a whole to determine the level of compensation in respect of the Corporation's senior executives with a view to providing such executives with a competitive compensation package having regard to responsibilities and performance. Performance is defined to include achievement of the Corporation's strategic objective of growth and enhancement of shareholder value through increases in stock price.

In 2007, the senior executives of the Corporation received compensation as disclosed within this Circular. (See "Summary Compensation Table" and "Long Term Incentive Plans – Equity Compensation Plan").

Compensation of Directors

The Company has no standard arrangement pursuant to which directors are compensated, and the directors currently receive no fees for acting as directors of the Corporation, or for attending meetings of the Board of Directors, or committees of the Board of Directors. Directors are eligible to participate in the Company's stock option plans; accordingly, their compensation is designed to align their interests with the returns to shareholders. During the financial year ended March 31, 2007, no options to acquire common shares were granted to directors (or officers). During this fiscal year no options to purchase common shares were exercised by directors (or officers). Further details of option grants to and exercises by directors are set out in the tables above.

PART THREE

CORPORATE GOVERNANCE AND OTHER MATTERS

The Corporation's Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation and, as recommended under the policies of the Canadian securities regulators, the Corporation has included in this Circular the following disclosure respecting its corporate governance practices.

National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which came into effect June 30, 2005, expects each listed company to disclose on an annual basis its approach to corporate governance. The Corporation's disclosure with respect to the guidelines is set out in Schedule "A" to this Circular, which constitutes the Corporation's statement of Corporate Governance Practices. Shareholders are advised to consult Schedule "A" for more detailed information on the Corporation's Corporate Governance Practices.

The Corporation understands that corporate governance standards and requirements are continually evolving. The Board of Directors has been charged with the responsibility of monitoring corporate governance regulatory developments, in particular the best practices recommended by the Canadian Securities Administrators, as set out in National Policy 58-201 *Corporate Governance Guidelines*, and with reviewing the Corporation's corporate governance policies and procedures in light of these developments.

Committees of the Board

Audit Committee:

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "B" hereto. The Audit Committee's charter was adopted by the Board of Directors of the Corporation effective August 1st, 2006.

Composition and Independence of Audit Committee

The Audit Committee is currently composed of three (3) members, Thomas Larsen, Paul Ankcorn and Jean Lafleur, only one of whom is an executive officer or employee of the Corporation. Paul Ankcorn and Jean Lafleur are independent as defined in Multilateral Instrument 52-110 *Audit Committees* ("**MI 52-110**"). Thomas G. Larsen is not independent because he is the President and Chief Executive Officer of the Corporation. The Chair of the Audit Committee is Paul Ankcorn.

Following the Meeting, a new Audit Committee will be appointed by the newly elected Board of Directors from among the Board members.

Financial Literacy

MI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

All of the members of the Audit Committee are financially literate.

Relevant Education and Experience

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Thomas G. Larsen has over 20 years of experience in the investment industry, specializing in corporate finance and management consulting to junior companies. Mr. Larsen holds the position of Chairman and Chief Executive Officer of Eloro Resources Ltd. since 1997 (a mineral exploration company whose shares are listed on the TSX Venture Exchange). Mr. Larsen is also the President and CEO of NFX Gold Inc. since 1996 (a gold exploration company whose shares are listed on the TSX Venture Exchange) and Northfield Metals Inc. (a public company currently undertaking a reorganization as a mineral exploration company).

Paul Ankcorn has an honours Bachelor of Commerce degree and commenced his career in the accounting department of Gulf Canada from 1979 to 1986. Since then, he has been actively involved in the mining industry in various positions including Treasurer, Vice-President of Finance, Chief Financial Officer and President. In aggregate total, Mr. Ankcorn has served as an officer or director in approximately 25 public

companies during the past 20 years. He is presently a director of NFX Gold Inc., Eoro Resources Ltd., and an officer of Richmond Minerals Inc. (each a mineral exploration company whose shares are listed on the TSX Venture Exchange).

Jean Lafleur, M. Sc., P. Geol. (OGQ), is a Professional Geologist with 25 plus years of experience in various capacities, both in Canada and internationally, with a wide range of industry leading companies such as Newmont Mining Corporation, Falconbridge Limited, and Placer Dome Inc. More recently, Mr. Lafleur worked with McWatters Mining Inc., a Quebec based junior exploration and mining company, where he was instrumental in the discovery of new ore reserves for the company's projects in the Val d'Or and Malartic mining camps. For the past three years, Mr. Lafleur has been a mineral exploration consultant (as President of PJLEXPL Mineral Exploration Inc.), leading teams in the search for gold, base metals, nickel and uranium, as well as either an executive, technical advisor and/or consulting geologist in a number of junior exploration companies, including Eoro Resources Ltd., Crowflight Minerals Inc., Beartooth Platinum Corporation, Northfield Metals Inc., Typhoon Exploration Inc., NioGold Mining Corp., UFM Ventures, International Kirkland Minerals Inc., Forbes Manhattan, American Bonanza Gold Corp. and Orex Exploration Inc..

Mandate

The mandate of the Audit Committee is to oversee the Corporation's financial reporting processes and to liaise with the external auditors. In addition to reviewing the financial controls of the Corporation which are its ongoing responsibility, the Audit Committee reviews the annual financial statements, quarterly financial statements, management's discussion and analyses and any other significant financial issues. The Audit Committee must satisfy itself that the mineral reserve and mineral resource reports are reasonable by conferring with the independent engineers or geoscientists who produced such reports. The Audit Committee is projected to meet at least four (4) times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

Audit Fees

The following table sets forth the fees billed to the Corporation by Kraft Berger LLP, Chartered Accountants for services rendered in the last two fiscal years.

Kraft Berger LLP	2007	2006 (\$)
Audit fees	12,000	10,000
Audit-related fees	Nil	Nil
Tax fees	1,500	Nil
All other fees	Nil	Nil
Total	13,500	10,000

Reliance on Exemption

The Corporation is a venture issuer as defined in MI 52-110 and is relying on the exemption in section 6.1 of MI 52-110 relating to Part 3 "Composition of Audit Committees" and Part 5 "Reporting Obligations" of MI 52-110.

Compensation Committee

The Corporation does not presently have a Compensation Committee. Compensation of the directors and officers is determined by the Board of Directors. Please see “Report on Executive Compensation – Compensation of Executive Officers – Policy” and Schedule “A” – “Statement of Corporate Governance Practices” for further information.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON AND INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, insider of the Corporation, proposed director or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation, except as disclosed within this Circular. An “informed person” means (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, (iii) a director or officer of a company that is itself an informed person of the Corporation or of a subsidiary of the Corporation, and (iv) any person who has been a director or officer of the Corporation at any time since the beginning the Corporation’s last fiscal year.

PART FOUR

BUSINESS OF THE CORPORATION - MINERAL RESOURCE PROJECTS AND PRIVATE PLACEMENT

Powderhorn Property

The Corporation has taken the decision to actively seek, identify and acquire mineral resource projects. As part of the Corporation’s new business strategy, management has been actively engaged in negotiations with parties in connection with the acquisition of mineral resource based assets. The Corporation announced in its July 13, 2006 press release that it had entered into an option agreement (the “**Option Agreement**”) with Copper Hill Resources Inc. (“**Copper Hill**”) pursuant to which the Corporation has the option 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 kilometers 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 VMS deposits which produced 16.2 million tonnes from 5 orebodies 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 Corporation has the option to acquire a 70% interest in the Powderhorn Property by: i) paying \$50,000 to Copper Hill, of which \$40,000 has been paid and \$10,000 is to be paid by June 11, 2008; ii) incurring exploration expenditures of \$1,000,000 on the Powderhorn Property on or before June 11, 2009 in the following yearly increments: \$200,000 by June 11, 2007 which has been incurred, \$300,000 by June 11, 2008, and \$500,000 by June 11, 2009; and iii) issuing and delivering to Copper Hill 600,000 common shares as follows: 100,000 common shares (issued after completion of the capital reorganization and change of corporate name after the annual meeting in 2006), 150,000 shares issued on June 11, 2007, 250,000 shares before June 11, 2008, and 100,000 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.

Attikamagen Property

The Corporation announced in its May 4, 2007 press release that it had signed a letter agreement to acquire the Attikamagen Lake Iron Prospect (the “**Attikamagen Property**”) consisting of 52 claims in eastern Labrador, located 15 km E-NE of Schefferville, Quebec (the “**Acquisition**”). The Corporation announced in its July 20, 2007 press release that it had completed the acquisition of the Attikamagen Property. The Corporation acquired a 100% interest in the Attikamagen Property from an arm’s length vendor (the “**Vendor**”), by making cash payments totaling \$40,000, and through the issuance to the Vendor of 100,000 fully paid and non-assessable common shares of the Company at a deemed value of \$0.30 per share. The Corporation has agreed to pay an aggregate royalty of \$3.00 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 shares issued pursuant to the Acquisition are subject to a four month hold period.

PART FIVE

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

(a) Financial Statements

The audited financial statements of the Corporation for the period ended March 31, 2007, and the auditors' report thereon, will be placed before the shareholders at the Meeting for consideration by the shareholders. These audited financial statements have been approved by the Board of Directors of the Corporation and are being mailed to the shareholders with the Meeting materials.

(b) Appointment of Auditors

Shareholders will be requested to reappoint Kraft Berger LLP (formerly known as Kraft, Berger, Grill, Schwartz, Cohen & March LLP), Chartered Accountants, Markham, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration and terms of engagement.

Kraft Berger LLP, Chartered Accountants, were first appointed auditors of the Corporation on August 1, 2001.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the appointment of Kraft Berger LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their terms of engagement and remuneration, unless the shareholder has specified in a proxy that his, her or its shares are to be withheld from voting in respect thereof.

(c) Election of Directors

For the past year, the board of directors consists of three (3) directors to be elected annually. The board of directors has determined to increase the size of the board to four (4) directors.

All three current directors of the Corporation will be standing for re-election at the Meeting. Management also proposes to nominate Francis Sauve as a director. The current terms of office of each director will expire as of the date upon which the Meeting is held.

The following table sets forth certain information concerning management's nominees for election as directors, including the approximate number of shares of the Corporation beneficially owned or controlled,

directly or indirectly, by each of them, based upon information furnished by them to management of the Corporation. See also “Corporate Governance and Other Matters – Committees of the Board – Audit Committee – Relevant Education and Experience”.

Name and Province of Residence	Office or Position held and year first elected a Director	Chief Occupation for the Previous Five Years	Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control and direction are exercised ⁽²⁾
Thomas Larsen ⁽¹⁾ Ontario, Canada	Chief Executive Officer and President and Director - 2006	Businessman and financial consultant ⁽⁴⁾	1,950,988 ⁽³⁾ (Indirect) 220,000 (Direct)
Paul Ankorn ⁽¹⁾ Ontario, Canada	Director - 2006	Businessman involved in the mining industry ⁽⁵⁾	185,000
Jean Lafleur ⁽¹⁾ Quebec, Canada	Director – 2006	Professional Geologist ⁽⁶⁾	150,000
Francis Sauve	Proposed Nominee	Entrepreneur, Director ⁽⁷⁾	183,000

Notes:

- (1) Members of the Audit Committee.
- (2) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the directors individually.
- (3) Held indirectly through Gambier Holdings Corp.
- (4) Chairman, Chief Executive Officer and President of the Corporation, Northfield Metals Inc. (a resource exploration corporation), Eloro Resources Ltd. (a resource exploration corporation), Wavex International Inc. (a technology corporation), and NFX Gold Inc. (a resource exploration corporation).
- (5) Chief Financial Officer of Richmond Minerals Inc. (a resource exploration corporation) since March 2006. Chief Financial Officer of Terex Resources Inc. (a resource exploration corporation) from October 2001 to June 2005. From October 2001 to May 2003, Mr. Ankorn was the Chief Financial officer of The E-21 Group Inc. Prior to 2001, Mr. Ankorn was the President of Aavdex Corporation. Mr. Ankorn is a director of Eloro Resources Ltd. (a resource exploration corporation) and NFX Gold Inc (a mineral exploration company).
- (6) President of 9134-4382 Quebec Inc. (a mineral exploration consulting company). Registered Professional Geologist since 2003. Presently a director of Niogold Mining Corporation (a junior natural resource/mining company), Eloro Resources Ltd. (a mineral exploration company), Rocmec Mining Inc. (a mineral exploration company), Typhoon Exploration Inc. (a mineral exploration company), Northfield Metals Inc. (a mineral exploration company) and Pershimco Resources Inc. (a mineral exploration company). Mr. Lafleur also worked for Crowflight Minerals Inc. as Vice President Exploration (from December 2003 to February 2004 and October 2004 to December 2006) and President from February 2004 to October 2004. Mr. Lafleur was the Vice President Exploration for Beartooth Platinum Corporation (a mineral exploration company) from January 2005 to December 2006 and Vice President Exploration of McWatters Mining Inc.(a mineral exploration company) from January 1998 to November 2003.
- (7) Director of NFX Gold Inc., Northfield Metals Inc. and Eloro Resources Ltd. (resource exploration corporations).

Directors will be elected by the affirmative vote of a majority of the votes cast on the resolution and will hold office until the next annual meeting of shareholders or until the directors' respective successors are duly elected or appointed. The persons named in the accompanying form of proxy intend to vote the shares represented thereby for the election of the nominees named above as directors of the Corporation, unless the shareholder has specified in the proxy that the shares represented thereby are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees named above will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form

of proxy shall have the right to vote for another nominee in such proxyholder's discretion, unless the proxy withholds authority to vote for the election of directors.

To the knowledge of the Corporation, no director or proposed director has, within the last 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any legal proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, other than as set out below, no director or proposed director is or has been within 10 years before the date of this Circular a director or executive officer of this or any company that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period more than 30 consecutive days; or
- (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Jean Lafleur was a Vice President of McWatters Mining Inc., which during January of 2002, entered into a Plan of Compromise and Arrangement and Reorganization of Indebtedness and Liabilities and of Share Capital pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Companies Act* (Québec).

To the knowledge of the Corporation, no director or proposed director has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

(d) Amendment to Option Plan

Shareholders are being asked to approve an amendment to the stock option plan of the Corporation that was approved by shareholders on September 13, 2006 (the "**Plan**"). The Plan states that the maximum number of common shares that may be issued under the plan is fixed at 515,553 representing approximately 10% of the issued and outstanding common shares of the Corporation and may not at any time exceed 10% of the number of the issued and outstanding common shares.

Shareholders are being asked to approve an amendment to the Plan to delete therefrom the maximum number of 515,553 common shares stated therein and to provide that said plan will become a "rolling plan" such that the maximum number of common shares that may be reserved for issuance under the

Plan, from time to time, shall be equal to 10% of the issued and outstanding shares of the Corporation at the time of the stock option grant. As of the date hereof, based on the current issued and outstanding common shares of the Corporation, the maximum number of common shares that would be reserved for issuance is 885,567.

The Corporation has applied to the TSX Venture Exchange (“TSXV”) to list its common shares and under current TSXV policies a rolling stock option plan may reserve a maximum of 10% of the issued and outstanding shares of the Corporation at the time of the stock option grant. A rolling stock option plan must receive shareholder approval yearly, at the Corporation’s annual general meeting.

At the Meeting, the shareholders will be asked to approve the following resolution:

“BE IT RESOLVED THAT:

- (a) The amendment to the stock option plan to delete therefrom the maximum number of 515,553 common shares stated therein and to provide that said plan will become a “rolling plan” such that the maximum number of common shares that may be reserved for issuance under the Plan from time to time shall be equal to 10% of the issued and outstanding shares of the Corporation at the time of the stock option grant, as more particularly described in the Management Information Circular of the Corporation dated August 24, 2007, be and is hereby ratified and approved; and
- (b) Any one director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

The amendment to the Plan may be subject to TSX Venture Exchange approval and the Plan may be amended as necessary or advisable in the opinion of the Board in order to obtain such approval without further consultation or voting by the shareholders in respect of such amendments.

To be approved, the resolution to amend the Plan requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the amendment of the existing stock option plan, unless the shareholder has specified in the proxy that his, her or its shares are to be voted against such amendment.

OTHER BUSINESS

While management of the Corporation is not aware of any business other than that mentioned in the Notice to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be obtained from the Corporation or from securities regulatory authorities at www.sedar.com. Securityholders may contact the President of the Corporation, Thomas G. Larsen, or the Secretary of the Corporation, Jorge Estepa, at (416) 866-2200 or at 55 Adelaide Street East, Suite 410, Toronto, ON, M5C 1K6, to request copies of the Corporation’s financial statements and management’s discussion and analysis.

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED at Toronto, Ontario, as of the 24th day of August, 2007

By Order of the Board of Directors

(signed) "Thomas G. Larsen"

Thomas G. Larsen, President and Chief Executive Officer

SCHEDULE "A"

CHAMPION MINERALS INC.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

1. Board of Directors -- *Disclose how the Board of Directors (the "Board") facilitates its exercise of independent supervision over management, including:*

(i) the identity of directors that are independent, and

(ii) the identity of directors who are not independent, and the basis for that determination.

The Board of Directors of the Corporation is currently comprised of three (3) directors, of whom two are independent within the meaning of independence, as defined under section 1.4 of Multilateral Instrument 52-110 *Audit Committees*. The independent directors are Paul Ankcorn, and Jean Lafleur. Thomas Larsen is currently President and Chief Executive Officer of the Corporation and, therefore, not independent. The same individual, Thomas Larsen, is currently acting as Chief Executive Officer and Chairman of the Board, which the Board believes, at this time in the development of the Corporation, is not inappropriate nor detrimental to the governance of the Corporation.

The Board believes that the current combination of independent and non-independent directors is an acceptable balance, for an issuer of the size and nature of the Corporation, between the objective of independent supervision of management, the insight drawn from outside members of the business and professional community, and the in-depth knowledge of the operations of the Corporation afforded by the participation of its current executive officer on the Board.

2. Directorships -- *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

Thomas G. Larsen currently serves as a director of the following reporting issuers: (i) Eoro Resources Ltd., (ii) NFX Gold Inc., and (iii) Northfield Metals Inc.

Paul Ankcorn currently serves as a director of the following reporting issuers: (i) Eoro Resources Ltd. and (ii) NFX Gold Inc.

Jean Lafleur currently serves as a director of the following reporting issuers: (i) Eoro Resources Ltd., (ii) Niogold Mining Corporation, (iii) Rocmec Mining Inc., (iv) Typhoon Exploration Inc., (v) Pershimco Resources Inc., and (vi) Northfield Metals Inc.

3. Orientation and Continuing Education -- *Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.*

The Board does not have a formal orientation policy. New directors, when elected or appointed, are provided with access to information, including sufficient historical data, to become familiar with the Corporation and its operating facilities and assets, and to familiarize themselves with the procedures of the Board. All directors are given the opportunity to visit the Corporation's offices with management and to interact with and request briefings from management in order to familiarize themselves with the business of the Corporation.

The Board does not have a formal continuing education program. All directors are encouraged to become members of the Institute of Corporate Directors. Current members of the Board are experienced

directors. Members of the Board may also engage outside consultants at the expense of the Corporation to review matters on which they feel they require independent advice.

4. Ethical Business Conduct -- *Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.*

The Board expects management to comply with all statutes, regulations and administrative policies applicable to the Corporation, to supervise employees and consultants in such a manner as to be informed of their activities, to promote the free flow of information, and to allow employees, consultants and others to anonymously report to the Corporation on concerns involving accounting and other issues (protection of “whistleblowers”). Corporate policies include, but are not limited to, matters of corporate disclosure on a timely basis, confidentiality and insider trading restrictions. The Board has not yet instituted written policies with respect to all of the above nor adopted written codes of conduct for directors, officers and employees. The Board expects management to report to the Board regarding any breaches or concerns with respect to the foregoing, which are of a material nature, whether or not a satisfactory resolution was already implemented by management, or of which management is aware that are reasonably likely to arise in the foreseeable future and which would be of a material nature.

The Corporation’s governing statute and its by-laws state that every director of the Corporation who is in any way directly or indirectly interested in a contract or a proposed contract with the Corporation shall declare his interest at a meeting of the directors of the Corporation. Such a declaration should be made at the meeting of directors at which the question of entering into the contract is first considered, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest and no director shall as a director vote in respect of any contract or arrangement in which he is interested as aforesaid and, if he does so vote, his vote shall not be counted. Any Board materials referencing the contract in question will be redacted for the director concerned and he will absent himself from all Board discussion relating to such contract.

In order to avoid the potential for disclosure, or the perception or appearance of disclosure, of confidential insider information, the Corporation observes a quiet period as well as a blackout period during which informed persons are prohibited from discussing non-public material information or trading in securities of the Corporation.

5. Nomination of Directors -- *Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:*

- (i) who identifies new candidates, and*
- (ii) the process of identifying new candidates.*

The Board of Directors periodically and at least annually considers the composition of the Board, including the appropriate skills and characteristics required of the directors in the context of the business experience and specific areas of expertise of each current director. The Board is also responsible for recruiting and recommending candidates for election as directors when necessary. Whenever possible, candidates are interviewed by members of the Board individually and in small groups prior to their nomination for election as a director.

6. Compensation -- *Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:*

- (i) who determines compensation, and*
- (ii) the process of determining compensation.*

The Board of Directors is responsible for reviewing the compensation of the executive officers of the Corporation on an as required basis. The total compensation from all sources, including salary, bonus, and stock options is considered in comparison to current market rates offered by similar issuers in the natural resources sector of the Canadian economy, and is intended to remain competitive in order to attract and retain talented and motivated individuals.¹

7. Other Board Committees -- *If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

The Corporation has no committees other than the Audit Committee.

8. Assessments -- *Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.*

The Board annually reviews the performance of nominees for re-election to the Board, with the objectives of ensuring comprehensive and independent oversight of the management of the Corporation, maintaining its working relationship with management, and promoting open communication and disclosure by management of material information to the Board with respect to the operations of the Corporation. The Audit Committee Charter provides that the Audit Committee will regularly report to the Board with respect to its activities, and make its minutes of meetings and supporting information available to the Board. This is intended to allow the Board to evaluate the effectiveness of the Audit Committee on an ongoing basis.

¹ Please refer to the Report on Executive Compensation located within the main body of this Circular for further discussion in respect of executive compensation.

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SCHEDULE "B"

CHAMPION MINERALS INC.

AUDIT COMMITTEE CHARTER

The Audit Committee is a committee of the Board of Directors of the Corporation to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the Board of Directors of the Corporation on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Corporation; and
 - (ii) the auditors report, if any, prepared in relation to those financial statements,
- (b) review the Corporation's annual and interim earnings press releases, if any, before the Corporation publicly discloses such information,
- (c) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the Board of Directors:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the Board of Directors on the integrity of the financial reporting process and the system of internal controls that management and the Board of Directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Corporation,
- (h) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor,

- (j) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

Composition of the Committee

The committee will be composed of three (3) directors from the Corporation's Board of Directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Corporation which, in the view of the Board of Directors, could reasonably interfere with the exercise of such member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the Board of Directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled Board meeting, including to make its minutes of meetings and supporting information available to the Board at the request of any director; and
2. reviewing and reporting to the Board of Directors on its concurrence with the disclosure required by Form 52-110F2 in any management information circular prepared by the Corporation.