

**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 August 28, 2009**

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**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 Friday, the 28<sup>th</sup> day of August, 2009, 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 4, 2009, 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) 595-9593, 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, 2009 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) 595-9593, 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 APPOINTMENT OF COLLINS BARROW TORONTO LLP, AS THE AUDITORS OF THE CORPORATION AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION AND TERMS OF ENGAGEMENT, AND (iii) TO AMEND THE NUMBER OF COMMON SHARES AVAILABLE TO BE ISSUED PURSUANT TO OPTIONS GRANTED UNDER THE CORPORATION'S NEW 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 July 27, 2009 (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 20,423,535 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.

## PRINCIPAL SHAREHOLDERS

The following table sets forth the names of each person who, or corporation which, to the knowledge of the directors and officers of the Corporation, beneficially owns or exercises control over, directly or indirectly, more than 10% of the outstanding voting securities of the Corporation, as well as the number of voting securities so owned, controlled or directed by each such person or corporation and the percentage of the outstanding voting securities of the Corporation so owned, controlled or directed, as of August 4, 2009.

Name	Number of Voting Securities	Type of Ownership	Percentage of Outstanding Voting Shares of the Class
Thomas G. Larsen <sup>(1)</sup>	1,950,988 common shares	Indirect	9.55%
	365,000 common shares	Direct	1.79%

Notes:

- (1) Gambier Holdings Corp. is a private company controlled by Thomas G. Larsen and owns 1,950,988 common shares. Thomas G. Larsen owns 365,000 common shares directly.

The directors and officers of the Corporation own or control, directly or indirectly, in the aggregate 4,823,988 common shares representing approximately 23.62% of the issued and outstanding common shares of the Corporation as of August 4, 2009.

## PART TWO

### STATEMENT OF EXECUTIVE COMPENSATION (FORM 51-102F6)

In accordance with the requirements of applicable securities legislation in Canada, the section below entitled “*Compensation Discussion and Analysis*” sets out the “*Summary Compensation Table*” and related tables and narrative disclosures, all as required under Form 51-102F6 which applies to financial years ending on or after December 31, 2008. The stated objective of Form 51-102F6 is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of a corporation and to help investors understand how decisions about executive compensation are made.

#### Summary Compensation Table

The “*Summary Compensation Table*” below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly for the financial year ended March 31, 2009, to the Chief Executive Officer, the Chief Financial Officer and the other individuals (to a maximum of three) who were the most highly compensated executive officers of the Corporation and its subsidiaries and whose total compensation from the Corporation and its subsidiaries exceeded \$150,000 in the financial year ended March 31, 2009, (collectively, with the Chief Executive Officer and the Chief Financial Officer, the “**named executive officers**” or the “**NEOs**” of the Corporation). During the financial year ended March 31, 2009, the Company had two (2) Named Executive Officers: Thomas Larsen and Miles Nagamatsu.

The following table sets forth particulars concerning the compensation paid for services rendered to the Corporation by its NEOs in all capacities during the most recently completed financial year ended March 31, 2009:

Name and principal position	Year	Salary(3) (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Thomas Larsen President and C.E.O.	2009	59,500 (1)	Nil	Nil	Nil	Nil	Nil	40,000 (4)	99,500 (6)
	2008	18,000 (1)	Nil	Nil	Nil	Nil	Nil	Nil	18,000 (1)
	2007	4,500 (1)	Nil	Nil	Nil	Nil	Nil	Nil	4,500 (1)
Miles Nagamatsu C.F.O.	2009	40,000 (2)	Nil	Nil	Nil	Nil	Nil	25,000 (5)	65,000 (7)
	2008	40,000 (2)	Nil	Nil	Nil	Nil	Nil	Nil	40,000 (2)
	2007	21,500 (2)	Nil	Nil	Nil	Nil	Nil	Nil	21,500 (2)

- (1) Paid to a corporation controlled by Thomas Larsen.
- (2) Paid to a corporation controlled by Miles Nagamatsu.
- (3) Compensation is awarded as consulting fees to the NEO.
- (4) This amount was awarded as a performance bonus and is owed to a corporation controlled by Thomas Larsen.
- (5) This amount was awarded as a performance bonus and is owed to a corporation controlled by Miles Nagamatsu.
- (6) Of this amount \$59,500 was paid and \$40,000 is owed to a corporation controlled by Thomas Larsen.
- (7) Of this amount \$40,000 was paid and \$25,000 is owed to a corporation controlled by Miles Nagamatsu.

### **Compensation Discussion and Analysis**

All matters relating specifically to senior executive compensation are reviewed and approved by the full Board. The Board has elected not to appoint a Compensation Committee. The Chief Executive Officer makes recommendations to the Board with respect to compensation of the Corporation's executive officers, including base salaries, annual bonuses and long-term equity participation levels. The CEO also plays a major role in setting performance objectives and outlining progress in meeting corporate objectives. The Board gives final approval on compensation matters.

The Corporation's overall policy regarding compensation of the Corporation's executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Corporation, attract and retain suitable and qualified executive management and establish a compensation framework which is industry competitive. The Corporation's policy is to recognize and reward individual performance as well as to place executive compensation within the range of compensation levels in the industry.

### **Compensation Policy and Key Compensation Components**

The Corporation does not have a compensation program other than paying base salaries, incentive bonuses, and incentive stock options to the NEOs. The Corporation recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The Corporation has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by arm's length services providers.

**Base Salary**

The objectives of base salary are to recognize market pay, and acknowledge the competencies and skills of individuals. The base salary paid to the NEOs shall be reviewed annually by the Board as part of the annual review of executive officers. The decision on whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board.

**Incentive Bonuses**

The objectives of incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the most recently completed fiscal year.

**Stock Option Plan**

The objectives of the stock option plan are to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Corporation. 1,477,500 stock options are currently outstanding and 325,000 stock options were granted to other executive officers and consultants during the most recently completed fiscal year.

**Incentive Plan Awards**

***Outstanding share-based awards and option-based awards for Certain Officers***

The following table sets forth the options granted to the NEOs to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year ended March 31, 2009:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (1) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Thomas Larsen President and CEO	200,000	0.45	Jan. 10, 2013	Nil	N/A	N/A
Miles Nagamatsu CFO	125,000	0.45	Jan. 10, 2013	Nil	N/A	N/A

(1) Based on a closing price of the common shares on the TSX Venture Exchange of \$0.25 on March 31, 2009.

***Incentive plan awards for Certain Officers- value vested or earned during the year***

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year ended March 31, 2009:

Name	Option-based awards - Value vested during the year (1) (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Thomas Larsen President and CEO	Nil	N/A	N/A
Miles Nagamatsu CFO	Nil	N/A	N/A

(1) Based on a closing price of the common shares on the TSX Venture Exchange of \$0.25 on March 31, 2009.

***Pension Plan Benefits***

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

***NEO Employment Contracts, Termination and Change of Control Benefits***

The Corporation does not have written employment contracts with the NEOs. There are no payments, payables and benefits triggered by a termination without cause or as a result of a change of control for each of the NEOs, assuming the triggering event took place on March 31, 2009.

<b>Name and principal position</b>	<b>Salary (\$)</b>	<b>Performance Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>
Thomas Larsen President and CEO	Nil	N/A	Nil	N/A	Nil	Nil
Miles Nagamatsu CFO	Nil	N/A	Nil	N/A	Nil	Nil

**Directors' Compensation**

During the year ended March 31, 2009, three of the directors of the Corporation were provided with compensation for consulting services rendered. Additionally, bonuses were granted to directors of the Corporation.

The following table sets forth the value of all compensation paid to the directors of the Corporation who are not NEOs during the most recently completed financial year ended March 31, 2009:

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Francis Sauve	Nil	N/A	Nil	N/A	N/A	10,000 (1)	10,000 (1)
Jean Lafleur	56,752 (2)	N/A	Nil	N/A	N/A	10,000 (3)	66,752 (4)
Paul Ankcorn	Nil	N/A	Nil	N/A	N/A	10,000 (5)	10,000 (5)
Alexander Horvath	51,085 (6)	N/A	Nil	N/A	N/A	10,000 (7)	61,085 (8)
Donald A. Sheldon (9)	Nil	N/A	Nil	N/A	N/A	10,000 (10)	10,000 (10)

- (1) Awarded as a bonus and owed to Francis Sauve.
- (2) Paid to a corporation controlled by Jean Lafleur for consulting services rendered.
- (3) Awarded as a bonus and owed to Jean Lafleur.
- (4) Of this amount \$56,752 was paid and \$10,000 is owed to a corporation controlled by Jean Lafleur.
- (5) Awarded as a bonus and owed to Paul Ankcorn.
- (6) Paid to a corporation controlled by Alexander Horvath for geological services rendered.
- (7) Awarded as a bonus and owed to Alexander Horvath.
- (8) Of this amount \$51,085 was paid and \$10,000 is owed to a corporation controlled by Alexander Horvath.
- (9) Donald A. Sheldon is an officer and shareholder of a corporation which provided legal services to the Corporation in the aggregate amount of \$133,202.
- (10) Awarded as a bonus and owed to a corporation controlled by Donald A. Sheldon.



***Share-based awards and option-based awards for Certain Directors***

The following table sets forth the options granted to the directors of the Corporation who are not NEOs to purchase or acquire securities of the Corporation outstanding at the end of the most recently completed financial year ended March 31, 2009:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (1) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Francis Sauve	100,000	0.45	Jan. 10, 2013	Nil	N/A	N/A
Jean Lafleur	125,000	0.45	Jan. 10, 2013	Nil	N/A	N/A
Paul Ankcorn	100,000	0.45	Jan. 10, 2013	Nil	N/A	N/A
Alexander Horvath	125,000	0.45	Jan. 10, 2013	Nil	N/A	N/A
Donald A. Sheldon	Nil	N/A	N/A	Nil	N/A	N/A

(1) Based on a closing price of the common shares on the TSX Venture Exchange of \$0.25 on March 31, 2009.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth the Corporation's equity compensation plan, which is the Corporation's stock option plan.

Plan Category	(A) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(B) Weighted average option price of outstanding options, warrants and rights (\$)	(C) Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column a) (#)
Equity compensation plans approved by security holders	1,477,500	0.27	1,695,000 (1)
Equity compensation plans not approved by security holders	N/A	N/A	Nil
Total	1,477,500	N/A	1,695,000 (1)

Note (1) Based on a maximum number available for issuance of 3,220,000 Common Shares as at March 31, 2009.

**Stock Option Plan**

The Corporation has a Stock Option Plan which provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares, provided that the number of

Common Shares reserved for issuance under the Stock Option Plan shall not exceed 3,220,000 Common Shares, unless otherwise approved by the directors and shareholders of the Corporation, being equal to approximately 15.76 % of the issued and outstanding common shares as of August 4, 2009.

The Corporation lists its common shares on the TSX Venture Exchange ("TSXV") and under current TSXV policies a fixed stock option plan may reserve a maximum of 20% of the issued and outstanding shares of the Corporation at the time of the stock option grant. Shares reserved for issuance under a fixed number stock option plan can exceed the yearly limit of 10% of the Issuer's issued shares provided that the Issuer has received Shareholder approval under section 2.9 of TSXV Policy 4.4. The Exchange will not normally accept plans reserving more than 20% of the Issuer's issued Shares, including any outstanding stock options previously granted on an individual basis.

Stock option plans reserving more than 10% of the Issuer's issued shares must specify a maximum number of shares issuable under the plan (not a rolling maximum such as a specified percentage of the number of the issued shares from time to time).

In addition, the maximum number of Common Shares which may be reserved for issuance to any one Consultant under this Stock Option Plan or under any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis). The maximum number of Common Shares which may be reserved for issuance to all persons employed to conduct Investor Relations Activities under this Stock Option Plan or under any other Share Compensation Arrangement in any 12 month period shall not exceed 2% of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis).

The maximum number of Common Shares which may be reserved for issuance to Insiders, Optionees performing Investor Relations Activities and Consultants under the Plan or under any other Share Compensation Arrangement shall be 10% of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to any one Optionee and such Optionee's Associates under the Stock Option Plan and any other Share Compensation Arrangement in any 12 month period shall be 5% of the number of common Shares outstanding at the date of the issuance (on a non-diluted basis).

Options issued to Consultants performing Investor Relations Activities shall vest over 12 months from the date of the grant, with one quarter of the Options vesting at the end of each three month period. The Board shall monitor the trading in the securities of the Corporation by Optionees performing Investor Relations Activities.

#### **Indebtedness of Directors and Officers**

No director or senior officer of the Corporation or associate of the foregoing persons, was indebted to the Corporation or the subject of a support agreement such as a guarantee or other similar arrangement or understanding provided by the Corporation at any time during the most recently completed financial year ended March 31, 2009, or at any time up to August 4, 2009.

### **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.

## **Board of Directors**

### **Mandate of the Board or Directors**

The Board of Directors approved a mandate which includes, among other duties and responsibilities, the following objectives: to approve and monitor the strategic, business and financial plans of the Corporation; to supervise performance and succession planning of senior officers; to assess the principal risk factors relating to the business of the Corporation; and to monitor and oversee the integrity of the financial reporting and disclosure practices of the Corporation. Every Director is required to act honestly and in good faith and in the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person. Responsibilities not delegated to senior management or to a committee of the Board of Directors remain those of the full Board of Directors.

### **Orientation and Continuing Education of Board Members**

New members to the Board of Directors receive an orientation package which includes company policies and public disclosure filings by the Corporation. Meetings of the Board of Directors are held at the Corporation's facilities and are combined with presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all members of the Board of Directors.

### **Measures to Encourage Ethical Business Conduct**

The Board of Directors has adopted a written code of business conduct and ethics that encourages and promotes a culture of ethical business conduct. A whistle blower policy has also been implemented whereby employees are encouraged to report unethical behaviour directly to the Board of Directors.

### **Nomination of Members to the Board of Directors**

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to effectively carry out the duties of the Board of Directors and to maintain a diversity of view and experience.

The Board of Directors does not have a nominating committee and these functions are currently performed by the Board of Directors as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Certain of the directors are also directors of other reporting issuers, as follows:

<b>Director</b>	<b>Other Reporting Issuers</b>
Thomas Larsen	Northfield Metals Inc., Bear Lake Gold Ltd., Eloro Resources Ltd.
Paul Ankcorn	Eloro Resources Ltd., Shield Gold Inc., Remington Resources Inc., Vendome Capital II Corp. and Lakota Resources Inc.
Francis Sauve	Eloro Resources Ltd. and Northfield Metals Inc.
Jean Lafleur	Eloro Resources Ltd., Northfield Metals Inc. and Pershimco Resources Inc.
Donald A. Sheldon	metalCORP Limited, Crown Minerals Inc., Goldtrain Resources Inc., Greentree Gas & Oil Ltd. and Carlisle Goldfields Limited
Alexander Horvath	Bear Lake Gold Ltd.

### **Board Composition and Committees**

The Board of Directors is currently comprised of six members of which two are unrelated outside directors. The Board of Directors has appointed an Audit Committee.

#### **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 1, 2006.

##### Composition and Independence of Audit Committee

The Audit Committee is currently composed of three (3) members, Donald A. Sheldon, Paul Ankcorn and Alexander Horvath, none of whom is an executive officer or employee of the Corporation. One Audit Committee member, Paul Ankcorn, is independent as defined in Multilateral Instrument 52-110 *Audit Committees* ("**MI 52-110**"). The other two Audit Committee members, Alexander Horvath and Donald Sheldon, are not independent as a result of their roles providing technical consulting and legal services respectively, to the Corporation. The Board believes that Messrs. Sheldon and Horvath, as experienced directors, are sufficiently versed in the expectations of independent directors and fully capable of exercising independent judgment. The Chair of the Audit Committee is Donald A. Sheldon.

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.

Donald Alexander Sheldon has served as a director of the MetalCORP Limited (a publicly listed resource company) since 2002, and has concurrently held the position of President and Chief Executive Officer of MetalCORP Limited since 2003. As such, he was involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of financial statements, and possesses an understanding of the internal controls and procedures for financial reporting. He has also had experience with other mining and mineral exploration companies, as well as companies in other sectors of the economy, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

Paul Ankorn 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. Ankorn has served as an officer or director in approximately 25 public companies during the past 20 years. He is presently a director of the Corporation and of Eloro Resources Ltd., Shield Gold Inc., Remington Resources Inc., Vendome Capital II Corp., Lakota Resources Inc. and an officer of Remington Resources Inc. and. (each a mineral exploration company, some whose shares are listed on the TSX Venture Exchange).

Alexander Horvath, P. Eng., is a Professional Engineer with 27 years of wide ranging domestic and international experience in base and precious metals exploration and mining including 20 years with Asarco Incorporated and its associated international subsidiaries. Since his departure from Asarco in 2002, Mr. Horvath has provided assorted quality control and geological services to various clients in the exploration/mining industry. As a Professional Engineer Mr. Horvath has experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

#### 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 Smith Nixon LLP, Chartered Accountants for services rendered in the last two fiscal years.

<b>Smith Nixon LLP</b>	<b>2009</b>	<b>2008</b>
Audit fees	22,000	22,000
Audit-related fees	Nil	Nil
Tax fees	3,500	3,500
All other fees	Nil	Nil
<b>Total</b>	<b>25,500</b>	<b>25,500</b>

The Corporation appointed Smith Nixon LLP, Chartered Accountants as auditors on March 27, 2008 and the Corporation is asking the shareholders to reappoint Smith Nixon, LLP (renamed Collins Barrow Toronto LLP) as auditors of the Corporation and to authorize the directors to fix the auditor's remuneration and terms of engagement for the ensuing year.

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 "Statement of Executive Compensation – Compensation Policy and Key Compensation Components" above 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, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, (iii) any person or company who beneficially owns or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

## PART FOUR

### PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

**(a) Financial Statements**

The audited financial statements of the Corporation for the fiscal year ended March 31, 2009, 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**

The Corporation is proposing to reappoint Collins Barrow Toronto LLP (formerly Smith Nixon LLP, Chartered Accountants), as auditors of the Corporation for the ensuing year and to authorize the directors to fix their terms of engagement and remuneration. Collins Barrow Toronto LLP, were first appointed as auditors of the Corporation on March 27, 2008.

**The management designees, if named as proxy, intend to vote the shares represented by any such proxy for the reappointment of Collins Barrow Toronto LLP, as auditors of the Corporation, at a remuneration to be fixed by the Board, unless a shareholder has specified on his or her proxy that his or her shares are to be withheld from voting on the appointment of auditors.**

**(c) Election of Directors**

For the past year, the Board of Directors consisted of six (6) directors.

All six current directors of the Corporation will be standing for re-election at the Meeting. The current terms of office of each director will expire as of the date upon which the Meeting is held or until their successor is duly elected or appointed pursuant to the by-laws of the Corporation unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) or the Corporation's by-laws.

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 <sup>(2)</sup>
Thomas Larsen Ontario, Canada	Chief Executive Officer and President and Director - 2006	Businessman and financial consultant <sup>(4)</sup>	1,950,988 <sup>(3)</sup> (Indirect) 351,000 (Direct)
Paul Ankcorn <sup>(1)</sup> Ontario, Canada	Director - 2006	Businessman involved in the mining industry <sup>(5)</sup>	200,000
Jean Lafleur Quebec, Canada	Director – 2006	Professional Geologist <sup>(6)</sup>	150,000
Francis Sauve Ontario, Canada	Director – 2007	Entrepreneur, Director <sup>(7)</sup>	387,000
Alexander Horvath <sup>(1)</sup> Ontario, Canada	Director- 2007	Professional Engineer <sup>(8)</sup>	150,000 (Indirect) <sup>(11)</sup>
Donald A. Sheldon <sup>(1)</sup> Ontario, Canada	Director - 2008	Executive Officer, Sheldon Huxtable Professional Corporation (lawyers) <sup>(9)</sup>	50,000 <sup>(10)</sup> (Indirect) 235,000 (Direct)

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), Eoro Resources Ltd. (a resource exploration corporation), Wavex International Inc. (a technology corporation), and Vice Chairman of Bear Lake Gold Ltd. (a resource exploration corporation).
- (5) President of Remington Resources Inc. since 2005, Chief Financial Officer of Harte Gold Corp. during 2008, Cuervo Resources Inc. from 2005 to 2007, President of Richmond Minerals Inc. from 2006 to 2008, and Chief Financial Officer of Terex Resources Inc. from 2001 to 2005 (all resource exploration corporations). Mr. Ankcorn is a director of Eoro Resources Ltd., Shield Gold Inc., Remington Resources Inc., Vendome Capital II Corp. and Lakota Resources Inc. (all resource exploration corporations).
- (6) President of 9134-4382 Quebec Inc. (a mineral exploration consulting company) since 2003. President of Bonaventure Enterprises Inc. from 2007 to 2009, Vice President Exploration of Beartooth Platinum Inc. from 2005 to 2006, President of Crowflight Minerals Inc. from 2003 to 2005. Presently a director of the Corporation, Eoro Resources Ltd., Northfield Metals Inc., and Pershimco Resources Inc. (all resource exploration corporations).
- (7) Director of Northfield Metals Inc. and Eoro Resources Ltd. (resource exploration corporations). Former director of NFX Gold Inc. (renamed to Bear Lake Gold Ltd.).
- (8) President of A.S. Horvath Engineering Inc. (a geological engineering services company). Director of Bear Lake Gold Ltd. since 2006.
- (9) President, Chief Executive Officer, Chief Financial Officer and Director of metalCORP Limited since 2002. Executive Officer, director and shareholder of Sheldon Huxtable Professional Corporation (law firm).
- (10) Held indirectly through The Second Sheldon Family Trust.
- (11) Held indirectly through A.S. Horvath Engineering Inc.

**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 proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, except for the following:

- (a) Jean Lafleur was Chief Executive Officer of Bonaventure Enterprises Inc. which on January 8, 2009, was subject to a Cease Trade Order issued by the British Columbia Securities Commission for failure to file comparative financial statements and MD&A for the fiscal year ended August 31, 2008 within the required timeline (the "Required Records"). Bonaventure Enterprises Inc. subsequently filed the Required Records, and the Cease Trade Order was revoked on January 13, 2009; and
- (b) Jean Lafleur was Chief Executive Officer of Bonaventure Enterprises Inc. when a Cease Trade Order was issued January 9, 2009 by the *Authorit  des March s Financiers* (the "BVT Quebec CTO") against Bonaventure Enterprises Inc. for failure to file the Required Records. Bonaventure Enterprises Inc. subsequently filed the Required Records and the BVT Quebec CTO was revoked on January 16, 2009.
- (c) Donald Alexander Sheldon was an officer and director of Redbird Gold Corp. which was the subject of a cease-trade order issued by the Alberta Securities Commission on June 24, 1999 for failure to file current financial statements; up-to-date financial statements were filed and the cease-trade order was revoked in connection with the reorganization of Redbird Gold Corp. to become metalCORP Limited in 2002.

To the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been with 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or 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, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

- (a) Jean Lafleur was a Vice President of McWatters Mining Inc., which during January 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* (Qu bec).

To the knowledge of the Corporation, no proposed director has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any 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, no proposed director (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or

(b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or (c) been subject to 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.

**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.**

**(d) Approval of an Increase in Common Shares Reserved Under the Stock Option Plan**

All incentive options currently granted have been granted pursuant to the Corporation's incentive stock option plan (the "Stock Option Plan"), which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares provided that the number of Common Shares reserved for issuance under the Stock Option Plan not exceed the number of Common Shares established by the Directors and approved by the Shareholders, which is currently 3,220,000 Common Shares.

The Board of Directors of the Corporation has approved an increase in the number of Common Shares reserved under the Stock Option Plan to 4,075,000 which will represent approximately 19.95% of the issued and outstanding Common Shares on the record date of the shareholders meeting.

The shareholders of the corporation will be asked to consider, and if thought fit, to pass the following ordinary resolution:

**"BE IT RESOLVED**, as an ordinary resolution, that the maximum number of Common Shares issuable pursuant to the Stock Option Plan of the Corporation be increased from 3,220,000 Common Shares to 4,075,000 Common Shares."

The proposed increase must be approved by a majority of the votes cast by all shareholders at the Meeting, excluding votes attaching to Common Shares beneficially owned by:

- (1) Insiders (as defined in policy 1.1 of the TSX Venture Exchange Corporate Finance Manual (the "Manual")) to whom options may be granted under the Stock Option Plan; and
- (2) Associates (as defined in the Manual) of Insiders referred to above.

**The management designees, if named as proxy, intend to vote the common shares represented by any such proxy in favour of the above resolution.**

**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 at [www.sedar.com](http://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 4<sup>th</sup> day of August, 2009.

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 six (6) 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 Francis Sauve. 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. Alexander Horvath, Jean Lafleur and Donald A. Sheldon are not independent as they provide services to the Corporation through their respective corporations.

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 other reporting issuers: (i) Eoro Resources Ltd., (ii) Bear Lake Gold Ltd. and (iii) Northfield Metals Inc.

Paul Ankcorn currently serves as a director of the following other reporting issuers: (i) Eoro Resources Ltd., (ii) Shield Gold Inc., (iii) Remington Resources Inc., (iv) Vendome Capital II Corp., and (v) Lakota Resources Inc.

Jean Lafleur currently serves as a director of the following other reporting issuers: (i) Eoro Resources Ltd., (ii) Orex Exploration Inc., (iii) Bonaventure Enterprises Inc., and (iv) Pershimco Resources Inc.

Francis Sauve currently serves as a director of (i) Northfield Metals Inc. and (ii) Eoro Resources Ltd., as well as the Corporation.

Alexander Horvath currently serves as a director of Bear Lake Gold Ltd., as well as the Corporation.

Donald A. Sheldon currently serves as a director of (i) metalCORP Limited, (ii) Carlisle Goldfields Limited, (iii) Greentree Gas & Oil Ltd., (iv) Goldtrain Resources Inc. and (v) Crown Industries Inc., as well as the Corporation

**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.<sup>1</sup>

**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.

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<sup>1</sup>

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

**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.