

MDN INC.

**ANNUAL INFORMATION FORM
RELATING TO THE YEAR ENDED DECEMBER 31, 2009**

March 31, 2010

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GLOSSARY

"**Altered**" or "**Alteration**" means any physical or chemical change in a rock or mineral subsequent to its formation.

"**Archean**" said of the rocks of the Archeozoic age, older than 2.7 billion years.

"**Assay**" said of the analysis of metal content in a rock.

"**Breccia**" means a rock in which angular fragments are surrounded by a mass of fine-grained minerals.

"**CIM Standards**" means the "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" adopted by the Council of the Canadian Institute of Mining, Metallurgy and Petroleum on August 20, 2000.

"**Diamond drilling**" means a variety of rotary drilling in which diamond bits are used as the rock-cutting tool to produce a recoverable core of rock for observation and assay.

"**Duricrust**" is the indurated, near surface section of the lateritic profile, composed mainly of cemented iron oxide nodules.

"**Fault**" means a break in the earth's crust caused by tectonic forces, which have moved the rock to one side with respect to the other.

"**Feasibility Study**" means in accordance with the CIM Standards, a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method has been established and where an effective method of mineral processing has been determined. A feasibility study must include a financial analysis based on reasonable assumptions of technical, engineering, operating, and economic factors and evaluation of other relevant factors which are sufficient for a Qualified Person acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

"**Feldspar**" means any of a group of aluminium silicate minerals which may include potassium, sodium or calcium.

"**Felsic**" refers to a rock containing light-coloured minerals.

"**Geochemistry**" is the study of the distribution and amounts of the chemical elements in minerals, rocks, etc.

"**GPS**" means Global Positioning System, which is a satellite navigation system.

"**Granitoid**" means a rock of granitic composition.

"**Greenstone belt**" is a term applied to belt-like areas that are characterized by "greenstones", which are metamorphosed volcanic or sedimentary rocks.

"**InfiniTEM**" is a time-domain electromagnetism method, a geophysical exploration technique.

"**Intrusive**" means a body of igneous rock formed by the consolidation of magma intruded into other rocks.

"**IP**" means induced polarization, a geophysical exploration technique.

"Hanging wall" mean the overlying side and underlying side of an orebody, respectively.

"Kimberlite" is an ultramafic rock often having diamonds as one of its mineral constituents.

"Laterite" is a weathered reddish soil that develops in tropical to equatorial climates. The lateritic profile comprises the weathered portions of the rocks in areas of such climate.

"Mafic" refers to a rock containing dark-coloured minerals.

"Mineralization" is a natural occurrence in rocks or soil of one or more minerals.

"Mineral Reserve" means, in accordance with the CIM Standards, the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Reserves are divided into two categories:

"Probable Mineral Reserve" means, in accordance with the CIM Standards, the economically mineable part of an Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"Proven Mineral Reserve" means, in accordance with the CIM Standards, the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"Mineral Resource" means, in accordance with the CIM Standards, a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources fall under the following categories:

"Measured Mineral Resource" means, in accordance with the CIM Standards, that part of a Mineral Resource for which quantity, resource grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"Indicated Mineral Resource" means, in accordance with the CIM Standards, that part of a Mineral Resource for which quantity, resource grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from

locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"Inferred Mineral Resource" means, in accordance with the CIM Standards, that part of a Mineral Resource for which quantity and resource grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"NSR" means Net Smelter Return, – which corresponds to the amount realized from the production of mineral products removed from a mine, based on the market price at the time of delivery of the finished product after deducting all smelting, refining and transportation costs, charges and penalties.

"Ounce" or **"oz."** means a troy ounce or twenty penny weights or 480 grains or 31.103 grams.

"Pyroclastic" means a clastic rock of volcanic origin.

"Qualified Person" means in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development, production activities and project assessment, or any combination thereof, including experience relevant to the subject matter of the project or report and is a member in good standing of a professional association.

"RC drilling" means reverse circulation drilling, a drilling method whereby air or drilling fluid passes inside the drill stem to the bit and returns to the surface carrying rock chips.

"Strike" means the direction, or bearing from true north, of a vein or rock formation measured on a horizontal surface.

"TDEM" means time-domain electromagnetism, a heliborne geophysical exploration technique.

"Tuff" means rock composed of compacted volcanic fragments and ash.

"VMS" means volcanogenic massive sulphides.

"Volcanic rocks" means igneous rocks formed from magma that has flowed out or has been violently ejected from a volcano.

"VTEM" means versa time-domain electromagnetism, a heliborne geophysical exploration technique.

CONVERSION TABLE

Imperial System		Metric System
1 foot (ft)	=	0.3048 metre (m)
1 yard (yd)	=	0.9144 metre (m)
1 mile (mi)	=	1.6093 kilometre (km)
1 square mile (mi ²)	=	2.5900 square kilometres (km ²)
1 acre (ac)	=	0.4047 hectare (ha)
1 troy ounce (oz)	=	31.1035 grams (g)
1 short ton	=	0.9072 tonne (t)
1 oz/ short ton	=	28.2 g/t

Symbols used

g Au	=	gram of gold
t	=	metric tonne (1,000 kg)
oz	=	ounce
Ag	=	silver
Au	=	gold
Cu	=	copper
Zn	=	zinc

All currency amounts appearing in this Annual Information Form are stated in Canadian dollars, unless otherwise indicated.

Except as otherwise indicated, the information contained in this Annual Information Form is up-to-date as at December 31, 2009. This Annual Information Form sets forth the results for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007.

FORWARD-LOOKING STATEMENTS

Certain statements contained in sections of this Annual Information Form constitute forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "see", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Information Form. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;
- the timing of the receipt of regulatory and governmental approvals for the Company's development project and other operations;
- the availability of financing for Company's development projects on reasonable terms;
- MDN's estimation of its costs of production, its expected production and its productivity levels, as well as those of its competitors;
- power prices;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;

- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based;
- tax benefits and tax rates;
- the Company's ongoing relations with its employees, its business partners and joint venturers and the community in Tanzania.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development and mill production personnel, results of exploration and development activities, the Company's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors incorporated by reference herein. See Section "**Risk Factors**". The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

MDN Inc. (the "Company" or "MDN") is a mining and exploration company incorporated pursuant to the *Mining Act* (Québec) by the issuance of letters patent dated January 27, 1954, under the name Northern Quebec Explorers Ltd. By notice of change dated March 4, 1978, its corporate name was changed to Explorateur du Nord Québécois Ltée/Northern Quebec Explorer Ltd. Its name was subsequently changed to Explorations Minières du Nord Ltée by notice of change dated April 21, 1980.

On September 4, 1987, the Company was continued under Part 1A of the *Companies Act* (Québec) by the issuance of articles of continuance and its corporate name was changed to Northern Mining Explorations Ltd./Explorations Minières du Nord Ltée by notice of change dated September 4, 1987.

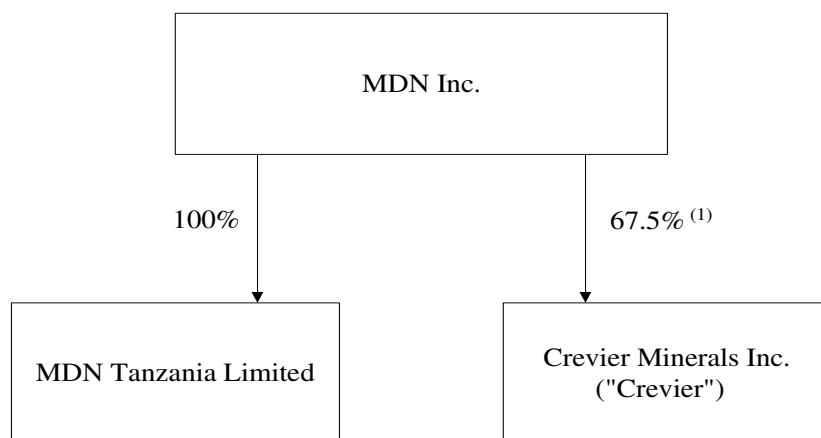
The Company changed its name to MDN Inc., by the filing of a notice of change dated May 24, 2007.

The head office of the Company is located at Canada Place, 1010 De La Gauchetière Street West, Suite 680, Montréal, Québec H3B 2N2.

The authorized share capital of the Company consists of an unlimited number of common shares. As of December 31, 2009, there were 93,775,910 common shares outstanding, which are presently listed on the Toronto Stock Exchange.

INTERCORPORATE RELATIONSHIPS

The Company has a wholly-owned subsidiary in Tanzania, called "MDN Tanzania Limited".



- (1) MDN held a 28.75% interest in Crevier as of December 31, 2009. On February 15, 2010, MDN increased its participation in Crevier from 28.75% to 67.5% by acquiring the equity interest of minority shareholders of Crevier. See "General Development of the Business."

GENERAL DEVELOPMENT OF THE BUSINESS

THREE-YEAR HISTORY

2007

In 2007, the Tulawaka mine produced a total of 178,618 ounces of gold, which was a 28% increase in production compared to the 2006 production.

On July 11, 2007, the Company announced its decision to withdraw from Eritrea; this decision followed a directive from the Government of Eritrea not to grant the Haykota exploration permit in respect of which MDN was waiting for a formal authorization since December 2003. The Haykota application constituted one of the primary reasons for the continued presence of MDN in Eritrea.

The Company continued to explore its 28 permits around the Tulawaka Mine in Tanzania, which total more than 700 km², with more than 24,000 meters of drilling. The 2007 program allowed important progresses on two high-grade prospects: Isambara and Viyonzia.

Overall, the 2007 exploration program at Isambara and Viyonzia succeeded in: (i) defining geological controls for the gold mineralization; (ii) identifying the style of the mineralization as well as establishing the probable continuity of the mineralization over short distances; and (iii) proving the overall size potential of the gold system with intersections over 2km E-W and N-S at Isambara, and with discoveries of new mineralization at 4km from the main prospect at Viyonzia.

In Quebec, the Company acquired the Des Méloizes property, near the old Normetal VMS mine in Abitibi. Geophysical surveys were followed by a 4,000 m drilling campaign.

During 2007, the Company completed two private placements:

- 1- on April 5, 2007, the Company closed a strategic investment with GBS Gold International Inc. pursuant to which the Company issued 8,000,000 units for a total proceeds of \$9.6 million, at \$1.20 per unit. Each unit consisted of one common share and one warrant to purchase one additional common share at a price of \$1.60 per share on or before October 5, 2008. Haywood Securities Inc.

received a finder's fee of 400,000 units. The proceeds from the private placement were used for prepayment of MDN's project debt and working capital purposes; and

- 2- on December 21, 2007, the Company closed a non-brokered private placement of 369,500 flow-through common shares at a price of \$1.00 each, for total gross proceeds of \$369,500.

2008

In 2008, the Tulawaka mine produced a total of 211,373 ounces of gold, which is a 18% increase in production compared to the 2007 production.

During the year 2008, MDN finished to reimburse the loan from Barrick Gold Corporation in connection with a credit and gold price participation agreement entered into on April 30, 2004 and amended on April 1st, 2005 and December 30, 2005. The credit and gold price participation agreement provided for debt financing by Barrick Gold Corporation of 100% of the MDN's share of the construction costs of Tulawaka, and additionally, for 100% of the allowed contingency costs. During 2008, MDN also began to receive quarterly royalties from its 30% participation in the Tulawaka mine totaling \$26,849,367 after repayment of debt by Pangea Minerals.

The Tulawaka mine sold 212,913 ounces of gold on the "spot" market at an average price of US\$880 per ounce, generating gross incomes of US\$187.4M. MDN's share (30%) is equivalent to 63,874 ounces of gold sold for a gross income equivalent to US\$56.2M; MDN registered an operating royalties income of \$26.8M for the year ended December 31, 2008.

On July 31, 2008, the Company launched an exchange offer (the "**Exchange Offer**") whereby the Company offered holders of warrants listed on the TSX, exercisable at a price of \$1.00 per common share and expiring on January 14, 2009 (the "**Warrants**") one common share in exchange for 3.75 Warrants. The Company has taken up and accepted for purchase and cancellation a total of 19,069,174 Warrants, which represented over 92% acceptance rate of the Exchange Offer. Haywood Securities Inc. acted as advisor and as soliciting dealer in connection with the Exchange Offer.

In September 2008, Marc Boisvert, P.Eng., was appointed as Vice President Exploration of MDN. Prior to his appointment, Mr. Boisvert was a Vice President for Midland Minerals Corporation. Previously Mr. Boisvert acted as independent consultant.

2009 and Recent Development

The Tulawaka gold mine in Tanzania produced 94,180 ounces of gold for the year ending December 31, 2009. Since the beginning of operations in March 2005, the Tulawaka mine has produced 748,549 ounces of gold. For 2009, a total of 93,355 ounces of gold were sold on the spot market at an average price of US\$966 for total sales of US\$90.2M. Total cash costs averaged US\$407 per ounce of gold. A total of 739,433 ounces of gold has been sold since the beginning of operations.

For the year 2009, the plant processed a total of 445,398 tonnes at an average grade of 7 g/t gold at a gold recovery rate of 93.9%. The ore processed comes from the underground mine and from accumulated stockpile of low grade ore at surface. The underground mine operations provided 27.2% of the ore processed or 121,114 tonnes at an average grade of 16.1 g/t gold, for a total production of 58,874 ounces, or 62.5% of the 2009 annual production. The balance in tonnage of annual production comes from 324,284 tonnes of stockpiles at an average grade of 3.6 g/t gold, for a total production of 35,306 ounces.

In March 2009, the TSX has accepted a notice filed by MDN of its intention to make a normal course issuer bid. The notice provided that under the normal course issuer bid, MDN can purchase up to 7,500,000

common shares, being approximately 10% of the public float as of March 12, 2009 which represented 78,029,792 common shares. The normal course issuer bid commenced on March 26, 2009 and ended on March 25, 2010. The common shares were acquired through the facilities of the TSX. The price paid for any common shares acquired was the market price of the shares at the time of acquisition. All the 1,694,500 common shares acquired under the normal course issuer bid were cancelled. National Bank Financial Inc. made the purchase on the open market on behalf of MDN.

On June 1st, 2009, MDN concluded an investment transaction with the shareholders of Crevier. The transaction provided MDN with an option to acquire, over a 3-year period, a 75% equity interest in Crevier. Under the terms of the transaction, on June 1st, 2009 MDN acquired a 28.75% interest in the shares of Crevier as well as the entire \$1,500,000 series A convertible debentures of Crevier, for an aggregate amount of \$2,325,000. This first stage of the transaction was funded from cash held by MDN. Furthermore, MDN agreed to invest up to \$7,500,000, over a 3-year period, to fund a feasibility study on developing the property owned by Crevier which is located in Québec's Lac St-Jean Region, 80 km north of St-Félicien (the "**Crevier Project**") for which a technical report was prepared in accordance with Regulation 43-101 *respecting Standards of Disclosure for Mineral Projects* ("**Regulation 43-101**") with respect to the niobium and tantalum resource. Over the same period, MDN had the option to raise its ownership in Crevier by acquiring shares that would elevate MDN's total interest in the shares of Crevier to 75% in return of a further \$3,500,000 investment.

On February 15, 2010, MDN acquired an additional 38.75% interest in Crevier pursuant to: (i) the exercise of the first milestone option, as provided for in the memorandum of agreement entered into with the shareholders of Crevier on June 1st, 2009 (the "**First Milestone Option**"), granting MDN the option to acquire an additional 10% interest in Crevier. The consideration payable in connection with the exercise of the First Milestone Option was an aggregate amount of \$950,000 and was paid in cash; and (ii) the purchase of all remaining shares of Crevier held by Serge Bureau, Jacques Bonneau, CAMET Metallurgie GmbH, CAMET Metallurgy Inc. and Dresden Mining Inc. (the "**Selling Shareholders**") pursuant to an agreement of purchase and sale of shares entered into with the Selling Shareholders on February 15, 2010 (the "**Amending Agreement**"). The remaining shares of Crevier held by the Selling Shareholders were purchased for an aggregate consideration of \$2,330,999, payable in part in cash (\$582,750) and in part by the issuance of an aggregate of 3,349,777 common shares of MDN. Following this transaction MDN holds 67.5% of the issued and outstanding shares of Crevier and the remaining 32.5% interest is held by IamGold – Québec Management Inc.

In May 2009, pursuant to Regulation 43-101, MDN filed on SEDAR the technical report dated May 25, 2009 with an effective date April 6, 2009, prepared by SGS Geostat Ltd. which includes the niobium and tantalum resources on the Crevier Project.

In December 2009, the Board of Directors of MDN accepted Paul-A Girard's request to step down and retire from his positions as Chairman of the Board, President and Chief Executive Officer, and appointed Jacques Bonneau to serve as interim President and Chief Executive Officer. Serge Savard, who is a director of MDN, was appointed as Chairman of the Board. The Board of Directors constituted a special committee to find a permanent president and Chief Executive Officer. The special committee was comprised of Serge Savard, Jacques Bonneau and Raymond Legault.

In January 2010, MDN Inc. received a positive scoping study analysis on the niobium and tantalum resource regarding the Crevier Project. MDN and Crevier are proceeding to complete the feasibility study with the objective of commercializing the niobium and tantalum resource identified on the Crevier Project. Pursuant to Regulation 43-101, the scoping study dated March 2010, prepared by Met-Chem Canada Inc. was filed on SEDAR on March 12, 2010

On February 23, 2010, MDN announced the appointment of Serge Bureau as President, Chief Executive Officer and director. Mr. Bureau holds a geological engineer degree and a Master of Science degree in Geology from the University of Quebec in Chicoutimi. Serge Bureau is also a member of the Ordre des Ingénieurs du Québec (OIQ). Mr. Bureau co-founded Crevier. From 1994 to 2008, Mr. Bureau held a managerial position at Barrick Gold Corporation. He has worked in the mining industry for 30 years, including 25 years in gold mining operations.

DESCRIPTION OF THE BUSINESS

GENERAL

The business of the Company consists of acquiring, exploring and developing mining properties. In the context of carrying out its objectives, the Company is likely to conclude various agreements specific to the mining industry, such as the purchase and options to purchase mining claims agreements as well as joint venture agreements.

The Company, as co-participant in a joint venture with Pangea on the Tulawaka mine, has a 30% participation interest in the Tulawaka gold mine. It is also exploring its other mineral properties and has not yet determined whether these other properties contain commercially viable mineral deposits.

The Company holds interests in the following properties located in:

- Tanzania, East Africa: Tulawaka, Baraka, Kunga, Simba, Msasa and Ikungu, totalizing 50 permits;
- Québec: Des Méloizes in the Normetal area; Le Tac, Lac Shortt, Lespérance, in the Chibougamau area; Isle-Dieu in the Matagami area; and Crevier Project in the Lac St-Jean Region.

HUMAN RESOURCES

As at December 31, 2008, the Company had eight full-time employees, five of which were working at its head office.

FOREIGN OPERATIONS

The Tulawaka gold mine, located in Tanzania, is the Company's most significant asset. The Company has a 30% participation interest in the Tulawaka gold mine pursuant to a joint venture agreement with Pangea as more fully described below. As described above, the Company has also acquired exploration properties in Tanzania.

TANZANIAN PROJECTS

Tulawaka Project

Location and Access

The Tulawaka property is situated about 160 km southwest of the city of Mwanza in the western Lake Victoria goldfields district of the United Republic of Tanzania. The property consists of twenty contiguous prospecting licences and one mining licence covering an area of 317 km² within the Biharamulo District of Kagera Region and the Kahama District of Shinyanga Region.

The main paved highway from the railhead at Isaka to Burundi passes about 20 km to the south of the property, while the old Dar-es-Salaam to Burundi laterite road crosses the property 3 km south of the Tulawaka camp. Local roads connect the property to the north with the Geita-Biharamulo laterite road.

Title

MDN has a 30% participation interest in the property pursuant to a joint venture agreement between the Company and Pangea having an effective date as of July 1, 1998, as amended on April 30, 2004, on December 30, 2005 and on September 19, 2008. Pangea owns the remaining 70% participation interest in the property and is the project operator. The Tulawaka Property consists of the following twenty Prospecting Licences: PL 2215 (formerly PL 411) and its split AP3882; PL 1688 and PLs 2606, 4051 issued from its split; PL 1691 and PL 2607 issued from its split (covering the T7 prospect); PL 1725 and PLs 2717 (where the NW zone is located) and 4171; PLs 15039 and 15002, 2598 and 3298 issued from PL 781, PLs 15038 and 15000 issued from PL 409; and PL 1689 with PLs 2713 and Ap3550 issued from its split, held in the name of PML. A Special Mining Licence, SML 157, was granted to PML in 2003, comprising the area of both the East and West Zone gold deposits.

Artisanal Mining

There is no artisanal work recorded on the property prior to the exploration initiative taken by the present owners. Gold mineralization was discovered on the Tulawaka property in September 1998, by drilling soil geochemical anomalies outlined over the area in the previous year.

The West Zone gold deposit

The West Zone is located in Special Mining Licence, SML 157, some 4.5 km to the west of the East Zone and it was discovered during the original soil geochemical survey done by Pangea and the Company. Pangea had previously outlined a Mineral Resource of 58,000 ounces in this zone in 2001. The West Zone might provide additional ounces to the project inventory and it is being explored with the objective of supplying additional saprolite-type ore to the Tulawaka plant. The two RC campaigns done in 2002 comprised 408 holes totalling 12,270 m, testing a strike length of 600 m on a 25 x 25 drill grid and with an average depth of 30 m. A core zone of continuous gold mineralization has been outlined and was tested by diamond drilling so that final geological modeling can be accomplished and a Mineral Resource calculated. The diamond drilling campaign done in late 2002 obtained several significant intersections that were announced on December 16, 2002. A follow-up drilling campaign commenced in May 2003 the results of which were announced on September 22, 2003. Further drilling was conducted during 2004 with the intention of completing the Mineral Resource calculations. The Mineral Resources being outlined in the West Zone were not included in the East Zone feasibility study. In 2005, an additional 63 holes totalling 5,320 m of RC drilling were drilled to better define the West Zone. In 2007, a revised interpretation led to the drilling of 4 diamond drill holes at year end. In 2008, Barrick updated the West zone resource following the fall 2007 drilling program. The quoted inferred resource is 865,000 tonnes at 2.00 g/t Au for a total of 55,700 ounces of gold.

Prospects outside the main gold deposits

About 3,000 m of RC drilling was completed in 2008 in the T7 zone, north of the mine. Additionally about 3,300m of short AC/RC holes aimed at following gravity and magnetometer anomalies around the T7 prospect.

The East Zone gold deposit

The main Tulawaka gold deposit is called East Zone. It is located in the eastern part of Special Mining Licence, SML 157, (formerly in the southern part of Prospecting Licence PL 2215/03) and is hosted within a

sequence of dominantly sedimentary rocks of detrital, volcanogenic and chemical origin. These units were metamorphosed to upper greenschist or lower amphibolite facies. The meta-sedimentary rocks consist of fine-grained laminated to coarse-grained bedded units, and include silicate iron-formations. Several generations of mafic to felsic dykes cut the metamorphosed host rocks.

The metasedimentary package described above was folded into a megascopic Z-shaped fold that plunges to the south. The fold is breached on its anticlinal overturned limb by a shear zone along which porphyry dykes were intruded syn-tectonically. The shear zone, together with the porphyry bodies, were the sites of tectonic dislocations during deformation, which created structural flexures and "jogs", principally in the immediate hanging wall and footwall of the porphyry. Auriferous quartz veining was focused in these jogs such that mineralized lenses are most likely pancake shaped bodies. The shear zone appears to be parallel or sub-parallel to the stratigraphy, and contains quartz veins along a strike length of at least 1,300 m, dipping to the northeast. These quartz veins are the principal hosts to the gold mineralization of the Tulawaka East Zone deposit. Gold occurs largely in a free state in fine sericitic partings within the veins or finely disseminated between the quartz grains. Significant gold mineralization has been detected to a depth of 200 m.

In December 2004, Pangea determined the East Zone gold Resource using an in-pit undiluted block size model and a 1 g/t cut-off grade:

Category	Tonnes	Grade (g/t Au)	Gold content (oz.)
Indicated	1,903,000	11.30	691,600
Inferred	89,000	7.02	20,100
Total	1,992,000	11.11	711,700

This revised geological modeling of the East Zone orebody determined the presence of six distinct mineralized domains. For the above resource calculations, the gold grades were capped at 100 g/t. Pangea constructed a 3-D block model with grade interpolation using the estimation method of inverse distance squared and search ellipses oriented in the plane of the six domains. The Mineral Resource was distributed among the following ore types: 10% in laterite duricrust, 31% in saprolite and 59% in fresh rock. The Mineral Resource was classified as an Indicated Resource because the deposit was known only from drill intersections.

In 2005 and 2006, the mineralization located under the open pit received exploration attention in view of a possible underground development below the open pit. The 2005 program included diamond drill holes D0400 to D0436 and totalled 5,698 metres, whereas the 2006 program includes drill holes D0437 to D0460 for a total of 10,590 metres. Results were impressive and resulted in an additional 98,870 oz. Au reserve at an average grade of 11 g/t and an indicated resource of 146,788 oz. Au at an average grade of 17.2 g/t Au. The decision to mine underground was taken by the operator in the second quarter of 2007. The decline was opened from the third quarter on with minor development ore processed in 2007. Full scale underground mining began in 2008. The current underground reserve will be mined over 27 months.

Drilling for additional UG reserves started early 2008. A program of 10 holes totalling 3,171 metres of drilling with RC pre-collars and diamond drilling in the mineralized zones aimed at in-filling previous drill holes in the underground area. A drill hole with one wedge totalling 669 metres tested the down-dip extensions of open ended stopes.

Additionally, in the western extension of the East zone open pit, a total of 3,859 metres in 28 holes was drilled in 2 programs. It was followed by a third program of about 1,300 metres in 67 shallow holes to in-fill partially mined rubble zone mineralization at the top western part of the Tulawaka open pit. Modelling of the East Zone western extension was completed at the end of the year.

As at December 31, 2009, figures of reserves and resources at the mine, were revised by the operator as in the table below:

Category	Tonnes	Grade (g/t Au)	Ounces
Reserves			
proven	215,140	2.97	20,550
probable	310,470	11.34	113,170
Total reserves	525,610	7.91	133,720
Resources			
measured and indicated	248,600	5.78	46,240

From the opening of the Tulawaka Gold Mine in March 2005 and up to December 31, 2009, a total of 748,549 ounces of gold had been produced. By adding these numbers to the above figure presenting the reserves and resources that have not been produced, the December 2004 forecast of resources for the East Zone pit has been significantly surpassed.

Environment Impact Assessment

Extensive studies on the environmental and social baseline conditions were completed. The Environmental Impact Assessment (EIA) document was formally submitted to the National Environment Management Council (NEMC) of Tanzania for review and recommendations on June 18, 2003 by PML. The EIA was approved on September 24, 2003.

Tulawaka mine parameters

Open pit mining

The project was operated as one open pit over the East Zone deposit. The open pit covers a total area of approximately 50 ha. The average total amount of material excavated was approximately 21,000 tonnes/day, at a waste/ore strip ratio of 18.3/1. The final pit depth is at 135 m below surface. Open pit mine production stopped in September 2008. The extraction of both ore and waste material from the pit was done by Caspian, a Tanzanian contract miner that demobilized during the 4th quarter of 2008.

Underground mining

The open pit mining and the development underground mining project were taking place concurrently until the end of open pit mining in September 2008. The underground ore is accessed by a decline starting from the western pit. Underground work started during the third quarter of 2007. Minor ore from the mine development was extracted and processed in 2007. Mining began at the beginning of 2008 with a progressive increase of activities. Initially underground work was limited to development and mining of ore from the development addits. Later in the year and progressively, full mining started with ore actually mined from stopes.

Tailings and water storage facilities

The choice for tailings management strategy is a "free-standing" tailings storage facility on the mine site, to the north of the open pit. The on-site tailings storage facility does not result in the obstruction of watercourses, thus reducing the environmental impacts of tailings disposal, and its proximity to the process plant and mine results in a more efficient tailings and water management system. The Tulawaka project

requires fresh water for ore processing, dust control on mine site roads, domestic consumption, and gold room usage. The water is supplied from both surface and underground sources.

Metallurgy and process design

The East Zone ore is free milling with coarse gold. The ore processing system includes run-of-mine stockpiling, primary crushing, single stage semi-autogenous-grinding (SAG), gravity recovery followed by intensive leaching and carbon-in-leach (CIL) gold extraction. A cyanide detoxification process is used to reduce the cyanide concentrations in the tailings slurry. A tailings thickener is included to recycle water to the processing plant prior to discharging tailings slurry to the tailings storage facility. This ore recovery process is simple, reliable and should yield optimum gold recovery, based on current and proven technology.

Tulawaka gold mine in 2007:

Tulawaka mine performance in 2007		
Ore mined	Tonnes	499,061
Ore milled	Tonnes	433,921
Average Gold grade	g/t Au	13.66
Recovery	%	93.57
Production	oz. Au	178,618
Total cash cost	US\$/oz Au	271

Tulawaka gold mine in 2008:

Tulawaka mine performance in 2008		
Ore mined	Tonnes	467,777
Ore milled	Tonnes	381,789
Average Gold grade	g/t Au	18.05
Recovery	%	95.53
Production	oz. Au	211,373
Total cash cost	US\$/oz Au	212

Tulawaka gold mine in 2009:

Tulawaka mine performance in 2009		
Ore mined (underground)	Tonnes	121,114
Ore milled	Tonnes	445,398
Average Gold grade	g/t Au	7
Recovery	%	93,9
Production	oz. Au	94,180
Total cash cost	US\$/oz Au	407

Tulawaka Regional Exploration

This section refers to the portfolio of Prospecting Licences ("PLs") optioned by the Company in the Tulawaka region, excluding the Tulawaka property itself. In 2002, the Company decided to launch its own exploration effort in the area surrounding the Tulawaka project, confident that the local geological environment holds the potential to host additional gold deposits. The Company is seeking previously unknown gold deposits in the vicinity of the Tulawaka processing facility with the intention of producing gold from properties in which it has a controlling participation.

Strategy and Target Selection

With the above objectives in mind, the Company carried out a systematic study of the information available for the Tulawaka region, more specifically within a radius of 50 km from Tulawaka. This work included the Company's own proprietary geological information on the area, remote sensing images, magnetometry, EM and radiometry surveys, and open file reports. The Company has worked with three consultants to review this information and produce specific exploration targets.

The targets being currently tested essentially correspond to specific points in the area where it is possible to identify the presence of geological structures that appear to have the necessary ingredients to be the loci of gold concentrations. Having done this target selection exercise, the Company identified which Prospecting Licences coincided with the targets, and who the title holders of these Prospecting Licences were. The Company then negotiated access to the targets by way of option agreements with the title holders.

Description, Location and Access

The optioned PLs are distributed around the Tulawaka property, mostly to the west, north and east of it, where most of the identified targets are concentrated. Physical access to most of these PLs can be attained in the dry season, due to the sparse savannah vegetation and the numerous laterite roads crossing the area. The Company has been able to use the Tulawaka mine camp for its own exploration teams, taking advantage of the central location and excellent facilities.

Title

The portfolio of PLs is made up of five groups of tenements:

- **"MDN"**

Under the terms of an agreement signed on August 6, 2002, with a local private group, the Company acquired a 90% interest in two PLs to the northeast of the Tulawaka property. MDN may acquire under conditions the remaining 10% after a bankable feasibility study. Following renewals by halves of the initial licences and new permit applications over part of them licence as at December 31, 2009, there were 5 PLs in this group, covering an area of 45.01 km².

- **"Baraka"**

Under the terms of an agreement signed on April 18, 2005, with a local private group, the Company acquired a 100% interest in a prospecting licence to the north of the Tulawaka property. As at December 31, 2009, the single PL in this group covers an area of 72.03 km².

- **"Simba"**

Under the terms of an agreement signed on September 13, 2002, with Lakota Resources Ltd. of Toronto, and Jope Business Associates Ltd. of Dar-es-Salaam, the Company acquired a 70% interest in nine licences to the north of the Tulawaka property, covering an area of 205.64 km². In 2008, MDN inc. has exercised its rights to dilute the interest of Lakota and Jope to nil, as they declined to contribute, in pro-rata of their interest in the Isambara project, to the approved work programs. Lakota and Jope's interests were converted into a 1% NSR and the Company has now a 100% interest.

- **"Kunga"**

Under the terms of three agreements signed on January 20, 2003, March 18, 2003 and September 7, 2004, with Tan Range Exploration Corp., of Vancouver, the Company acquired 100% of the Tan Range interest in ten licences to the west, north, east and southeast of the Tulawaka property. On January 12, 2007, Tanzanian Royalty Exploration Corporation ("Tanzanian Royalty", formerly Tan Range Exploration Corporation) and the Company entered into an agreement, amending the previous agreement dated January 20, 2003, in order to extend the period where the feasibility study can be made to December 31, 2009. In consideration, the Company agreed to issue to Tanzanian Royalty 125,000 common shares from its treasury. Further, in consideration of an extension from December 31, 2009, to December 31, 2010, the Company agreed to issue to Tanzanian Royalty an additional 125,000 common

shares from its treasury at the time of the request of the Second Extension by the Company. As at December 31, 2009, there were 12 PLs in this group, covering 334.44 km². Following Tan Range's initial interest, MDN has 100% interest in 6 licences to the east of the Tulawaka mine, 90% interest in 2 licences to the northeast of the mine and 65% interest in 4 licences to the north of the mine, covering together an area of 334 km².

- **"Msasa"**

Under the terms of an agreement signed on May 2, 2006, with African Eagle resources plc., of London and its Tanzanian subsidiary, Twigg Gold Limited, the Company acquired a 65% interest in three licences to the south of the Tulawaka property, covering an area of 66.56 km².

All the above PLs are believed to be in good standing.

Regional Geology

The Tulawaka region is interpreted to be within the western extension of the Sarama-Rwamagaza greenstone belt. The belt is made up of the Nyanzian granite-greenstone complex, consisting of a lower, essentially mafic, volcanic sequence overlain by chemical and clastic sediments and then by felsic volcanics. The Nyanzian Group is unconformably overlain by a clastic sedimentary sequence, also of Archaean age, known as the Kavirondian Group. Although there was early tectonism, the main pervasive deformation post-dates the bulk of the granites in the area, and imparts a foliation to all these lithologies. Some Archaean granitoids of the belt appear to post-date this foliation. In Neoproterozoic times, the craton was effectively peneplained and then covered by continental clastic sediments of the Bukoban Group.

The PLs being explored are thought to be essentially underlain by Nyanzian Group volcanic and sedimentary rocks, locally cut by later granitic bodies. The erosion of the Bukoban sediments to the north of the area has provided a fairly uniform veneer of sandy material covering virtually the entire area of the optioned tenements and hiding all outcrop. For this reason, there are no known artisanal workings in the area.

Previous Work

The review of available geological and geophysical information from the region surrounding the Tulawaka project has indicated that the Archean Nyanzian greenstone rocks have a much larger extent than had been assumed in the existing maps, and structures such as those hosting the Tulawaka gold deposits can be identified in the general vicinity of the project. Because of the thin veneer of sand arising from the erosion of Bukoban sediments covering the area, previous geological mapping was sketchy at best. There has been virtually no systematic exploration by companies, and the local artisans could not carry out any prospecting or mining. This region of the Lake Victoria goldfields remains the only one still potentially hiding near-surface major gold targets that have not yet been discovered.

Exploration Program

The Company has started the systematic exploration of the targets identified in 2002 in the region. The exploration programs use proprietary techniques and methods that the Company has tested, and which were used in the discovery of the known gold deposits in the Tulawaka property.

The Company relies initially on soil geochemistry to determine the location of gold mineralization in the lateritic profile. This technique consists of taking samples of soil at certain depths and at various spacing along lines, each sample being accurately located with GPS equipment. Soil samples are sent for assay for at least three elements besides gold. Results are analyzed by statistical methods to determine background and threshold values. Once there is a definition on what constitute anomalous results, further and more detailed sampling is done to identify the bedrock source of such an anomaly. Our sampling has already delineated

several anomalies with similar characteristics to those associated with gold mineralization inside the Tulawaka property.

The follow-up work to test geochemical anomalies consists of induced polarization surveys to map structures and geology. This assists in the design of drill fences across such structures. Drilling is being done initially with rotary air blast (RAB) and/or reverse circulation (RC) techniques, which may confirm the existence and extent of bedrock mineralization. This is then followed by diamond core drilling to confirm the exact nature of mineralization, its geometry, mineralogy, attitude and so on.

When the first drill holes indicate that a mineralized zone has a sufficient grade, is hosted by structures that may lead to sufficient tonnage for the zone to eventually become economic, drilling continues eventually up to the definition drilling stage. This stage allows the quantitative and qualitative evaluation of the mineralized body to evaluate if it may be profitably mined.

A total of 4,861 metres were drilled in 2009 on the two main targets, Isambara and Ikungu. A total of 5,700 soil samples were collected and analyzed to identify new drill targets for 2010 on the following four properties: Isambara, Ikungu, Viyonzia and Msasa. Compilation of all the data from earlier geochemical soil surveys for the areas adjoining the Tulawaka mine, where MDN controls more than 715 km² of ground, led to the identification of a lineament anomalous in gold, coinciding with the northern contact of the volcanic belt that hosts the Tulawaka mine. This lineament extends over a distance of more than 30 km, from the Mnekesi property to the Viyonzia property.

Ikungu Project

In March 12, 2008, the Company executed an Option and Joint Venture Agreement with Lakota Resources Inc. to acquire an undivided interest of 60% in the Ikungu Property in consideration for cash payments totalling US\$215,000 and the execution of exploration work for an amount of US\$2M over a five-year period. Pursuant to the Agreement, MDN may earn an additional 1% interest for each tranche of US\$200,000 of exploration work and may therefore increase its undivided interest up to 70%.

Location and Access

The Ikungu project covers an area of 16.84 km² on the eastern shore of Lake Victoria at 20 km southwest of the town of Musoma and 135 km northeast of the town of Mwanza, Northern Tanzania. Access is by paved road to Musoma and by dirt road between Musoma and the project area.

Title

The two contiguous licences of the Ikungu project cover an area of 16.84 km². The Company also secured access to two of three pre-existing artisanal PMLs within the northern licence jointly covering less than 0.2 km².

Regional and Property Geology

The project is located in the Mara-Musoma belt, one of the Lake Victoria goldfields greenstone belts. Several gold deposits were historically mined in this belt that also hosts Barrick's North Mara gold mine with 4.3 million ounces of gold in reserve.

Previous Work

Quartz veins occur within the sedimentary units, forming "reefs" from which, gold mineralization was mined. From 1938 to 1946, a total of about 19,000 ounces of gold was mined at a grade of 12.5 g/t Au from

underground workings in the Main / Forest Reef. This gold-bearing structure extends over a minimum strike length of 2.4 km and remains opened to the west.

Since the 1960's, the property was discontinuously explored. Only 10 diamond drill holes and 7 RC holes effectively tested the main gold bearing structure. The widely spaced holes intersected gold mineralization indicating the presence of gold mineralization over at least 2 km.

In January 2009, MDN's geological team obtained encouraging grab sample results from artisanal mining sites in the west sector, such as 56.80 g/t gold and 70.10 g/t gold. The average gold content of 11 grab samples from the east sector was 12.04 g/t. Drilling by the previous owners in the early 2000s yielded good drill intersections in the east sector, including holes IKD-06 (11.50 g/t Au over 1.0 m), SIK8 (11.50 g/t Au over 5.9 m) and SIK1 (24.50 g/t Au over 3.9 m).

A total of 10 holes were drilled in 2009. The results indicate that mineralization is associated with metasedimentary rocks intercalated with mafic volcanic rocks. The mineralization has a low sulphide content (0.5%-5.0%) and is dominated by pyrite, pyrrhotite and arsenopyrite. Gold grades coincide with arsenopyrite-rich intervals. High-grade material of over 30 g/t is associated with strongly-silicified rock interpreted as metasomatic hornfels zones adjacent to a postulated dioritic sill.

Drill results combined with the MMI soil survey results confirm that the mineralization extends over at least 2.5 km of the overall structure. The Ikungu gold-bearing structure represents excellent potential for MDN for the discovery of economic gold mineralization in Tanzania. Drilling will resume in early 2010.

Isambara Project

Under the terms of an agreement signed on September 13, 2002, with Lakota Resources Ltd. of Toronto, and Jope Business Associates Ltd. of Dar-es-Salaam, the Company acquired a 70% interest in nine licences to the north of the Tulawaka property, covering an area of 205.64 km². In 2008, MDN inc. has exercised its rights to dilute the interest of Lakota and Jope to nil, as they declined to contribute, in pro-rata of their interest in the Isambara project, to the approved work programs. Lakota and Jope's interests were converted into a 1% NSR and the Company has now a 100% interest.

Location

The property is located 28 km north of Tulawaka (Barrick 70%, MDN 30%) and 70 km west of the Geita mine (Anglo-Ashanti).

The property now consists of seven prospecting permits totalling 124.2 km²

Regional and Property Geology

The property is shown on Barth's 1990 compilation as underlain by Bukoban sediments, intruded by north-northeast-trending quartz-diorite dykes of late Bukoban age. Most of the property appears to be covered by intermittent lateritic ferricrete, with regolith fragments that suggest much of the underlying bedrock could be greenstones, probably the westward extension of the Geita Greenstone Belt. The eastern part of the property, east of the Muhama River, is shown by Barth to be underlain by undifferentiated granitoids. Pale coloured sandy soils along the Geita-Biharamulo road would tend to confirm this.

Previous Work

During 2002 a reconnaissance-scale regolith mapping and soil sampling program was carried out over the entire PL 1274/99. This work confirmed that much of the licence is underlain by greenstones, interpreted as

the western extension of the Geita belt. This soil survey returned 17 samples anomalous in gold that are a target for more detailed follow-up sampling.

During the third quarter of 2004 the previous soil anomalies were followed up with an extensive and more detailed geochemical program. A total of 273 samples were collected from 280 attempted sites, and 9 blanks plus 7 commercial standards were added to the sample stream for quality control purposes. During the fourth quarter in 2004, subsequent to the Q3 soil sampling, three 800 m x 800 m grids were marked out in the east of the licence and were surveyed with a gradient-array IP system. The results of the IP were used to plan an initial RC drilling program, of 892.5 m in 16 holes, carried out in December 2004.

A second program of drilling was carried out in 2005. A single line of 9 RC holes totalling 640 m was run across anomaly C, and three lines of RAB comprising 1,766 m in 27 holes were run across anomaly B.

In 2006, 75.2 km of ground magnetometer surveys were completed, a regolith map of the drill areas was prepared, and six drill fences were prepared out over IP anomalies B + C. During September, 1,713 m of RC drilling was completed in 29 holes to follow up the best results from 2005 drilling. Three lines of seven holes were drilled around ISRC-21 but no significant results were obtained. The balance of the drilling was in the vicinity of ISRAB-21, with significant results including 15.53 g/t Au over 8 m in ISRC-49 and 8.23 g/t Au over 3 m in ISRC-50.

The next phase of RC drilling recommenced in October 2006, with a total of 1,453 m drilled in 23 holes in Q4. A total of 1,613 samples including 65 field duplicates, 47 standards, 49 blanks and 363 pulp duplicates were analyzed by fire assay at the SGS laboratory in Mwanza.

In 2007, two gradient-array IP grids were surveyed over the eastern target area. A third, slightly offset, grid was also surveyed in the WNW extension to cover the western target area.

A 50m x 50m regolith grid was sampled to better define the two “bull’s eye” Au-in-regolith geochemical anomalies in the western target area of the licence (104 samples).

In March, a total of 1,267m were drilled in 23 RC holes (ISRC-79 to ISRC-101) within IP grids D, E & F. In May and June a follow-up program at 100m by 100m was completed over the whole N-S anomaly. A total of 231 samples were collected in grid C. A total of 1,665m of RC drilling was completed in June in 21 holes, 1,421m on IP anomalies then 244m on the follow-up of previous drill intersections. In July an additional 15 soil samples were collected. Seven diamond holes totalling 1,006 m were drilled, as well as 21 RC holes totalling 1,946 m. These were followed in August with 5 diamond holes for 957 m and 5 RC holes for 524 m (one of which was drilled to provide water for the diamond drill).

Relogging of the old RC holes was completed and integrated with the geochemical and geophysical data to produce a geological map of the property. This outlined significant areas of mafic volcanics plus granodiorite intrusives and the importance of N-S structures at the volcanic/granodiorite contacts. A total of 2,981 m RC was drilled in 31 holes in Q4.

In Q1 2008, additional drilling on the Isambara shear totalled 4,909 m RC in 49 holes plus 435.38 m of diamond drilling in 3 holes. Test mapping of termite mounds in mbuga areas was also carried out, with 164 soil samples taken from the mounds. In Q2 2008, diamond drilling program were completed totalled 1,382.22 m in 8 holes. In May and June, test mapping of termite mounds has been completed with 132 soil samples taken from the mounds and 6 QA/QC. In Q3 2008, 6 RC holes totalled 593 m were drilled to test a geophysical target located at 100 m north to the East Target.

2009 Exploration Results

The 2009 drilling program was concentrated on the Isambara south zone, and confirmed the northwest-striking geometry and the presence of mineralization in the form of parallel-vein networks. The vein networks are continuous over 250 to 500 m and are 10 to 100 m thick. Average grade is controlled by the density of the parallel veins. Grades of over 1 g/t Au occur in zones with a density of 3 to 5 veins per metre. Individual veins can contain values of in the order of 30 g/t of gold and higher. Mineralization represents a single event, and occurs as transparent white or grey quartz, with locally-occurring sericite, generally at the edge of the veins. Some veins contain no quartz, and consist of plates of sulphide minerals with mafic minerals along fractures. The sulphide content is low (0.1%-2%), and consists primarily of pyrite, pyrrhotite and arsenopyrite.

In 2009, a detailed soil survey was conducted on the property. The Metal Mobile Ion (“MMI”) procedure was used to obtain enhanced details relative to conventional soil surveys. The MMI survey results confirmed the strength and size of the gold-bearing system, which covers an area of 4 km by 3 km. Drill results show that the MMI gold anomalies in the soil are the surface signature over the highest-density areas of parallel-vein networks, in a granodiorite several hundreds of metres thick within the western edge of the pluton.

Preliminary models could be orogenic gold deposits or the model preferred by MDN, which is that of a reducing gold-bearing system related to intrusives, similar to deposits like Fort Knox (158 Mt @ 0.83 g/t Au), Dublin Gulch (50 Mt @ 0.93 g/t Au) in Alaska and Vasilkovshoe (80 Mt @ 3.7 g/t Au) in Kazakhstan.

The results of 2009 drilling on the south zone and the MMI soil survey warrant the extension of the drilling program outside the south zone and to other gold anomalies interpreted as the surface imprint of a potential large gold-bearing system.

Following the signature of an agreement with Lakota Resources Inc. in 2008 for the acquisition of a 60% to 70% interest in the Ikungu project, bulk sampling, an MMI soil survey and 2,024 metres of drilling were carried out in 2009.

The 17.9-km² Ikungu property lies 20 km southeast of Musoma. The Ikungu project is part of the western extension of the volcanic rock belt that hosts the former Kiabakari mine (283,000 ounces at 12-14 g/t gold) and the former Buhemba mine (393,000 ounces at 12.6 g/t gold).

CANADIAN PROJECTS

MDN owns properties located in Abitibi Region and its subsidiary Crevier owns the Crevier Project located in the Lac St-Jean Region.

Lac St-Jean Region Project

Crevier Minerals Inc.

The investment in Crevier represents our investment in a resource of niobium (Nb₂O₅) and tantalum (Ta₂O₅), located north of Lake St Jean, in the Crevier and Lagorce Townships in the MRC of Maria-Chapdelaine, Roberval County. The Crevier ore body was discovered in 1975 by SOQUEM, and from 1975 to 1986 various phases of exploration was performed on the property. In 1986, the ownership of the Crevier Property was transferred to Cambior, which was subsequently bought by IAMGOLD in 2006. In April 2008, Crevier bought the property from IAMGOLD and is the owner of the Property.

The Crevier Property is a 4,645 hectare land package, located 8 km from a paved highway, on which is contained a 3 km dyke, the host of 25.8Mt and 16.9Mt of indicated and inferred niobium and tantalum

resource (NI 43-101 compliant resource by SGS Geostat Inc). Drilling in 2009 confirmed that the resource is open 200 meters to the south and at depth below 300 meters. In addition, the property also contains porphyritic nepheline syenite.

Crevier continues to advance to project towards commercialization.

During the year, work on the Crevier Property included 5,500 meters of definitional drilling, exploration drilling on the property, start of the environmental “baseline” study, and the completion of detailed independent Commodity Price Market Study as well a Preliminary Economic Evaluation (Scoping) Study.

The project is being designed to operate as an open pit mine, for an 18 year period at a operating rate of 4,000 tonnes per day. An independent Scoping Study confirmed the design economics and highlighted that the project is expected to generate an average net cash flow of \$57.5 million per year, and represents a net present value (@5%) of \$272 million pre-tax after capital costs of \$316 million.

The project construction will advance after the completion of the final economic review (Feasibility Study), and the required environmental assessment and hearings. Assuming a normal timeline to complete these elements, construction is expected to commence in 2012, with production start up in 2013.

Niobium is an essential element used in ceramic capacitors, computer screens, camera lenses and cutting tools. As an additive to steel, niobium adds strength and reduces the weight of steel and is used in applications where lightweight steel is needed. Tantalum is mainly used in the electronics, aerospace, and medical device industries, given its electrical capacitance and resistance to heat and high melting point.

Abitibi Projects

The Abitibi region of Québec is Northern Mining’s birthplace. The Company intends to continue paying close attention to this region, where it holds more than 500 mining claims. These claims are distributed in three Abitibi areas: the Des Méloizes property in the Normetal area; Lac Shortt, Lespérance and Le Tac properties in the Chibougamau area; and the Isle-Dieu group in the Matagami area.

Des Méloizes Property

The Des Méloizes property consists in a group of 109 contiguous claims covering 3,773 hectares in the Des Méloizes, Perron, Clermont and Rousseau townships. This claim block is located at about 5 km southeast of Normetal (Northern Abitibi). It is easily accessible by local and forest roads.

Geology

The Normetal Region belongs to the Abitibi Sub-Province greenstone belt within the Superior structural province. Stratigraphically, the Normetal area is characterized by felsic and mafic volcanics, pyroclastics and sedimentary rocks cut by several intrusions of mafic to felsic composition. The area underwent a greenschist facies metamorphism. The Normetal area is affected by the Normetal fault, an important NW-SE structure located at contact between felsic and intermediate units to the north and mafic units forming the top of the Normetal volcanic pile to the south.

The Normetal Domain hosts the Normetal mine that produced 10,16 MT at 5.33% Zn, 2.19% Cu and 65.36 g/t Ag between 1937 and 1975 as well as the Normetmar deposit with 158,447 tonnes at 2.06% Zn and 39.0 g/t Ag. The units in the Des Méloizes property are favourable to the presence of VMS type mineral deposits.

Results of previous work

The Des Méloizes claim block was explored since 1976. Exploration work includes geophysical surveys, mapping and diamond drilling. The majority of drill holes targeted the Normetal mine horizon and unveiled alterations with some low-grade base metal intersections. Following an heliborne VTEM survey, Soquem, the operator, carried out in 2006 a ground InfiniTEM survey over most of the property to define in the ground the best EM conductors.

In 2007, following up on the InfiniTEM anomalies, a total of 8 diamond drill-holes were drilled from a program of 11 drill-holes totalling 4,210m. The drill holes indicate a geological context favourable to the presence of VMS type mineralization.

In 2008, results from the drilling program started in 2007 confirmed the VMS potential of Des Méloizes with an identified favourable geological context and an intersection of **4.5m @ 1.05% Zn**. Additionally, downhole InfiniTEM anomalies identified three off-hole anomalies and two deeper anomalies that will deserve follow-up drilling. With this program, MDN fulfilled its commitment to acquire 50% of the property from its owner, Soquem, also the operator of the exploration program.

In 2009, no field work was completed.

Lac Shortt Property

The Lac Shortt Property consists of 214 contiguous claims covering an area of 5,298 hectares, surrounding the Lespérance property. The property is located 135 km southwest of Chibougamau, at the junction of Lesueur, Boyvinet, Gand and Lespérance Townships and is accessible via highway 113 linking Chibougamau and Val-d'Or. The property is within the so-called Desmaraisville mineralized corridor, which features principally the former Lac Shortt mine (2.7 million t at 4.6 g/t Au) located some 7 km to the northeast of the property, and the Bachelor Lake mine (1 million t at 5 g/t Au), located 3 km SW of the property.

Title

The Company has a 50% undivided interest in the Property. Soquem Inc. owns the remaining interest and is the project operator. Campbell Resources Inc. holds a 2.5% NSR over all minerals extracted in the 182 claims included in this property. This royalty may be redeemed for a consideration of \$1,000,000 no later than six months after the commencement of production.

Geology

The northern half of the property is underlain principally by basalts and andesites and a volcanoclastic and sedimentary sequence. Two major regional deformation corridors cut across the property. Past exploration work identified numerous prospects for copper-gold mineralization. The property holds good potential for hosting epithermal porphyry type gold-copper deposits, and vein type gold deposits such as the Lac Shortt and Bachelor Lake mines, which occur to the northeast and southwest of the property within the same geological units, and volcanogenic massive sulphide deposits.

Results of Previous Work

Following-up on the early exploration done by Inmet, the partners' work in 1998 included magnetometry and induced polarization (over 21 line km) geophysical surveys, 14 trenches and 14 diamond drill holes totalling 2,161 m. The best result obtained in the southern part of the property was an intersection assaying 8.26 g/t Au over 3 m, hosted by mafic volcanic rocks with a breccia mineralized in hematite, chalcopryrite and pyrite.

In 1999 the partners completed an additional 9 trenches and 9 diamond drill holes for 1,822 m. This work allowed the identification of the so-called Perry structure, in which the best intersection was 6.4 g/t Au over 1 m. Further work in 2000 included 13 km of induced polarization and 19 km of magnetometry surveys, and 5 diamond drill holes totalling 1,086 m. No significant gold intersections were obtained at the time.

In 2009, no field work was completed.

Boyvinet Prospect

In 2002, following a review of the exploration results obtained thus far in the property, the partners defined a target meriting follow-up work. At the "Boyvinet" prospect follow-up work included a total of 403 m of diamond drilling in two holes to test the depth extension of gold mineralization which had been previously found in a trench. Channel sampling on a syenitic pluton (trench TR 98-01) had yielded 0.41 g/t Au over 14.0 m and 1.12 g/t Au over 2.5 m. The lithology intersected by the holes consisted essentially of syenite, locally altered by hematite, calcite and silica. Gold mineralization is associated with zones of microveining with finely disseminated pyrite. The best gold grades are associated with zones of higher pyrite content.

In 2004, following a helicopter-borne detailed magnetometry survey and a review of previous exploration results, the partners defined several targets meriting follow-up work over a larger area. Follow-up included a total of 2,870 m of diamond drilling in 7 holes. The lithology intersected was similar to that cut in 2002, consisting essentially of syenite, locally altered by hematite, calcite and silica. The drilling results outlined new wide and low grade mineralized zones that could be interpreted to be of the "gold porphyry" type and usually associated with the deformation and alteration of the syenite intrusion. The best intersections from both drilling campaigns are listed below:

Hole	From (m)	Grade (g/t au)	Width (m)
BV 02-58	100.50 - 114.00	0.48	13.5
BV 02-59	160.00 - 171.00	0.54	11.0
BV 04-60	50.50 - 57.00	0.75	6.50
BV 04-61	226.00 - 228.00	1.23	2.00
	320.40 - 324.80	1.42	4.40
	360.00 - 362.20	3.01	2.20
BV 04-65	126.00 - 130.00	1.32	4.00
	205.00 - 207.00	1.17	2.00
	376.00 - 383.00	0.97	7.00
BV 04-66	163.50 - 172.50	1.18	9.00
	213.50 - 216.50	0.96	3.00

These drilling results outlined a new significant wide and low grade mineralized zone that has been interpreted to be of the "gold porphyry" type usually associated with the deformation and alteration of felsic intrusives. The partners continue to review the results and study other targets in the area.

In 2008, additional channel sampling was completed at Boyvinet.

In 2009, no field work was completed.

Lespérance Property

The Lespérance property consists of 36 contiguous claims covering an area of 1,102 hectares, entirely surrounded by the Lac Shortt property. The land is relatively flat and forested. The property is located 135

km southwest of Chibougamau, at the junction of the Lesueur, Boyvinet, Gand and Lespérance Townships. The property is accessible by logging roads and trails.

Title

The Company owns a 50% undivided interest in the Property. Soquem Inc., who is also the project operator, owns the remaining interest. Miramar Mining Corp. (formerly Hope Bay Gold Corporation Inc. and formerly Cambiex Exploration Inc.) holds a 1% NSR on all ore extracted from the property.

Geology

The Lespérance property has a similar geological context as the Lac Shortt property, except for the presence of two more regional deformation corridors.

Results of Previous Work

In 1998 and 1999, the partners carried out magnetometry and induced polarization geophysical surveys, trenching and 30 diamond drill holes totalling 6,335 m. At the extreme eastern part of the property this drilling intersected several fracture zones with significant gold and copper content, within a quartz-feldspar porphyry rock. At least two copper-enriched zones striking for over 150 m in length could be outlined, with grades averaging about 0.5% Cu. The best gold intersections in this area were 11.57 g/t Au over 2.6 m and 4.48 g/t Au over 11 m. Diamond drilling has been proposed to follow-up on the previously located targets.

In 2008, additional channel sampling and reassessment of drilling results was completed.

In the fall of 2009, the Lespérance-Lac Shortt property was explored for orogenic or intrusive-type gold deposits. In 2009, five holes (four on Lespérance and one on Lac Shortt) totalling 1,791 metres were drilled to test the extensions of a gold-bearing structure, as well as the potential of a geophysical magnetic target.

<u>Drilling</u>	<u>% Cu</u>	<u>g/t Au</u>	<u>Interval (m)</u>	<u>Depth (m)</u>
LES-09-40	3.34	0.26	4.0	175,5
LES-09-42	1.63	-	1.45	212,65
LES-09-43	0.14	8.0	1	218,5
	0.05	1.19	1.15	219,5

Le Tac Property

The Le Tac property consists of 97 contiguous claims covering an area of 1,552 hectares of land. The area is relatively flat and covered by new growth forest, as a large portion of the forest has been recently harvested. The property is located about 15 km south of the village of Desmaraisville, in Le Tac and Lesueur Townships. The property is easily accessible via logging roads and trails from the town of Desmaraisville.

Title

The Company owns a 50% undivided interest in the Property. Soquem Inc., owns the remaining interest and is the project operator. On commercial production, a royalty of 0.5% of NSR is payable on all minerals extracted from 42 claims included in this property.

Geology

The property is underlain principally by mafic to intermediate lavas. A kimberlite breccia occurs in the north central part of the property. The rocks on the property exhibit a regional schistosity oriented east-west and west-north-west east-south-east. Metric to decametric scale deformation zones are oriented sub-parallel to the regional schistosity. Past work has identified gold, silver, copper and zinc mineralization along deformation corridors in the property. The property has good potential for hosting volcanogenic massive sulphide deposits and vein type gold deposits. Examples of such deposits in the property vicinity are the Lac Shortt/Bachelor and Coniagas mines, respectively. The partners are also considering the diamondiferous potential of ultramafic rocks in the property.

Results of Previous Work

The work carried out by the partners in 1997-1998 consisted of three induced polarization geophysical surveys on the northern and eastern sectors of the claimed area, four trenches and a diamond drilling campaign comprising 41 holes totalling 5,130 m. The best results were obtained on the northwest sector of the property, where a mineralised corridor contains several significant mineralised gold and base metal intersections, including the Castor showing: 7.4 g/t Au, 40.4 g/t Ag, 0.27% Cu and 4.8% Zn over 4 m (Castor showing) and 3.1 g/t Au, 17.3 g/t Ag, 0.2% Cu and 4.4% Zn over 1 m.

In 1999 the partners carried out an additional 27.5 km of magnetometry and induced polarization surveys and a drilling campaign comprising 10 holes (1,691 m) in the Lac Castor showing area. This program confirmed the presence of various shear zones in the deformation corridor. The best intersection obtained assayed 11.3 g/t Ag and 4% Zn over 2.1 m. Further exploration will be necessary to identify substantial gold and base metal resources in the property area.

Early in 2005 the partners covered the entire group of claims with a detailed airborne geophysical survey (helicopter magnetometry and eletromagnetometry totalling 272 line km) using the firm Geotech Limited with the purpose of generating additional exploration targets.

In 2008, reassessment of earlier exploration and drilling results was completed.

In 2009 the Le Tac property was explored for its gold-bearing volcanogenic massive sulphide potential. In the fall of 2009, five diamond drill holes totalling 1,730 m were completed to test the extensions of the SO zone, a copper-bearing zone about 500 m long. This program was also designed to test the gold content of the zone. Three borehole EM surveys were also performed to test for the presence of conductive metallic zones at depth.

<u>Drilling</u>	<u>% Cu</u>	<u>g/t Au</u>	<u>Interval (m)</u>	<u>Depth (m)</u>
4041-09-51	4.73	0.191	2.1	241
4041-09-52	1.21	-	3.5	716
4041-09-50	2.94	0.382	0.3	330

Matagami Property

The Matagami property consists of the Isle-Dieu property, comprised now of 110 contiguous claims covering an area of approximately 1,300 ha in the Isle-Dieu Township.

The property is located 7 km to the northeast of the town of Matagami, Québec, being accessible via local forestry roads.

Title

The Company has a 100% interest in the property.

Geology

The rocks in the region belong to a fairly well known volcanic feature developed at the periphery of a gabbroic intrusive complex (the Bell River complex). The volcanic rocks are Archean in age and range from ultramafic to felsic. They are metamorphosed and deformed, with the development of shear zones. In the Isle-Dieu group of claims there is a predominance of mafic volcanic rocks, intercalated with pyroclastic units and cut by occasional granite plugs, trending preferentially in a northwest-southeast direction. Gold mineralization is found in numerous veins cutting the various rock types. The three principal veins explored in the property are called Marcelle, Rolande and Edith, which are roughly aligned for more than one kilometer.

Results of Previous Work

The Isle-Dieu group of claims was the subject of several exploration programs between 1956 and 1995, which included geophysics, mapping, trenching and diamond drilling. Most of the drilling was focused on the three known mineralized veins. In 1987 consultant Paul Cregheur estimated the Marcelle vein to contain gold mineralization contained in 43 thousand tonnes averaging 6.78 g/t Au to a depth of 160 m, including 20% dilution. This vein has an average horizontal width of 1.5 m and dips steeply to the west. The Edith vein was drilled along strike for 300 m and to a depth of 150 m, averaging 0.5 to 1.5 m in width, containing "geological resources" of 32 thousand tonnes (Busson, 1985). The Rolande vein is the least explored one, known for only 25 m on the surface and with few drill intersects.

In 2005 the Company optioned a group of claims to the north of the Isle-Dieu block and carried out a 386 line kilometre detailed helicopter-borne VTEM survey using the firm Geothech Ltd. with the objective of identifying volcanogenic massive sulphide (VMS) targets.

A 23.5 km ground TDEM survey was carried out in 2006, to follow-up on the 2005 heliborne VTEM. The surveys located six electromagnetic conductors in the northeast of the property. This method allows for the identification of conductors at greater depth than older surveys. Then, the Company tested five areas with either new conductors or known conductors not yet drill-tested. A sixth drill hole tested at a depth greater than 300m the strike extension of a conductor with recorded mineralized zones up to 1,9g/t Au and 1,5% Cu over 13,7m.

The six diamond drill holes totalling 1,448 metres intersected conductive units, usually consisting of argillite with various amounts of pyrite and pyrrhotite as well as traces of chalcopyrite, sphalerite and galena. However, diamond drill holes didn't intersect mineralization with significant grades in the mineralized zones hosted by lithologies dominantly composed of mafic volcanic rocks and gabbro or syenite intrusions.

In 2009, no field work was completed.

ENVIRONMENTAL POLICIES

The Company's exploration objective is the discovery and development of mineral resources that can be profitably mined. Because economic mineral deposits are relatively rare and occur mostly away from population centers, their exploration and development present various operational challenges. The environmental impact of exploration work must be minimized. The Company must care for the health and safety of its employees under difficult work conditions. The Company must interact effectively with host

communities to ensure that its work does not compromise community values. The Company is therefore committed to its policy on Environment, Health and Safety ("EHS") issues and it undertakes to:

Comply with EHS regulatory requirements in Canada and the countries where it operates and apply it to all activities.

Develop and use EHS practices that are efficient, transparent and measurable. Such practices will be periodically reviewed taking in account technical and economic developments.

Identify, assess and manage EHS risks.

Provide information and training for the safe transport, use and disposal of materials and equipment.

Develop, test and maintain emergency response plans to ensure the protection of the environment, employees and the public.

Require contractors to comply with applicable legislation and Company's EHS policies.

Encourage dialogue among employees, stakeholders and the public with respect to EHS issues.

Reclaim exploration and mining sites in compliance with applicable regulations and site-specific criteria.

RISK FACTORS

Risks and Uncertainties

The following discussion pertains to the outlook and conditions currently known to management which could have a material impact on the financial condition and results of operations of the Company. This discussion, by its nature, is not all-inclusive. It is not a guarantee that other factors will or will not affect the Company in the future. This discussion should be read in conjunction with material contained in other sections of this Annual Information Form.

Risks Inherent in the Mining Business

The business of exploring for minerals is inherently risky. Few properties that are explored are ultimately developed into producing mines.

Mineral properties are often non-productive for reasons that cannot be anticipated in advance. Even after the commencement of mining operations, such operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties, production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action.

Metal Price Fluctuations

The results of the Company's operations are significantly affected by the market price of metals, which is cyclical and fluctuates due to numerous factors beyond the Company's control, including expectations with respect to the rate of inflation, the relative strength of the U.S. dollar and of certain other currencies, interest rates, global or regional political or economic crises and sales of gold by holders in response to such factors.

Competition for Mining Properties

The Company is continually seeking to find economic mineral deposits through the exploration of its existing properties as well as through acquisitions of interests in new properties or of interests in companies which own such properties. The Company encounters strong competition from other mining companies in connection with the acquisition of properties.

Foreign Countries and Regulatory Requirements

The Company has various properties located in Tanzania, which may be affected in varying degrees by political and financial instability, inflation and haphazard changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political or financial conditions are beyond its control and may adversely affect its business.

Operations may be affected in various degrees by laws and regulations with respect to, among other things, restrictions on production, price controls, export controls, exchange controls, income taxes, expropriation of property, social and environmental matters and mine safety.

Currency Fluctuations

The Company maintains its accounts in Canadian dollars. Its future operations may make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. The Company has not in the past engaged in hedging activities.

Environmental and Other Regulatory Requirements

The Company's activities in Africa require permits from various governmental authorities and are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mineral exploration and development activities may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Financing Risks

Mining projects are capital intensive by nature. The Company has limited financial resources, limited source of operating cash flow and no assurance that additional funding will be available for further exploration and development of its projects. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain additional financing may result in delay or postponement of exploration and development of its properties.

Title Matters

The acquisition of title to mineral concessions is a very detailed and time-consuming process. Failure to comply with the legal requirements with respect to exploration permits and mining concessions may result in a loss of title. Title to and the area of mining concessions may be disputed. While the Company has diligently investigated title to its properties and continues to do so, this should not be construed as a guarantee of title. Title to the mineral concessions may be affected by undetected defects.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and officers of other companies involved in natural resource exploration and development; consequently, there is a possibility that such directors and officers will be in a position of conflict of interest. Any decision made by such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors and officers will declare and refrain from voting on, any matter in which such directors and officers may have a material conflict of interest.

Uninsured Hazards

The Company could be held responsible for certain risks including environmental pollution, cave-ins or other hazards against which a company such as the Company cannot ensure or against which it may elect not to ensure, taking into consideration the importance of the premiums or other reasons. The payment of amounts relating to liability of the aforementioned hazards could cause the loss of the Company's assets.

DIVIDENDS

Dividends are declared at the discretion of the Board of Directors of the Company. The Company has never declared nor paid dividends on its outstanding common shares. Due to the nature of the Company's activities and the stage of its development, the Company does not anticipate declaring dividends on its common shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares of which 93,775,910 common shares were issued and outstanding as at December 31, 2009. Each common share is entitled to one vote. All shareholders participate equally, in proportion to their share ownership, in the dividends declared and paid by the Company and upon dissolution or winding-up of the Company.

Common Share Purchase Warrants

An aggregate of 300,000 common share purchase warrants of the Company (the "**Warrants**") were issued and outstanding as at December 31, 2009. Each Warrant entitles the holder thereof to purchase one Common Share at exercise prices of \$0.75 until December 5, 2010.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Common Shares

The Company's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "MDN".

Month (in 2009)	Price ranges (\$)		Volume traded (daily average)
	Highest price	Lowest Price	Volume
January	0.62	0.51	83,191
February	0.64	0.52	274,104
March	0.78	0.42	170,624
April	0.76	0.62	170,325
May	0.85	0.64	152,136
June	0.71	0.56	105,799
July	0.66	0.53	84,141
August	0.64	0.49	109,928
September	0.62	0.52	418,099
October	0.71	0.52	502,250
November	0.62	0.56	331,740
December	0.58	0.51	315,506
Average	0.68	0.53	226,487

DIRECTORS AND OFFICERS

DIRECTORS

The names, municipalities of residence and principal occupations of the directors, as well as the year during which each became a director, along with the number of common shares owned by each director or over which they exercise control, are set forth in the following table. The directors of the Company are elected annually.

Name and Municipality of Residence	Positions held in the Company	Director Since	Principal Occupation during the five preceding years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction was Exercised as at March 31, 2010 ⁽¹⁾
Jacques Bonneau ⁽²⁾⁽³⁾ Québec, Québec	Director	2008	Private Investor and Mining Consultant	825,313 / 0.88%
Serge Bureau ⁽⁵⁾ Candiac, Québec	Director	2010	President and Chief Executive Officer of the Company, co-founder of Crevier and held a managerial position from 1994 to 2008 at Barrick Gold Corporation	744,395 / 0.79%
Robert H. Getz ⁽²⁾⁽⁴⁾ Greenwich, Connecticut, États-Unis	Director	2008	Managing Director of Cornerstone Equity Investors, LLC	-- / --%
Paul Gobeil ⁽²⁾⁽⁴⁾ Montréal, Québec	Director	2009	Vice-Chairman of the Board of Metro Inc.	100,000 / 0.1%

Name and Municipality of Residence	Positions held in the Company	Director Since	Principal Occupation during the five preceding years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction was Exercised as at March 31, 2010 ⁽¹⁾
Raymond Legault ⁽²⁾⁽³⁾ St-Lambert, Québec	Director	2008	Finance Consultant	338,943 / 0.36%
Serge Savard ⁽³⁾ St-Bruno, Québec	Director and Chairman of the Board	2001	Partner of Thibault, Messier, Savard and Associates (a real estate company)	1,155,269 / 1.23%

- (1) Each director supplied the information concerning the number of common shares over which he exercises control or direction.
- (2) Member of the Audit Committee.
- (3) Member of the Health Safety and Environmental Committee.
- (4) Member of the Human Resources, Governance and Nomination Committee.
- (5) Serge Bureau was appointed as President and Chief Executive Officer of MDN on February 23, 2010. As of December 31, 2009, Jacques Bonneau was acting as interim President and Chief Executive Officer following the resignation of Paul-A. Girard on December 16, 2009.

Each of the directors will hold office until the next annual meeting or until a successor is duly elected or appointed, unless the office is earlier vacated in accordance with the by-laws of the Company.

OFFICERS

Name and Municipality of Residence	Offices held in the Company	Officer Since	Principal Occupation during the five preceding years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction was Exercised as at March 31, 2010 ⁽¹⁾
Yves Therrien Laval, Québec	Chief Financial Officer	2007	Chief Financial Officer since 2007 and Director of Finance Operations at Canada Post (Quebec region) from 2004 to 2006 and Director of Finance and Administration for Interquisa Canada SEC from 2001 to 2004	15,000 / 0.01%
Marc Boisvert Charny, Québec	Vice-President Exploration	2008	Vice-President of Midland Minerals from 2006 to 2008 and independent Consultant from 2004 to 2006.	108,000 / 0.11 %

- (1) Each officer supplied the information concerning the number of common shares over which he exercises control or direction.
- (2) Serge Bureau was appointed as President and Chief Executive Officer of MDN on February 23, 2010. As of December 31, 2009, Jacques Bonneau was acting as interim President and Chief Executive Officer following the resignation of Paul-A. Girard on December 16, 2009.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the Company's knowledge, no director or executive officer of the Company is, at the date of this AIF, or has been, within 10 years before the date of the AIF, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days. To the

Company's knowledge, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, at the date of this AIF, or has been, within 10 years before the date of the AIF, a director or executive officer of any company 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, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, to the knowledge of the Company, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 director, executive officer or shareholder.

Furthermore, to the knowledge of the Company, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision. Moreover, in the opinion of the Company, no disclosure of a settlement agreement entered into by an executive officer of the Company would likely be important to a reasonable investor in making an investment decision.

AUDIT COMMITTEE INFORMATION

The Audit Committee Charter

A copy of the audit committee charter is attached to this AIF as Schedule A.

Composition of the Audit Committee

The following directors are members of the audit committee:

- Paul Gobeil;
- Raymond Legault;
- Robert H. Getz; and
- Jacques Bonneau.

The members of the audit committee are financially literate and independent.

Relevant Education and Experience

Paul Gobeil, FCA, holds a Master of Commerce Degree (1964) and a Master of Accounting (1965) from University of Sherbrooke. He has also completed in 1981 the Senior Management Program at Harvard Business School. From 1966 to 1974, Mr. Gobeil worked as an accountant, and was a partner in two accounting firms. From 1974 to 1985, he held various positions with Provigo Inc., namely Vice-President, Finance and Administration, Treasurer and Assistant Secretary, Executive Vice-President and President and Chief of Operations of Provigo (Distribution) Inc. From 1981 to 1985, he was President and Chief of Operations of Loeb Inc., President of Loeb Corporation (United States) and Vice-Chairman of the Board of Directors of IGA Canada Ltd. From 1985 to 1989, Mr. Gobeil was a member of the National Assembly (Québec) for the riding of Verdun and was Minister responsible for Administration, President of the Treasury

Board and Minister of International Affairs for the Government of Québec. From 1989 to 1994, he was, *inter alia*, Chairman of the Board of the Royal Trust Company, Bankers' Trust, Hydro-Québec International and Domtar Inc. From 2002 to 2007, he was Chairman of the Board of Export Development Canada. Since 1990, he is Vice-Chairman of the Board of Directors of Metro, Inc.

Raymond Legault holds a Bachelor and a Master degree in Economics from University of Montreal. He was for 8 years (1997 to 2005), Investment Executive with ScotiaMcLeod where he offered consulting services to individual investors and small business owners concerning their investment portfolio. He was also President and General Manager of his publishing company for 14 years and, previously to that, he held different senior management positions for 10 years for a major telecommunications company. Mr. Legault presently offers his services as a financial consultant.

Jacques Bonneau has graduated as a geological engineer from Laval University, and holds an MSc degree from the same institution. He has more than thirty years of experience in the mining industry and has been an employee of Soquem, Falconbridge Copper Corporation, Groupe Vior-Mazarin and more recently as president and Chief Executive Officer of Minéraux Sequoia Inc. During those years he was actively involved in the acquisition, discovery or reactivation of many projects and mineral deposits. From 1994 to 2003, he was president of Mazarin Inc. and in 2004, he was President of Minéraux Sequoia Inc., until it was amalgamated with Cambior Inc. on July 1st, 2004. He is currently Chairman of the Board and director of Exploration Azimut Inc., director of Midland Exploration Inc. and Crevier Minerals Inc., special advisor for Eastmain Resources Inc., as well as a consultant for CGE Resources, a Québec Flow- Through Share Fund.

Robert H. Getz holds a Bachelor of Arts Degree (1985), Cum Laude, in International Relations from Boston University. Mr. Getz received a Master of Business Administration Degree (1990) in Finance from the Stern School of Business at New York University. Mr. Getz is a private investor and since 1996 has been a Managing Director and co-founder of Cornerstone Equity Investors, LLC, a New York City based private equity investment firm. Cornerstone was formed in December 1996, by the former senior team that led Prudential Equity Investors, to make investments in management buyouts, recapitalizations and growth financings. Prior to the formation of Cornerstone, Mr. Getz served as a Managing Director and Partner of Prudential Equity Investors, Inc., where he had worked since February 1987. Over the past twenty years, Mr. Getz has completed numerous transactions and has significant experience in public and private debt and equity financings and strategic mergers and acquisitions.

External Auditor Service Fees

The following table sets forth the fees paid to the auditors (Petrie Raymond in Canada, and KPMG in Tanzania) , the Company's external auditors for services rendered for the fiscal years 2009 and 2008:

	2009	2008
Audit fees (Canada & Tanzania ⁽¹⁾)	\$55,031	\$49,531
Audit-related fees ⁽²⁾	\$27,000	\$20,500
Tax fees ⁽³⁾	\$3,500	\$3,500
All other fees ⁽⁴⁾	\$6,935	\$4,000
Total	\$92,466	\$77,531

- (1) "Audit fees" include the professional fees paid to KPMG in Tanzania (\$13,031) for the audit of the annual financial statements and other regulatory audits and filing of MDN Tanzania Ltd. "Audit fees" include the aggregate professional fees paid to Petrie Raymond, for the audit of the annual consolidated financial statements and other regulatory audits and filings.
- (2) "Audit-related fees" include the aggregate fees paid to Petrie Raymond for services related to the audit services, including namely, consultations regarding financial reporting and accounting standards.
- (3) "Tax fees" include the aggregate fees paid to Petrie Raymond for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate tax, capital tax and sales tax returns.
- (4) "All other fees" would include aggregate fees paid to Petrie Raymond for all other services other than those presented in the categories of audit fees, audit-related fees and tax fees, including namely consultation services for due diligence review in the context of acquisitions.

LEGAL PROCEEDINGS

The Company is not party to any legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of our knowledge, the Company confirms that, as at December 31, 2009, there were no directors or executive officers of the Company or any associate or affiliate of a director or executive officer of the Company with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Computershare Trust Company of Canada, having offices in Montréal and Toronto.

MATERIAL CONTRACTS

MDN has not entered into any material contract other than in the ordinary course of business.

INTERESTS OF EXPERTS

Name of experts

The consolidated financial statements of the Company for the year ended December 31, 2009, included in the annual report filed under National Instrument 51-102 Continuous Disclosure Obligations, portions of which are incorporated by reference in this AIF, have been audited by Petrie Raymond.

Interests of Experts

The independent auditors, Petrie Raymond, have no beneficial interests directly or indirectly whatsoever in any securities of the Company or its associates or affiliates.

ADDITIONAL INFORMATION

The Company will provide to any person or company, upon written request to the Corporate Secretary, and upon payment of a reasonable charge if the request is made by a person or company who is not a security holder of the Company:

1. One copy of this Annual Information Form, and if specifically requested, one copy of any document or the pertinent pages of such documents incorporated by reference herein;
2. One copy of the Company's financial statements for its most recently completed financial year for which financial statement have been filed, together with the accompanying report of the auditors, and one copy of the most recent interim financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed financial year; and
3. One copy of the Information Circular of the Company in respect of its most recent annual meeting of shareholders that involved the election of directors.

Additional information, including Directors' and Officers' remuneration and indebtedness, principal holders of the Company's securities and interests of insiders in material transactions, if applicable, is contained in the Company's Information Circular for its most recent annual meeting of shareholders held in Montréal, on June 12, 2009.

Additional financial information is provided in the Company's audited consolidated financial statements for its most recently completed and reported financial year.

Copies of the foregoing materials are also available on SEDAR at www.sedar.com.

This Annual Information Form is dated March 31, 2010.

SCHEDULE A

CHARTER OF THE AUDIT COMMITTEE

AUDIT COMMITTEE MANDATE

Purpose

The purpose of the Audit Committee (the "Committee") is to provide assistance to the Board of Directors of the Company in fulfilling its responsibility to the shareholders, potential shareholders and the investment community relating to corporate accounting, the reporting practices of the Company, the quality and the integrity of the Company's financial reporting practices, and the audit process. In so doing, it is the responsibility of the Committee to ensure free and open communication between the directors of the Company, the independent auditors and the financial management of the Company.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's annual financial statements and for reviewing the Company's interim financial statements.

Organization

The Committee is composed of at least three Directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as committee members. The Committee ensures that its Chairperson and members are financially literate and that at least one member has expertise in financial reporting. The Committee meets at least four times a year, with the authority to convene additional meetings as circumstances require.

The quorum of the Committee is the majority of members. Notice of each meeting of the Committee must be given to each member orally or in writing before the time scheduled for the meeting unless each and all members expressly renounce by their presence at the meeting to such prior notice.

Responsibilities

In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

In carrying out these responsibilities, the Committee:

- Is responsible for reviewing and recommending for approval to the Board the annual and quarterly financial statements of the Company. Included in this review is assessing the use of management estimates in the preparation of the financial statements. The Committee is responsible for ensuring that systems are in place to limit the potential for material misstatement in the financial statements and that the financial statements are complete and consistent with information known to the Committee;
- Reviews and recommends to the Directors the independent auditors to be selected to audit the financial statements of the Company and the compensation to be paid to such auditors;

- Is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- Meets with the independent auditors and financial management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof reviews such audit, including any comments or recommendations of the independent auditors;
- Reviews with the independent auditors, the Company's financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls and systems of the Company, and elicits any recommendations for the improvement of such internal controls procedures and systems or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis is given to the adequacy of such internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper. Further, the Committee periodically reviews the Company's policy statements to determine their appropriateness;
- Reviews the Company's hedging and risk management systems and policies;
- Reviews the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting policy are reviewed.
- Reviews the interim and annual financial statements and disclosures under management's discussion and analysis of financial condition and results of operations with both management and independent auditors prior to the release of all such reports together with any related press releases;
- Provides sufficient opportunity for the independent auditors to meet with the members of the Committee without members of management present. Among the items discussed in these meetings are the independent auditors' evaluation of the Company's financial, accounting personnel, and the cooperation that the independent auditors received during the course of the audit;
- Pre-approves all non audit services to be provided to the Company by the independent auditors;
- Reviews the compliance of management certification of financial reports with applicable legislation and attestation of the Company's disclosure controls and procedure;
- Reviews accounting and financial human resources succession planning within the Company;
- Submits the minutes of all meetings of the Committee to, or discusses the matters discussed at each Committee meeting with, the Board of Directors;
- Investigates any matter brought to its attention within the scope of its duties, with the power to retain outside advisors, including legal counsel for this purpose if, in its judgment, that is appropriate;
- Reviews its own performance on a continual basis and makes recommendations to the Board for changes to this Audit Committee Mandate and the composition of the Committee;

- Oversees the work of the independent auditors;
- Has the right for the purpose of performing its duties to inspect and discuss all the books and records and any matters relating to the financial position of the Company with the officers, employers or independent parties, including the external auditor, all of whom are expected to cooperate;
- Establishes procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters as well as the confidential anonymous submission by employees of the Company of concerns regarding questionable or auditing matters
- Review and approve the Company hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer;

Delegations

- The Committee cannot delegate to management any of its responsibilities. However, the Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services to be rendered by the independent auditor. Such pre-approval by any members or the Committee must be ratified at the next Committee's meeting.