MDN INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements ("financial statements") of MDN Inc. (the "Company" or "MDN") and the accompanying notes to the financial statements for years ended December 31, 2015 and 2014. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board. They are presented in Canadian dollars, which is the functional and presentation currency of MDN Inc. and of Crevier Minerals Inc. ("CMI"). The functional and presentation currency of MDN Tanzania Inc is the US dollar.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A was prepared as of April 6, 2016, and complies with Rule 51-102A1 of the Canadian Securities Administrators on continuous disclosure. This analysis is a supplement to the Company's audited financial statements for the year ended December 31, 2015, and is intended to help the reader understand and assess the material changes and trends affecting the Company's results and financial position. It represents the view of management on the Company's ongoing activities and its current and past financial results and presents an overview of activities planned for the coming months. The Company regularly discloses additional information through press releases and financial statements available on the Company's website at www.mdn-mines.com and on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking statements", including, but not limited to, the statements regarding the Company's strategic plans, future financial results, timetables, capital expenditures, work programs, exploration programs, objectives and budgets, and the Company's eventual success to execute its strategy to focus on building its portfolio of properties. Forward looking statements express, at this date, the Company's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of metals, mining industry risks, exploration risks, environmental risks and hazards, requirement of additional financing or additional permits, authorizations or licenses and other risks referred to in this MD&A.

TECHNICAL DISCLOSURE

Unless otherwise indicated, the Company has prepared the technical information in this MD&A ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under MDN’s company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (“Qualified Person") as defined in NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The disclosure in this MD&A of all Technical Information has been approved by Claude Dufresne, engineer, President & CEO of the Company, Qualified Person under NI 43-101.

NATURE OF OPERATIONS

MDN is a mineral resource company. The business of the Company consists of acquiring, exploring and evaluating mining properties. The Company is considered in the exploration and evaluation stage. In the context of realizing its objectives, the Company is likely to sign various agreements specific to the mining industry, such as the purchase and options to purchase mining claims as well as joint venture agreements.

MDN carries exploration on mining properties and has not yet determined whether these properties contain economically viable mineral deposit. The Company holds interests in properties located in the regions of Quebec and Ontario in Canada and in de Lake Victoria Goldfield in Tanzania in East Africa. These properties are presented below under "Mineral properties". The Company concentrates its efforts towards critical metals, with a specific interest for properties containing niobium. The Company’s common shares and warrants are traded on the TSX Venture Exchange ("TSXV") under the symbol MDN.

2015 AND RECENT HIGHLIGHTS

- On January 30, 2015, the Company announced the beginning of the drilling works on the Samaqua property. The objective of the campaign was the discovery of a carbonatite, which was suspected owing to the magnetic signature revealed by a high-definition magnetic survey. Eight holes (SQ-15-01 to SQ-15-08) have been drilled for a total of 1,227 linear meters.

- On February 24, 2015, the Company announced the signature of two option agreements for the acquisition of 100% interest in two properties located in the Thunder Bay Mining Division, 45 kilometers north-west of Marathon, Ontario, known as the Prairie Lake Property and Prairie Lake South Property. In consideration the Company agreed to pay total cash consideration of $283,000 and to issue a total of 4,150,000 common shares, over four years. The Company also have to spend a total of $420,000 in exploration expenses over the same period.

- On April 16, 2015, the Company announced the receipt of 784,893,170 Tanzanian shilling, or approximately 550 297 Canadian dollars, following the settlement of a dispute with the Tanzanian Revenue Authority ("TRA").

- On May 14, 2015, the Company announced the results on the exploration program on Samaqua. The interpretation of the drill cores supported by their analysis of niobium, tantalum and other metals of interest did not confirm the presence of a carbonatite.

- In September 2015, the Company signed a Head of Agreement with Sichuan Xinye Investment Corporation of Mining and Exploration (“XINYE”) to enter into a joint venture whereby 50% of interests in Ikungu and Ikungu East properties would be transferred, in escrow. Following the end of the due diligence period in January 2016, XINYE confirmed its desire to continue and to conclude a definitive agreement. The agreement with XINYE implies a total investment of US$7M in exploration work on the properties over three phases totalling 42 months. Over the course of the three phases XINYE always has the option to acquire 100% of properties by paying an amount ranging from US$3.0M to US$6M.

- On October 22, 2015, the Company announced the discovery of a zone hosting high grade niobium oxide values in grab and channel samples, on the Prairie Lake Property.

- On December 11, 2015, the Company announced new measures for a tighter management of its cash by the request to transfer the securities of the Company to the TSX Venture Exchange and significant reductions in administrative expenses.

- On January 11, 2016, the Company announced that XINYE manifested its intention to continue to the next step in the establishment of a joint venture, including the acquisition option, on the Ikungu & Ikungu East properties in Tanzania.

- On February 19, 2016, the Company announced that it decided to not continue the exploration campaign on the Prairie Lake properties and has therefore terminated the option agreements with the claims owners.

- On March 4, 2016, the Company signed a non-binding letter of intent (“LOI”) with Barrick Gold Inc., James Bay Columbium Ltd. and Goldcorp Inc. (“the Sellers”), to acquire a 100% interest in the Argor propertyin considerations of $25,000 and 5,000,000 common shares. The Argor property is located in the James Bay Lowlands in Northern Ontario.

- On March 16, 2016, the Company announced that its securities will be delisted from the Toronto Stock Exchange at the close of markets on March 30, 2016 and will commence trading on the TSX Venture Exchange at the opening of the markets on March 31, 2016.

- The Company incurred a net loss of $17.9 million ($0.15 per share) for the year ended December 31, 2015 compared to a net loss of $6.8 million ($0.06 per share) for the same period in 2014.

MINERAL PROPERTIES – CANADA

Crevier property

The Crevier project consists of a niobium (Nb) and tantalum (Ta) resource which is located in the north of the Lac-Saint-Jean region in the province of Quebec. In the fiscal year of 2010, MDN received a positive Preliminary Economic Assessment for the project. Based on this positive north assessment MDN and Crevier Minerals Inc. decided to start a feasibility study with the intention of bringing the niobium and tantalum resources to the market. MDN holds a 72.5% interest in CMI. Niobec Inc., a Magris Resources subsidiary holds the counterpart of 27.5%.

The feasibility study was ongoing throughout 2011, with the preparation of the environmental and geotechnical studies required for construction of the key facilities. Much of the work related to the Crevier feasibility study was suspended throughout 2012 pending the metallurgical results needed for the mineral treatment process development. Work was limited to completing the hydrometallurgy studies and conducting a second pilot plant test at COREM in order to confirm the ore flotation parameters (see description in the 2012 Fourth Quarter's MD&A).

In 2015, an engineering firm mandated by the Company reviewed previously made studies and concluded that the Company has perform a third pilot plant test with stricter parameters that will allow the Company to validate the laboratory tests and by the same token increase the project's financial sturdiness. The costs associated with such a test are estimated at $1.5M, an amount that the Company cannot finance in the actual market conditions. The feasibility study completion is thus still temporarily suspended until the required funding is secured and more favourable market conditions occur.

Given the lack of exploration and evaluation work in recent years and the lack of budgeted expenditures for 2016, management proceeded to an impairment of $9,461,503 to establish the book value to $3,486,133 for the Crevier property (note 9 of the 2015 audited financial statements).

Samaqua property

In 2015, the Company recorded a full bh impairment (estimating no recoverable amount) of the Samaqua exploration and evaluation assets and mining property for an amount of $490,675, following the drilling campaign results.

The objective of the exploration program was to determine the presence of a mineralized carbonatite or alkaline system that could have the potential to host a niobium and tantalum mineralization. The geology intersected by drilling confirms the validity of the previous interpretation, which is to have a circular shape alkaline system. However, the results did not justify continuing the exploration work, mainly because of the very low grades of niobium and other metals of interest contained in the drill cores. The Company does not intend to renew the mining titles.

Prairie Lake property

During the first quarter of fiscal year 2015, the Company entered into two option agreements for the acquisition of 100% interest in two properties located in the Thunder Bay Mining Division, 45 kilometers north-west of Marathon, Ontario, known as the Prairie Lake Property and Prairie Lake South Property.

During the second quarter of 2015, MDN sent a team of geologists on the field to start a geological mapping program. The first known results validated those generated by the prospector and the Ministry of Northern Development and Mines team. All known mineralized showings were sampled. The field works also led to the discovery of a new carbonatite occurrence hosting high grade niobium oxide some 100 meters south-west of the high-grade showings of blasted pits 1 and 2 (see June 25, 2015 press release). On the new discovery three continuous channel samples on the carbonatite gave 1.21% Nb2O5 over 1.1 meter, 0.77% Nb2O5 over 1.0 meter and 0.47% Nb2O5 over 1.2 meter for a weighted average of 0.81% Nb2O5 over 3.3 meters.

The summer exploration program also demonstrated that the previous niobium showings found in the blasted pits were made of narrow carbonatite dykes and/or syenite breccia with carbonatite matrix within barren syenite.

In 2016, the Company decided to not continue the exploration campaign on the Prairie Lake project owing to the preliminary status of the project and decided to preserve its liquidities for more advanced projects and has therefore terminated the option agreements with the claims owners.

The Company has thus recorded a full impairment (estimating no recoverable amount) of the Prairie Lake exploration and evaluation assets and mining property for an amount of $196,610.

Argor property

In the first quarter of 2016 the Company signed a letter of intent to acquire a 100% interest in the Argor property. The Argor property is located in the James Bay Lowlands in Northern Ontario.

The deposit was discovered in 1966 by James Bay Columbium Ltd. Exploratory and detailed drilling totalling over 14,000 meters in 85 holes was completed, outlining the deposit to a maximum depth of 275 meters. The deposit has been drilled off in sections of 61 meters intervals along a strike of 730 meters. A niobium resource was estimated in 1967 by Dr. P. Price of Bechtel and Company at 62 million tonnes at 0.52% Nb2O5. An exploration shaft was sunk to investigate soil conditions and to provide a 250 tonnes bulk sample. Subsequent pilot plant operations demonstrate a good quality pyrochlore concentrate and exceptionally high recovery rate of 78% was achieved on the Argor ore. Resources estimates and pilot plant results led to the realization in 1969, by Bechtel Canada, of a feasibility study on the project.

The extensive knowledge of the Company’s management team in the niobium field led MDN to conclude that the Argor property would be a strategic asset to ensure the long term growth of the Company and to become a major player in this critical metal production.

The historical resources estimate, the historical feasibility and the historical metallurgical testing are not 43-101 compliant and are based on data obtained by previous operators in the 60’s. MDN has not yet undertaken the work necessary to verify or classify those historical results. Economic studies completed in the 60’s do not mean the Argor deposit would be found to be economic today. MDN is not treating the historical results as NI 43-101 compliant nor as having been verified by a qualified person. The Company will have to perform studies in line with NI 43-101 to validate the historical results which must be considered very preliminary and should not be relied upon.

MINERAL PROPERTIES – Tanzania

Ikungu and Ikungu East properties

The Ikungu project, with its 2-km long by 300-m deep gold zone, is one of the most advanced projects in Tanzania, with additional growth potential along each of its extensions. In addition, many of the gold intersections have a sampled average grade of over 6 g/t Au.

In 2012, exploration work done by MDN led to the discovery of an as-yet unknown 15-km long volcanic belt. These days, the discoveries of volcanic belts over 15 km long with gold potential are few and far between. Field work conducted in 2013 identified two areas with good gold potential. The property covers an area of 133 km2 and is wholly-owned by MDN.

In September 2015, the Company signed a Head of Agreement with Sichuan Xinye Investment Corporation of Mining and Exploration ("XINYE") to enter into a joint venture whereby 50% of interests in Ikungu and Ikungu East properties would be transferred, in escrow. Following the end of the due diligence period in January 2016, XINYE confirmed its desire to continue and to conclude a definitive agreement. The agreement with XINYE implies a total investment of US$7M in exploration work on the properties over three phases totalling 42 months. Over the course of the three phases XINYE always has the option to acquire 100% of properties by paying an amount ranging from US$3.0M to US$6M ($4,152,000 à $8,304,000).

The Ikungu and Ikungu East projects were therefore impaired to present them at minimum recoverable value for the Company in accordance with the agreement, which is US$3M ($4,152,000), representing a $6,019,171 impairment.

Nikonga property

Nikonga was discovered by MDN in 2012. Work done in 2013 indicated that 2012 drill discoveries are part of a single gold system that is 2.0 km in diameter.

In 2015, the Company recorded a full impairment (estimating no recoverable amount) of the Nikonga exploration and evaluation assets and mining property for an amount of $1,956,500. Considering the financial commitments in relation with the joint venture agreement on the Nikonga project, and considering the current difficult environment for gold exploration in Tanzania, the Company has come to the conclusion that it was too expensive to continue to disburse the annual payment required to maintain exploration rights.

Isambara (Simba) property

In 2015, the Company recorded a full impairment (estimating no recoverable amount) of the Samaqua exploration and evaluation assets and mining property for an amount of $490,675, following the drilling campaign results.

NIOBIUM INDUSTRY TRENDS

In 2014, the Company decided to concentrate its efforts towards the development of critical metals, with a specific interest for properties containing niobium.

Niobium is classified as a critical and strategic metal for the United States, Europe and some Asian countries, among others, partly because of the very limited number of producers and also because of its military applications. Indeed, there are only three major producers, Companhia Brasileira de Metalurgia or e Mineracao ("CBMM") and Anglo American in Brazil ("Catalao") and Niobec Canada. CBMM is by far the largest producer with about 80% to 85% of global market share. The other two are of similar size. There are also artisanal producers mainly in Russia and Africa, but their combined output accounts for less than 2% of the world production.

Niobium is used in various forms such as oxide, pure metal, nickel master-alloys and alloys with other noble metals and in its most used form, ferro-niobium, representing approximately 90% of the production of niobium. Ferro-niobium ("FeNb") is used as an additive in the production of high quality steels which are used mostly in the manufacture of automobiles, bridges, skyscrapers and other large steel structures, pipelines and stainless steels. The addition of niobium in steel allows reinforcing it and lightening it, to make it more resistant to corrosion, to facilitate its welding and to better withstand forces under high temperatures. The addition of niobium therefore reduces CO_2 and NO_x emission in the atmosphere which gives it a "green" metal recognition. The demand for niobium is thus directly related to the manufacture of these steels and to the development of new specialty steels.

In 2015, the FeNb demand remained flat, after an increase of 7.5% in 2014. This slowdown is partly explained by a decline in the demand from the Asian markets and a slight decrease of world steel output. The long-term forecasts indicate a steady growth in demand of niobium in the range of 3% to 6.5%, driven by an increase in global steel production and by increasing the intensity of use of niobium in steel.

The price of FeNb also slightly declined in 2015 (around 5%), but in a very moderate way when compared to other metals and minerals. The price of FeNb is mainly dictated by the leader or CBMM. It is denominated in USD, JPY, EUR or RMB depending on the region. It is not traded on public markets like the base of metals for example so it is difficult to get accurate information. Discussions with many end users and customs import and export data are the main sources of information. The price data collected is denominated in USD. The strong USD fluctuation in 2015 against the above mentioned currencies had a considerable impact on the prices declared by customs versus the actual price in local currency. The price of niobium has been very stable, it remained almost unchanged until the years 2007-2008 when it doubled following what was considered a structural change in the industry. Since then, the global average price remained between US$35 and US$40 / kg Nb. The industry sources indicate that prices should move towards US$50 / kg over the next years, when the steel industry will renew with profitability.

SUBSEQUENT EVENTS TO DECEMBER 31, 2015

On January 11, 2016, the Company received an amount of US$200,000 from XINYE following their decision to continue with the signature of a definitive agreement and as stipulated in the Head of Agreement, signed in September 2015.

On March 4, 2016, the Company signed a non-binding letter of intent (“LOI”) with Barrick Gold Inc., James Bay Columbium Ltd. and Goldcorp Inc. (“the Sellers”), to acquire a 100% interest in the Argor property.

The Argor property is located in the James Bay Lowlands in Northern Ontario.

Exploratory and detailed drilling totalling over 14,000 meters in 85 holes was completed, outlining the deposit to a maximum depth of 275 meters. The deposit has been drilled off in sections of 61 meters intervals along a strike of 730 meters. A niobium resource was estimated in 1967 by Dr. P. Price of Bechtel and Company at 62 million tonnes at 0.52% Nb_2O_5. An exploration shaft was sunk to investigate soil conditions and to provide a 250 tonnes bulk sample. Subsequent pilot plant operations demonstrate a good quality pyrochlore concentrate and exceptionally high recovery rate of 78% was achieved on the Argor ore. Resources estimates and pilot plant results led to the realization in 1969, by Bechtel Canada, of a feasibility study on the project.

The LOI between the parties contemplates the execution of a definitive agreement. On the closing of the agreement, 100% of the Argor Property (which includes a Mining Lease) would be transferred to the Company.

In return:

- The Company would issue to the Sellers 5,000,000 common shares in the capital of the Company and would pay to the Sellers cash consideration of $25,000.
- The Sellers would retain a 2.0% net smelter returns royalty (the “Royalty”) over all minerals produced from the Property. The Company would have the right to buy-back 1% of the Royalty for the amount of $2,000,000 (in constant 2016 dollars, subject to a cap of $3,000,000) at any time.
- Moreover, the Sellers would have the right to re-acquire a 51% interest in the Property (the “Back-in Right”), which right may be exercised within 6 months after the establishment on the Property of one or more deposits containing no less than 2 million gold ounces and/or Gold equivalent ounces of resources in the aggregate, upon payment by the Sellers to the Buyer of 2.5 times Buyer’s expenditures incurred on mineral exploration and mineral development of the Property with respect to such deposit(s).

The closing conditions include the execution of the Definitive Agreement and the board approval and all the necessary regulatory approvals.

OUTLOOK

The metals market experienced in 2015 a continuation in price falls (around 50% in many cases) and also an important decrease in exploration investments. According to the Survey of Mining Investment conducted by the Institut de la statistique du Québec, investments continued to decline to reach only $2.3 billion, which equals the level of 2009. This is a decrease of 22.7% compared to 2014 and of 55.2% from the record level of 2012.

MND's current strategy is to develop and explore critical metals with a focus on niobium assets. The Company will continue to execute this strategy, which hopefully will bear fruit and create long-term shareholder value.

The Company will focus on the following four steps that will increase the value of MDN Inc. in the short-term:

- Signature of a definitive agreement for a joint venture on Ikungu and Ikungu East property in Tanzania and renewal of mining titles.
- Signature of a definitive agreement to acquire 100% of the interest in the Argor property in Northern Ontario.
- Funding for the development of exploration and evaluation assets, for the promotion and continuation of the Company's activities.
- Maintaining a low level of administrative expenses.

The signature of the definitive agreement with XINYE, which is expected to conclude early in the second quarter of the current year, would seal the terms defined in the Head of Agreement. The signing of a definitive agreement would have a significant impact on the Company's financial health. On one hand, it could generate short-term cash flows that would help to continue normal operations of the Company in Tanzania. On the other hand, it would advance the most promising projects in Tanzania, which are Ikungu and Ikungu East, since XINYE will have to make a minimum of 15,000 meters of drilling over 42 months. Moreover, XINYE has the option to acquire a 100% of the interests in the Tanzanian properties for an amount ranging from US$3.5 to US$6.0 million, which would be significant for the Company considering its current financial health.

The signing of a definitive agreement with Barrick Gold Inc., James Bay Columbium Ltd. and Goldcorp Inc. for the acquisition of the Argor property located in James Bay Lowlands would be a significant milestone for the Company. Argor would become the Company’s main project. The Company will validate the historical results published in the feasibility study in 1969, principally the niobium resource and the metallurgical process. If these results prove to be valid, Argor has a huge potential to become a niobium producer.

The beginning of the current year has shown a resurgence of stock markets in the metal and mining industry. The Company’s management believes that the focus on niobium rich resources will bear fruit in due course. The sale price of this metal did not decrease like most minerals and metals and it remained relatively stable in recent years.

Over the past year, MDN was able to greatly reduce its administrative expenses. This helped to keep a sufficient level of liquidity to meet short-term obligations and thus helped getting through this difficult period affecting the mining industry. Strict control measures are applied to continue the Company activities in the future.

SUMMARY OF OPERATING RESULTS

For the year December 31 (in thousands)		**2015**		2014		2013
Administrative expenses	**$**	**687**	$	1,038	$	1,350
Gain on settlement of a liability	**$**	**(682)**	$	-	$	-
Write-down / write-off of exploration and evaluation assets and mining properties	**$**	**18,124**	$	5,689	$	4,839
Management expenses related to Tulawaka mine operations	**$**	**-**	$	-	$	222
Other income	**$**	**(53)**	$	(79)	$	(20)
Finance cost	**$**	**135**	$	143	$	107
Net loss attributable to the shareholders of the Company	**$**	**(17,280)**	$	(6,733)	$	(5,792)
Net loss attributable to non-controlling interests	**$**	**(665)**	$	(57)	$	(73)
Total net loss		**(17,945)**		(6,790)		(5,865)
Basic and diluted net income (loss) per share	**$**	**(0.151)**	$	(0.063)	$	(0.057)
Weighted-average number of shares outstanding		**114,548**		107,317		101,527

Administrative expenses:

		2015		2014		2013
Professional fees	**$**	**346,429**	**$**	410,048	$	450,808
Salaries and fringe benefits		**111,996**		258,722		564,959
Share-based payments		**30,783**		52,315		7,906
Transfer fees		**25,550**		26,502		25,935
Travelling expenses		**28,681**		52,389		60,845
Rent		**41,851**		118,421		112,867
Office expenses		**8,401**		18,042		39,080
Promotional expenses		**451**		15,007		8,010
Reports to shareholders		**28,137**		28,983		17,210
Insurance, taxes and permits		**20,631**		17,626		25,832
Membership and training		**260**		3,909		5,133
Telecommunications		**3,133**		12,846		12,569
Taxes and permits		**-**		-		80
Mining titles management		**30,341**		10,350		3,662
Depreciation of property and equipment		**10,722**		12,637		15,555
	$	**687,366**	**$**	1,037,797	$	1,350,451

Administrative expenses totalled $687,366 for the year ended December 31, 2015 compared to $1,037,797 in 2014. The decrease in professional fees is mainly due to legal fees in Tanzania in relation to the Company's opposition with the TRA (US$50,771), as well as by careful cost management and partially reduced by a reorganisation inside the Company, which led to the transformation of permanent positions into contractual positions and to an increase of professional fees of $50,000. The variation in salary costs is primarily due to the reorganisation mentioned in professional fees and to the payment of a severance bonus of $38,812 in 2014. Due to the current economic situation, MDN conducted a review of its operating expenses, thus reducing many costs including rent, travel, promotional costs, telecommunications costs and membership and training. Mining titles management fees totalled $30,341, compared to $10,350 in 2014 and were mainly attributable to the Tanzanian properties.

Gain on settlement of a liability

As at December 31, 2014, the Company had an account payable of US$478,392 representing its share of the management fees of the Tulawaka mine for the last five quarters of the mine operations. This amount had to be deducted from the available cash generated after the final sale of the assets of the mine. After obtaining the details for the final settlement of the disposal of assets in September 2015, the Company received the confirmation that the available cash balance was negative. In accordance with its partnership contract, the Company wrote-off this account for a gain on a liability settlement of $681,779.

Impairment and write-off of exploration and evaluation assets and mining property

During the years ended December 31, 2015 and 2014, the Company conducted a review of its mining properties to ensure that they are still aligned with the strategic objectives of the Company and to determine if indicators of impairment were present and conduct an impairment test if any.

Impairment losses recorded by the Company for the years ended December 31, 2015 and 2014 totalled $18,124,459 and $ 5,689,022 respectively.

Financial charge

Financial charges totalled $52,746 in 2015, compared to $79,105 in 2014. The financial charges represented mainly other income related to flow-through shares ($48,058 in 2015 and $68,222 in 2014) and interest income on cash and investments ($4,688 in 2015 and $10,883 in 2014).

The financial charge in 2015 and 2014 are mainly attributable to foreign exchange loss.

Net loss

For the year ended December 31 2015, the Company recorded a net income attributable to the shareholders of the Company of $17,280,198 or $0.151 per share compared to a net loss of $6,733,833 or $0.063 per share for the same period in 2014. The variation is mainly due to the impairment and write-off of exploration and evaluation assets and mining property and partially reduced by a decrease in administrative expenses and gain on settlement of a liability. The total net loss for the year ended December 31, 2015 was $17,945,091, compared to $6,790,714 for the same period in 2014.

The net loss per share is based on weighted-average number of 114,548,224 common shares outstanding for the year ended on December 31, 2015, compared to 107,316,684 for the year ended on December 31, 2014.

SUMMARY OF OPERATING RESULTS

For the three months period ended December 31 (in thousands)		**2015**		2014
Administrative expenses	**$**	**203**	$	197
Gain on settlement of a liability	**$**	**(44)**	$	-
Write-off of exploration and evaluation assets and mining properties	**$**	**15,677**	$	5,689
Other income	**$**	**(1)**	$	(33)
Finance Cost	**$**	**47**	$	103
Net loss attributable to the shareholders of the Company	**$**	**(14,971)**	$	(5,944)
Net loss attributable to non-controlling interests	**$**	**(645)**	$	(12)
Total net loss		**(15,616)**		(5,956)
Basic and diluted net loss per share	**$**	**(0.136)**	$	(0.008)
Weighted-average number of shares outstanding		**114,658**		113,958

Administrative expenses:

For the three months period ended December 31		**2015**		2014
Professional fees	**$**	**98,687**	**$**	87,102
Salaries and fringe benefits		**27,182**		27,268
Share-based payments		**727**		1,237
Transfer fees		**3,540**		3,784
Travelling expenses		**16,246**		24,041
Rent		**9,797**		29,457
Office expenses		**1,812**		6,500
Promotional expenses		**-**		1,223
Reports to shareholders		**1,332**		1,891
Insurance, taxes and permits		**8,988**		3,802
Membership and training		**110**		1,624
Telecommunications		**951**		2,806
Mining titles management		**28,165**		-
Depreciation of property and equipment		**5,784**		6,230
	$	**203,321**	**$**	196,965

Administrative expenses totalled $203,321 for the three months period ended December 31, 2015 compared to $196,965 in 2014. Due to the current economic situation, MDN conducted a review of its administrative expenses, thus reducing many costs including rent, travel, promotional costs, telecommunications costs and membership and training. These economies were offset by increases in taxes and permits and mining titles management costs, which occurred mainly in Tanzania.

Net loss

For the three months period ended December 31 2015, the Company recorded a net income attributable to the shareholders of the Company of $14,971,610 or $0.136 per share compared to a net loss of $5,944,611 or $0.052 per share for the same period in 2014. The variation is mainly due to the impairment and write-off of exploration and evaluation assets and mining property and partially reduced by a decrease in administrative expenses and gain on settlement of liabilities. The total net loss for the three month period ended December 31, 2015 was $15,616,401, compared to $5,956,094 for the same period in 2014.

Financial position (in thousands of dollars)		**December 31, 2015**		December 31, 2013		December 31, 2013
Cash	**$**	**69**	$	265	$	275
Investments	**$**	**250**	$	700	$	1,700
Mining taxes receivable	**$**	**189**	$	140	$	140
Accounts receivables	**$**	**141**	$	692	$	728
Exploration and evaluation assets	**$**	**7,638**	$	23,723	$	27,409
Total assets	**$**	**8,347**	$	25,600	$	30,346
Total liabilities	**$**	**432**	$	1,327	$	1,215
Share Capital	**$**	**64,531**	$	64,482	$	63,813
Total equity attributable to shareholders of the Company	**$**	**6,782**	$	22,475	$	27,275
Non-controlling interest	**$**	**1,133**	$	1,798	$	1,855

LIQUIDITY AND FINANCIAL POSITION

Cash, cash equivalents and term deposits

As at December 31, 2015, the Company's cash position, consisting of cash, temporary investments and term deposits, amounted to $319,343 compared to $964,796 as at December 31, 2014. This variation is mainly due to the investment in mining properties and exploration and evaluation assets coupled with normal administration expenses.

The Company's ability to continue future operations and fund its exploration and evaluation is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships or joint venture arrangements.

While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

CASH FLOWS, LIQUIDITY AND FINANCING SOURCES

	Three-months period ended December 31,		Period ended December 31,	
	2015	2014	**2015**	2014
Cash flows (used in) from operating activities	**$ (71,052)**	$ (206,836)	**$ (44,651)**	$ (1,104,996)
Cash flows from financing activities	**$ -**	$ -	**$ -**	$ 785,000
Cash flows (used in) from investing activities	**$ (5,436)**	$ (42,641)	**$ (127,454)**	$ 308,337
Effect of exchange rate changes on cash denominated in foreign currency	**$ (5,449)**	$ (1,645)	**$ (23,348)**	$ 1,512
Net variation in cash	**$ (81,937)**	$ (251,122)	**$ (195,453)**	$ (10,147)

Operating activities

For the three-months period ended December 31, 2015, the cash flows related to operating activities amounted to $ 71,052 compared to $ 206,836 for the period from 2014. This decrease is mainly due to a payment in respect of severance pay payable in quarterly payment of $ 25,000 and ending in the last quarter of 2014, a gain on settlement of liabilities of $ 43,365 coupled with deferred income tax recovery of $ 267,036 in the fourth quarter. The change in non-cash working capital item of $ 203,013 ($ 11,859 in 2014) is mainly due to the fluctuation of accounts receivable and account payable.

For the period year December 31, 2015, the cash flows related to operating activities amounted to $ 44,651 compared to $ 1,104,996 for the period year December 31, 2014. The variation between the two period is mainly due to payment in 2014 of $ 100,000 related to a severance pay, by a decrease in net foreign exchange loss and by the change in non-cash working capital item of $ 675,016 ($ 31, 199 in 2014) due to the fluctuation of accounts receivable and account payable.

Financing activities

For the three-month period ended December 31, 2015 and 2014, there has been no financing activity.

There has been no financing activities for the period year December 31,2015. For the period year December 31, 2014, the Company has completed a private placement for a value of

$785,000, as indicated in note 11 of the financial statements.

Investing activities

For the three-month period ended 31 December 2015 the cash flows related to investing activities amounted to $ 5 436 in 2015 compared to $ 42 641 in 2014. In 2015, the company disposed of an investment of $ 50,000 and the same amount was disposed in 2014. There been no acquisition of mining property during the last quarter of 2015, and the company paid $ 1 353 in 2014 for the Samaqua property. The increase of exploration and evaluation assets resulted in a output of cash flow of $43 991 for 2015 and $ 91 288 in 2014 as indicate in note 7 of the financial statements.

For the period year December 31, 2015 and 2014, the disposal of investments was $ 450,000 in 2015 compare with $ 1,000,000 in 2014. The acquisition of mining property generated output of cash flow of $ 31,105 in 2015 ($ 30,000 related to Prairie Lake and $ 1,105 for Samaqua) compared with $ 41,414 in 2014 ($ 30,078 for Nikonga and $ 6,336 for Samaqua). The increase in evaluation and exploration assets generated output of cash flow of $ 534, 907 in 2015 and $ 650,249 in 2014, as indicate in note 7 of the financial statements.

For the current fiscal year, from January 1, 2016 to December 31, 2016, the Company’s operating budget has been reduced to its minimum and was evaluated at $425,000. The Company’s management believes that it does not currently have sufficient liquidity to continue its operation without additional funding, as described in note 1 of the consolidated financial statements for the periods ended December 31, 2015 and 2014.

RISKS AND UNCERTAINTIES

Except for the Company’s investment in CMI, which is at the evaluation phase, all of the Company’s other resource properties are exploration properties. The Company’s long-term profitability depends on the costs and success of its exploration, evaluation and development programs, which may also be influenced and materially affected by different factors. These factors include the attributes of future mineral deposits, including the quantity and quality of the resources, the development costs of a production infrastructure, financing costs, the market value of gold and other minerals and metals, and the competitive nature of the industry.

Financing Risks

Mining projects are capital intensive by nature. The Company has limited financial resources, limited sources of operating cash flows 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 materially affect the Company’s operations, and without limitation, may result in the delay or postponement of the 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 and/or 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 errors or omissions.

Metal and Mineral prices

Factors that influence the market value of gold, base metals and any other mineral discovered are outside of the Company's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

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.

Laws and Regulatory Requirements

The Company's 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 Risks

The Company has operations in Tanzania and is subject to foreign currency fluctuations, and such fluctuations may materially affect its financial position and results.

Volatility of Share Prices

Share prices are subject to change because of numerous different factors related to Company activities, including reports of new information, changes in the Company's financial situation, the sale of shares in the market, and may also be subject to change due to the stock market environment in the industry and generally. There is no guarantee that the market price of Company's shares will be protected from material share price fluctuations in the future.

Uninsured risks

The Company may become subject to claims arising from natural phenomena, pollution or other risks against which it cannot or chooses not to insure itself due to the high cost of premiums or for other reasons. Payment of such claims would decrease and could eliminate funds available for exploration and mining activities. Furthermore, as the Company carries on business in foreign countries, it is subject to governmental decisions and policies.

RELATED PARTIES

In the normal course of business, a Company controlled by Claude Dufresne (CEO of the Company) invoiced professional fees totalling $124,985 in 2015 ($118,624 in 2014), which included $24,985 for its employees work on financial analysis and for computer support ($15,290 in 2014) and also invoiced $33,000 for the rent of the headquarters of the Company (nil in 2014).

Loans to key directors

In 2010, following the issuance of shares of the long-term incentive plan, the Company provided a loan to two of / President, Finances. Those loans, bearing interest at 1% per year, are repayable at all times, either in part or in full. If the borrower ceases to be an employee of the Company, the loan will become due immediately.

COMMITMENTS AND OTHER CONTRACTUAL AGREEMENTS

Mining properties:

Crevier (Quebec)

Having carried out exploration investments required during fiscal year 2012, the Company has an option, without due date, to acquire an additional 15% interest in CMI by paying in cash or in shares, at the discretion of the Company, $750,000 to the non-controlling shareholder.

Prairie Lake (Ontario)

On February 13, 2015, the Company signed two option agreements to acquire a 100% interest in two properties located in the mining district of Thunder Bay, 45 km northwest of Marathon, Ontario known under the names of Prairie Lake Property and Prairie Lake South Property.

(i) The Company has the option to acquire a 100% interest in the Prairie Lake Property by paying a total amount of $190,000 and issuing a total of 2,850,000 common shares over a four-year period. The Company must also incur a minimum of $305,000 in exploration expenditures over the same period. Prairie Lake Property consists of 210 mining claims included in 16 blocks of claims and covering 3,360 hectares in the Killala Lake Township.

(ii) The Company has the option to acquire a 100% interest in the Prairie Lake South Property by paying a total amount of $93,000 and issuing a total of 1,300,000 common shares over a four-year period. The Company must also incur a minimum of $115,000 in exploration expenditures over the same period. Prairie Lake South Property consists of 37 mining claims included in 3 blocks of claims and covering 592 hectares in the Killala Lake Township.

In 2015, the Company issued 700,000 common shares and disbursed $30,000 at the signature of the agreement. In February 2016, the Company ended the agreement.

CONTINGENCIES

Communications with Tanzania Revenue Authority

During the second quarter of 2013, the Company received a written communication from the Tanzania Revenue Authority ("TRA") regional office in Mwanza in respect of withholding payments of alleged interests between MDN Tanzania Ltd. and MDN Inc. for advances made by the parent company to its Tanzanian subsidiary during the years 2004 to 2011. The TRA had used an amount of approximately 784,893,170 Tanzanian shillings in sales taxes receivable included in accounts receivable in the statements of financial position in compensation of the amounts claimed in the notice of assessment.

During the third quarter of 2013, TRA's decision to use sales tax receivable in compensation of the amounts claimed was overturned in court, but the TRA used the highest appeal court, the Court of Appeal. On December 19, 2013, the Court of Appeal ruled in favor of the Company in this case.

Following this decision, on February 26, 2015, the TRA repaid MDN Tanzania Ltd. the amounts owed, representing approximately $550,297.

No provision has been recorded in the financial statements of the Company as at December 31, 2015 as management believes that the outstanding items above are unfounded (representing 784,893,170 Tanzanian shillings or about $470,000 as at December 31, 2015) and that the Company owes no tax to TRA.

Communications with Revenu Québec

Following an audit in regard to the tax credits relating to the resources granted to Crevier Minerals Inc. for years 2010, 2011 and 2012, Revenu Québec issued on April 2015 a notice of assessment for an amount of $ 370,517, thus refusing certain expenses in the calculation of resources tax credits relating to resources.

As at December 31, 2015, the Company recorded a specific provision of $144,000 to the statements of financial position (note 8) despite its disagreement with the notice of assessment as tax credits for the targeted periods have been received by the Company (2014 - $144,000).

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments and financial risk management are described in note 18 in the financial statements for the years ended December 31, 2015 and 2014.

Use of estimates and judgements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 3 (q) of the financial statements:

Significant accounting policies

The accounting policies have been applied consistently to all y presented in these financial statements as described in note 3 (a).

DIVIDEND POLICY

The Company has neither declared nor paid any dividends on its common shares since incorporation. Any decision to pay dividends to the Company's common shareholders will be made by the Board of Directors based on its assessment of the Company's financial position, taking into account the financial requirements to ensure its future growth and other factors that the Board might deem relevant under the circumstances.

DISCLOSURE CONTROLS AND PROCEDURE

Control over Information Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are in charge of establishing and maintaining disclosure controls and procedures, as defined by Multilateral Instrument 52-109 of the Canadian Securities Administrators.

An evaluation has been conducted to measure the effectiveness of controls and procedures used for the preparation of reporting documents. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective and well-designed at the year ended December 31, 2015 and, more specifically, that the design of such controls and procedures provides reasonable assurance that they are advised of material information relating to the Company during the period in which these reporting documents were prepared.

Internal Control over Financial Reporting

The Chief Executive Officer and Chief financial Officer of the Company are in charge of establishing and maintaining an adequate internal control system in regard to financial reporting.

Management has evaluated the effectiveness of internal control over financial reporting. To be accomplished, it is inspired by the criteria established in internal control integrated framework of Committee of Sponsoring Organizations of the Treadway Commission (<<COSO>>) (frame of 2013 COSO). The management as well as the Chief Executive Officer and the Chief Financial Officer concluded, as at December 31, 2015 that the Company's internal control over financial reporting was effective in that it provides reasonable assurance as to the reliability of the Company's financial reporting and the preparation of its financial statements for disclosure purposes in accordance with IFRS.

Changes in internal Control over Financial Reporting

No changes in the Company's internal control over financial reporting occurred during the period ended December 31, 2015 materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Future results

The Company's future results will be influenced by the decision of the strategic partners in Tanzania and also by its ability to raise funds in the capital market.

(S)	(S)
Claude Dufresne, eng.	Yves Therrien, CPA, CMA
President & CEO	Vice President, Finance & CFO

Montreal, Canada
April 6, 2016

FINANCIAL SUMMARIES

The tables below provide a summary of the main financial information on the Company for the last eight quarters. The Company believes that the data for these quarters have been prepared in the same manner as the annual audited financial statements as at December 31, 2014.

FOR THE LAST EIGHT QUARTERS

								2015
		1st quarter		*2nd quarter*		*3rd quarter*		*4th quarter*
Total revenues net of finance expenses	$	(23,606)	$	20,371	$	(32,652)	$	(46,194)
Net income (loss) attributable to Shareholders	$	(204,270)	$	(2,111,380) *	$	7,062 *	$	(14,971,610) *
Total net loss	$	(210,917)	$	2,118,461	$	678	$	(15,616,401)
Net income (loss) per share	$	(0.002)	$	(0.019)	$	0.000	$	(0.136)

								2014
		1st quarter		*2nd quarter*		*3rd quarter*		*4th quarter*
Total revenues net of finance expenses	$	(22,129)	$	19,796	$	8,545	$	(70,117)
Net loss attributable to Shareholders	$	(220,542)	$	(377,341)	$	(191,339)	$	(5,944,611)
Total net loss	$	(233,611)	$	(393,973)	$	(207,036)	$	(5,956,094)
Net loss per share	$	(0.002)	$	(0.004)	$	(0.002)	$	(0.052)

*The losses in the 2nd and 4th quarter of 2015 are mainly due to the impairment and the write-off of exploration and evaluation assets and mining properties as described in the note 9 of the consolidated financial statements for the periods ended December 31, 2015 and 2014.

The income in the 3rd quarter of 205 is due to the settlement of a liability as described in the note 17 of the consolidated financial statements for the periods ended December 31, 2015 and 2014.