

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 YEAR ENDED MARCH 31, 2009

The following discussion and analysis provides a review of current activities and a comparison of the performance and financial position of Champion Minerals Inc. (the "Company") for the year ended March 31, 2009. It should be read in conjunction with the audited financial statements and accompanying notes. The financial data in this document has been prepared in accordance with Canadian GAAP. Additional information relating to the Company is available on SEDAR at www.sedar.com. Comments in this document are prepared as of July 28, 2009.

Certain of the statements set forth in this MD&A, such as statements regarding planned activity and working capital, and the availability of capital resources to fund capital expenditures and working capital are forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. There are numerous risks and uncertainties that can affect the outcome and timing of events, including many factors beyond the control of the Company. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's actual results and plans for fiscal 2010 could differ materially from those expressed in this document. All dollar amounts are stated in Canadian dollars unless otherwise indicated.

The Company

The Company is a reporting issuer in Ontario 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 and on the Frankfurt Stock Exchange under the symbol P02 (WKN – A0LF1C).

Overall Performance

Fermont Iron Property, Quebec

On May 27, 2008, the Company announced an option to acquire up to a 70% interest in 15 iron-rich mineral concessions totalling 261.5 km² in the Fermont Iron Ore District ("FIOD") of north-eastern Quebec (the "Fermont Agreement"). The option was acquired from The Sheridan Platinum Group Ltd. and Fancamp Exploration Ltd. The 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			
On closing (paid)	200,000	300,000	–
May 27, 2009 (paid and incurred)	200,000	300,000	750,000
May 27, 2010	200,000	400,000	–
May 27, 2011	200,000	600,000	–
May 27, 2012	200,000	900,000	5,250,000
	1,000,000	2,500,000	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.

On May 13, 2009, the Company announced the optioning of the Penguin Lake Iron Property from The Sheridan Platinum Group Ltd. and Fancamp Exploration Ltd. The 39 claim / 20.67 km² Penguin Lake Property is located immediately north of Arcelor Mittal’s Mount Reed Deposit (refer to the Arcelor Mittal website at www.arcelormittal.com) in the FIOD.

The Penguin Lake Iron Property will be integrated into the original Fermont Property Agreement in addition to issuing 400,000 shares of the Company to the vendors (200,000 to *Fancamp Exploration Ltd.*, and 200,000 shares to *The Sheridan Platinum Group Ltd.*). The Penguin Lake Property hosts a historical mineral resource of 100 million tonnes grading 30% Iron* (MRNFQ GM File #13035, 1963).

In addition, in view of the close association with the Company in the developing FIOD, The Sheridan Platinum Group and Fancamp Exploration Ltd. have granted Champion a first right of refusal on their last wholly-owned iron property in the district in the event of a third party participation. The 29 claim / 15.37 km² Lamellée Lake Iron Property located immediately northeast of the Consolidated Thompson Iron Mines Ltd. (“Consolidated Thompson”) Lac Pepler Iron Deposit (250 million tonnes @ 28.2% Iron) is characterized by a magnetic signature similar to, but larger than, that of the Bloom Lake Deposit with Measured and Indicated Reserves of 826.9 million tonnes at a grade of 29.35% Iron currently under development by Consolidated Thompson (refer to the Consolidated Thompson’s website at www.consolidatedthompson.com) located 50km to the north. Previous work on the Lamellée Lake Iron Property has been confined to geophysics and geological mapping, and no historical resource has been established.

The Company now controls a land package of roughly 300km² in 17 strategic claim blocks from which 8 host historic mineral resources* of approximately 695 million tonnes grading 30.4% Iron (*this mineral resource estimate is strictly historical in nature, is non-compliant to National Instrument (“NI”) 43-101

Mineral Resources and Mineral Reserves standards, and should therefore not be relied upon. A Qualified Person has not done sufficient work to classify the historical mineral resource estimates as current mineral resources).

The Fermont Property's significant historic pre-NI 43-101 Mineral Resources are located in proximity to and locally contiguous to an operating and a number of former operating iron mines and projects currently being developed for iron mining. The pre-NI 43-101 Mineral Resources* are divided amongst 8 of the 17 mineral concessions:

MINERAL CONCESSION	SIZE (km ²)	HISTORICAL MINERAL RESOURCES*	
		TONNES (in millions)	GRADE (% Iron)
CLUSTER 1			
Moire Lake	13.3	101	30.8
CLUSTER 2			
O'Keefe-Purdy-Audrea Lakes	37.6	25	35.5
Harvey-Tuttle Lakes	49.8		
Bellechasse-Midway	6.9	91.4	30.0
Midway Southeast	8.0		
Oil Can Lake	9.0		
Fire Lake North (includes Don Lake)	21.2	25	32.0
Hope Lake	6.9		
Hope Lake Southwest	3.2		
Penguin Lake	20.7	100	30.0
CLUSTER 3			
Cassé Lake	13.5		
Audrey-Ernie Lakes	28.1	23	33.2
Big Three Lakes	4.8	25	34.0
Aubertin-Tougaard Lakes	28.1		
Silicate-Brutus Lakes	28.6	304	29.4
Lamellée Lake	15.4		
TOTALS	297.6	694.4	30.4

* The mineral resource estimates quoted here are strictly historical in nature, are non-compliant to NI 43-101 Mineral Resources and Mineral Reserves standards, and should therefore not be relied upon. A Qualified Person has not done sufficient work to classify the historical mineral resource estimates as current mineral resources.

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 April 30, 2009, the Company announced the first results from the winter drilling program completed at the Fermont Property's Bellechasse-Midway Claim Block ("Bellechasse"). The 11 hole, 2,618.3m drill program at Bellechasse tested a 3km segment of the 4km long airborne magnetic linear and folded anomaly contained within the Wabush Middle Iron Formation ("MIF") where previous work outlined historical resources* of 91.4 million tonnes grading 30% Iron.

From the drill program, 188 core samples were taken for iron analysis. Drilling highlights include three intersections, each totaling more than 100m containing Iron ranging between 21.9% to 29% along with several other significant iron intersections (refer to the Company's press release dated April 30, 2009 available on www.sedar.com for selected composite iron assays).

On May 27, 2009, the Company announced assay results from the winter drill program on the Fermont Property's Fire Lake North Claim Block. The 7 hole, 1,526m diamond drilling program was completed in two areas on the Fire Lake North Claim Block at Don Lake and Half Mile Lake. In the Don Lake area 5 drill holes were completed totaling 1,135.6m. The drill holes tested 5 parallel northwest-trending

magnetic anomalies over a 2.1km strike length. A moderately inclined and northeast dipping U-shaped synform was identified consisting of 25m to 85m wide north and south limbs of lean quartz-specularite-magnetite iron formation intersected in DL09-01 / DL09-04 and DL09-02 and 2B / DL09-03, respectively, yielding assays in the range of 15% to 24% Iron over an average core length or true width intervals of approximately 24m .

In the Half Mile Lake area 2 holes were drilled for a total of 390m. Drilling tested the northern 400m segment of the northwest-southeast striking 4.5km long Half Mile Lake magnetic anomaly. Steeply northeast-dipping lean quartz-specularite-magnetite iron formations were intersected in the range of 12% to 29% Iron over an average core length or true width intervals of approximately 15.5m.

Further exploration and drilling is being planned by the Company on the Moire Lake East Claim Block which hosts a historical mineral resource of 101 million tonnes grading 30.8% Iron*. The Harvey-Tuttle Claim Block will also be evaluated for drilling with its 50km plus of untested and folded magnetic anomalies that are favorable for concentrating iron formations in a smaller area. The Silicates-Brutus Claim Block contains historical mineral resources of 304 million tonnes grading 29.4% Iron*, and is being evaluated to develop the best targets for upcoming drilling campaigns. All three projects are considered to be accessible in the summer months. The Company's strategy in the near term is to validate the historical work and potentially delineate or increase the Fermont Property's historical mineral resources in to NI 43-101 Mineral Resource standards.

The Company plans to initiate a magnetic volumetrics and tonnage potential estimate for the Fermont Property. The study would enable the Company to better understand the geometry of the iron formations on all 15 claim blocks by outlining their lengths, widths, depths and dips, ultimately resulting in an estimate of their volumes and also their tonnage potential at different specific gravities, but not their grades. Champion is of the opinion this study can add value to the exploration targeting process for the Fermont Property by producing higher quality drill targets to possibly convert the tonnage potential to an eventual NI 43-101 Mineral Resource.

Attikamagen Lake Iron Property, Labrador and Quebec

On July 20, 2007, the Company completed the acquisition of the Attikamagen Lake Iron Property (the "Attikamagan Property") which consisted of 52 claims in western Labrador, located 15 km E-NE of Schefferville, Quebec.

The Company acquired a 100% interest in the Attikamagen Property from an arm's length vendor by making cash payments totaling \$40,000 and issuing 100,000 common shares of the Company at a deemed value of \$0.30 per share. The Company has agreed to pay an aggregate royalty of \$1.50 per tonne of iron content in any and all iron ore, pellets or other product produced from the Attikamagen Property, calculated at the port when shipped. The Company has the right and option at any time to purchase the royalty upon payment of \$2.5 million.

On March 28, 2008 the Company expanded its property holdings adjacent to its wholly-owned Attikamagen Property. With the staking of the Lake Attikamagen Extension Claim Block, which consisted of 451 claims contiguous to and partially surrounding the 52 claim Attikamagen Property, Champion's Labrador property holdings increased to 503 claims comprising 126 km². 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 km². Collectively, the Attikamagen Property, Attikamagen Extension Claim Block and Lac Sans Chef Quebec Claim Block cover 139.7 km² and will be referred to as the Attikamagen Property.

On June 18, 2008 the Company completed the acquisition of the Pterodactyl Claims consisting of 16 claims in eastern Labrador, adjacent to the Attikamagen Property. Champion acquired a 100% interest in the Pterodactyl Claims from an arm's length vendor, through the issuance of 110,000 fully paid and non-

assessable common shares of the Company. The Pterodactyl Claims represent a strategic addition to the Company's property holdings in western Labrador. This claim group hosts the favorable Sokoman Formation that is tightly folded and repeats the favorable horizon four times within a 6 square kilometre area and form an integral part of Champion's Attikamagen Property exploration program.

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

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

	Exploration expenditures \$
To earn 51% interest	
March 26, 2009 (incurred)	2,500,000
March 26, 2010	2,500,000
March 26, 2011	2,500,000
	<hr/> 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
	<hr/> 12,500,000

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

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

Attikamagen 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.

On April 27, 2009, the Company announced results from geophysical Magnetic Inversions ("MI"), Magnetic Volumetric Estimates ("MVE") and Taconite Tonnage Potential Estimates ("TTPE") at the Attikamagen Property. As part of the ongoing \$12.5 million option agreement between CIOI and the Company, Mira Geoscience Ltd. ("MIRA") of Montreal (Quebec) completed 3-D geological and MI models summarized in a document titled "*Iron Ore Volume Assessment using Airborne Magnetic Data, Attikamagen Property, Canada*", by P. Kowalczyk, P. Geo., dated March 18, 2009 (the "Study"). The objective of the Study was to better understand the geometry of the taconites or magnetite(-hematite) iron formations on the Property. The airborne vertical gradient magnetic survey response was utilized for the MI and MVE of the taconites across the entire 80km long Attikamagen Property and selected target areas as requested by the Company.

The Study and the Taconite tonnage Potential Estimates or TTPE are part of a Technical Report titled "*National Instrument 43-101 Technical Report, the Attikamagen Iron Property, Western Labrador, Province of Newfoundland and Labrador (NTS Map-Sheets 23J/15 and 16 at coordinates 54°53'30"N and 66°36'45"W)*", by John Langton, M. Sc., P. Geo., and Doug Clark, P. Geo., dated April 8, 2009 (the "Report"). The Report is available with the Company's other filings on SEDAR at www.sedar.com and the Company's website at www.championminerals.com.

MI are generally used in outlining the lengths, widths, depths and dips of the magnetic units, in this case taconites, ultimately resulting in an estimate of their volumes ("MVE") and also conceptual Taconite Tonnage Potential Estimates ("TTPE") at different specific gravities, but not their grades. The Company is of the opinion the MVE and conceptual TTPE can add value to the exploration targeting process at the Attikamagen Property by producing higher quality drill targets to possibly convert the conceptual TTPE to mineral resources.

The following table outlines the MVE and conceptual TTPE of the taconites from surface to a -250m vertical depth on the Attikamagen Property:

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

(1) The Volume (m³) numbers are taken or derived from the MIRA Study.

(2) The Taconite Tonnage Potential Estimates are taken or derived from the NI 43-101 Report.

(3) The Taconite Tonnage Potential Estimates are supported by exploration in the Lac-Sans-Chef and Jennie Lake sectors from direct sampling evidence.

The conceptual TTPE quantities are strictly conceptual in nature, being used for the Company's exploration efforts, and are stated as a range of tonnes, in that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the conceptual TTPE being delineated as a Mineral Resource.

At specific gravities of 3.0, 3.3 and 3.6 tonnes/m³, the total conceptual TTPE in explored and unexplored areas of the Attikamagen Property vary from 24.404 billion to 29.285 billion tonnes; whereas the field sampled or explored taconites yielded values ranging from 3.873 billion to 4.651 billion tonnes and 1.355 billion to 1.626 billion tonnes, respectively for the Lac-Sans-Chef and Jennie Lake sectors.

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

Locally the magnetic signature is relatively lower and these areas have potential for DSO in low-lying areas where the taconite does not outcrop since it is usually softer and more friable and it has been scraped to a lower elevation due to glaciations. The authors of the Report concluded that the Attikamagen Property could potentially host significant taconite mineral resources with grades in the range of 26.5% to 30% Iron based on the limited surface and drill core sampling to date. The conceptual TTPE and assay grades are very similar to those outlined in the Schefferville Mining Camp of Quebec and Labrador for the LabMag and KeMag Deposits containing NI 43-101 Measured and Indicated Resources of 3.665 billion tonnes @ 26.4% Iron and 2.445 billion tonnes @ 26.3% Iron, respectively (*refer to the New Millenium Capital Corp. website at www.nmlresources.com*).

The Company and its partner CIOI are currently preparing a major drill program based on the results to date on the Attikamagen Property, to work towards outlining in the near term the highest quantity and quality iron mineral resources.

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			
On closing (paid)	10,000	50,000	–
May 5, 2009 (paid and incurred)	10,000	100,000	200,000
May 5, 2010	10,000	150,000	200,000
May 5, 2011	–	–	400,000
	<hr/> 30,000	<hr/> 300,000	<hr/> 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:

	Option payments \$	Common shares	Exploration expenditures \$
To earn 70% interest			
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	–
	<hr/> 50,000	<hr/> 600,000	<hr/> 1,000,000

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

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

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

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

In 2009, the Company plans to proceed with the gravity modelling and pending further drilling results, proceed with down-hole electromagnetic surveys and deepening of PH09-01 and DP09-03 to further evaluate target areas 1 and 3 identified from a gravity survey the Company completed on the area. The magnetite-ilmenite potential of target area 2 will be evaluated in addition to drill testing the two principal remaining target areas 4 and 5.

The Company is investigating the Gullbridge-Powderhorn area by applying a similar strategy that led to Neves Corvo discoveries. The Company contracted Abitibi Geophysics of Val d'Or (Quebec) to complete a regional ground gravity survey over the eastern half of the Gullbridge Property and the NW portion of the adjoining Powderhorn ground. A total of 1,360 stations were surveyed on 200m centers covering 57.5 km² 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.

Selected Annual Information

	Years ended March 31		
	2009	2008	2007
	\$	\$	\$
Revenue	Nil	Nil	Nil
Loss			
Total	790,199	498,277	146,116
Per share-basic and fully-diluted	0.05	0.05	0.024
Total assets	5,094,548	2,145,903	623,030

Results of Operations

Years ended March 31

	2009	2008
	\$	\$
General and administrative expenses		
Professional fees	128,438	124,904
Consulting fees	351,000	62,000
Stock-based compensation	172,000	410,345
General and office	397,384	84,028
Part XII.6 tax	56,877	-
	<u>1,105,699</u>	<u>681,277</u>
Loss before income taxes	<u>(1,105,699)</u>	<u>(681,277)</u>
Future income tax recovery	315,500	183,000
Loss for the period	<u>(790,199)</u>	<u>(498,277)</u>

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

- a) a decrease in stock-based compensation for stock options granted.

- b) an increase in consulting fees and general and office expenses due to increased activity in the current period

3 months ended March 31

	2009	2008
	\$	\$
General and administrative expenses		
Professional fees	18,544	(96,364)
Consulting fees	206,195	9,500
Stock-based compensation	-	410,345
General and office	143,627	20,008
Part XII.6 tax	15,177	-
	<u>383,543</u>	<u>343,489</u>
Loss before income taxes	<u>(383,543)</u>	<u>(343,489)</u>
Future income tax recovery	315,500	183,000
Loss for the period	<u>(68,043)</u>	<u>(160,489)</u>

- a) The decrease in the loss compared to the same period in the previous year was due to an increase in consulting fees and general and office expenses due to increased activity in the current period which was offset by a future income tax recovery

Summary of Quarterly Results

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2008	2008	2008	2008	2009	2009	2009	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss								
- Total	30,811	109,791	197,187	160,489	337,529	110,114	274,512	68,043
- Per share	0.00	0.01	0.02	0.01	0.02	0.01	0.02	0.00

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 March 31, 2009, the Company had a working capital of \$557,227, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties and reduced its operating expenditures. However, without additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future, particularly in light of the current financial equity market conditions.

Pursuant to flow-through financings completed during the year ended March 31, 2009, the Company is committed to make \$886,000 of Canadian exploration expenditures by December 31, 2009.

Proposed Transactions

On June 12, 2009, the Company announced its intention to complete a private placement of up to 3,000,000 units at a price of \$0.25 per unit for gross proceeds of up to \$750,000. Each unit will consist of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of \$0.50 per share for 18 months after the closing of the private placement. Four months after the closing of private placement, if the average closing price of the common shares is over \$0.75 for a period of 20 consecutive business days, the common share purchase warrants must be exercised within ten business days of receiving written notice from the Company or they will expire.

The closing of the private placement is subject to regulatory approval.

Related Party Transactions

For the year ended March 31, 2009, consulting fees included \$250,560 (2008 - \$42,000) paid to seven directors and officers of the Company or companies controlled by them; mineral resource properties included \$783,911 (2008 - \$75,754) paid to companies controlled by two directors and two officers of the Company; share issue costs included \$34,961 (2008 - \$nil) paid to a law firm controlled by a director; and legal fees included \$98,98,241 (2008 - \$nil) paid to a law firm controlled by a director. Accounts payable and accrued liabilities includes \$282,190, (2008 - \$9,994) payable to ten directors and officers of the Company or companies controlled by them. 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 CICA Handbook Section 1535, "Capital Disclosures" which requires the disclosure of objectives, policies and processes for managing capital; Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" which requires the disclosure of the nature and extent of risks arising from financial instruments and how those risks are

managed; and amendments to Section 1400, “General Standards of Financial Statement Presentation” which requires an assessment of the ability to continue as a going concern. Beyond additional disclosure, the adoption of these new accounting standards did not have an effect on the Company’s financial position or results of operations.

On March 27, 2009, the Company adopted CICA Emerging Issues Committee EIC-174, “Mining Exploration Costs”. EIC-174 provides guidance on the capitalization of exploration costs related to mineral properties, when impairment should be assessed to determine whether a writedown is required and the conditions that indicate impairment.

Future Changes in Accounting Policies

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 EIC-27, Revenues and Expenses during the pre-operating period.

On April 1, 2009, the Company will adopt CICA Handbook Section 1000, “Financial Statement Concepts” which has also been amended to clarify the criteria for the recognition of an asset, specifically as it relates to the use of the matching principle. Accordingly, certain items that may have been previously recognized as assets may not be able to be reflected as such under the new recommendations.

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

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

The Company 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.

	Years ended March 31	
	2009	2008
	\$	\$
General and administrative expenses		
Professional fees	128,438	124,904
Consulting fees	351,000	62,000
Stock-based compensation	172,000	410,345
General and office	397,384	84,028
Part XII.6 tax	56,877	0
	1,105,699	681,277

	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	527,280	884,580
Exploration	265,443	123,508	321,046	–	1,244,970	1,954,967
Balance, March 31, 2009	1,257,444	442,771	359,546	63,800	1,772,250	3,895,811

Shares Outstanding at July 28, 2009***Shares***

Authorized:

Unlimited number of common shares.

Outstanding:

20,023,535 common shares.

Warrants

Outstanding:

Exercise price	Warrants outstanding	Expiry date
\$0.70	1,812,500	June 5, 2010
\$0.40	362,500	June 5, 2010
	2,175,000	

Stock options

Authorized:

The Company has 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
	<hr/> 1,477,500	<hr/> 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.