MDN Inc.

Interim Financial Statements

March 31, 2009

MDN INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2009)

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following analysis should be read in conjunction with the financial statements of MDN Inc. (the "Company" or "MDN") and the accompanying notes to the financial statements for the three-month periods ended March 31, 2009 and 2008. The reader should also refer to the audited annual financial statements as at December 31, 2008, including the section describing the risks and uncertainties. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This Management Discussion and Analysis was prepared as of May 8, 2009, and complies with Rule 51-102A of the Canadian Securities Administrators on continuous disclosure. This analysis is a supplement to the Company's unaudited interim financial statements for the three-month period ended March 31, 2009, 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.

NATURE OF OPERATIONS

The business of the Company consists of acquiring, exploring and developing mining properties. 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 claim agreements as well as joint venture agreements. Under a joint venture agreement with Pangea Goldfields Inc. ("Pangea"), MDN holds a 30% interest in the Tulawaka gold mine. It also carries on exploration on other mining properties, but has not yet determined whether these other properties contain economically viable mineral assets.

The Company also holds interests in properties located in the following areas:

Tanzania, East Africa: Tulawaka, Baraka, Kunga (Viyonza), Simba (Isambara) and Ikungu, totalling 41 exploration permits;

Quebec: Des Méloizes in the Normétal area; Le Tac, Lac Shortt, Lespérance, Clairy, East Barlow and West Barlow in the Chibougamau area; Isle-Dieu and Lozeau in the Matagami area; and Landrienne in the Barraute area.

FIRST QUARTER 2009 HIGHLIGHTS

- Revenue of $1,915,619 compared with $6,751,819 for the same period in 2008.

- Net income of $794,214 or $0.008 per share compared to $1,820,918 or $0.02 per share for the same period in 2008.

- The Tulawaka gold mine in Tanzania produced 20,493 ounces of gold with an average grade of 6.7 g/t at a recovery rate of 93.3%. MDN's 30% ownership interest in the Tulawaka gold mine gives it a pro-rata share equal to 6,148 ounces of gold. For the same period in 2008, production was 62,085 ounces of gold with an average grade of 23.3 g/t of gold. The difference is due to the fact that, in 2008, production came from an open pit, whereas, in 2009, it is transitioning into an underground development phase.

- The total cash costs to produce an ounce of gold in the quarter were US$418 as compared with US$181 in 2008. The higher cost is also attributable to the underground development phase.

- The Tulawaka gold mine sold 20,881 ounces of gold on the spot market at an average price of US$906 per ounce, generating gross income of US$18.9M. The MDN share (30%) is equal to 6,264 ounces of gold sold, for a gross income equal to US$5.7M.

- A notice of intent to proceed with a normal course issuer bid was filed on March 24, 2009, with the Toronto Stock Exchange on the recommendation of the Board of Directors of MDN, which considers that this program may, under appropriate circumstances, constitute a responsible use of available funds.

- The annual financial statements for the fiscal year ended December 31, 2008, were filed on March 30, 2009, showing a record net income of $22.1M, or $0.24 per share. As of the date hereof, MDN has a completely debt-free balance sheet and current cash and cash equivalents of approximately $24 million.

EXPLORATION ACTIVITIES

Tanzania

- Ground exploration programs for 2009 were started in the first quarter on Isambara and Ikungu in anticipation of drilling programs being conducted as soon as possible. Meanwhile, a compilation of all the permits under the control of MDN, namely Isambara, Ikungu, Viyonza, Isozibi, Msasa and Mnekezi, is currently underway.

- In January 2009, the geology team, headed by Marc Boisvert, P. Eng., Vice President – Exploration, decided to conduct an in-depth review of all available data on each exploration project. This approach had a strong impact in the first quarter and will enable future exploration work to be optimized.

- In a context where the majority of our exploration permits in Tanzania are located a short distance from the Tulawaka gold mine and cover an area of more than 750 km^2, the compilation work conducted by the Company is of vital importance in orienting and planning future drilling work.

EXPLORATION ACTIVITIES (CONTINUED)

Tanzania (continued)

- Significant progress has been made in identifying gold-bearing zones in the Isambara project, the results of which were published on March 19, 2009. The key element in interpreting the geological model has been the identification of sinistral displacements of the gold-bearing zones at each intersection with a mafic dyke. These displacements were identified alongside the numerous dykes in part due to drilling conducted for the 2008 exploration program, which allowed for the interpretation of the geometry, distribution and continuity of high grade gold-bearing structures. The highlights of the analysis and data on Isambara can be summarized as follows:

  i) the gold-bearing zones are oriented at 310 degrees with a northeast dip;
  ii) zones are frequently intersected by mafic dykes, thereby creating pronounced displacements to the left (sinistral);
  iii) there are obvious similarities with the geometry and sinistral displacements found in the gold-bearing structure of the Tulawaka Gold Mine;
  iv) higher grade gold mineralization is located mainly below 40 meters in vertical depth. However, most drill holes bored to date have not tested mineralized zones below this depth;
  v) the gold-bearing zones remain open both laterally and at greater depth;
  vi) high grade structures sometimes extend for hundreds of meters in length before being abruptly displaced to the left by one of many mafic dykes;
  vii) on the South Zone, the data indicates that it extends over 800 meters before the gold content dissipates completely upon contact with a new dyke.

- The results obtained in the data compilation on Isambara have provided a better understanding of mineralized zones with high gold content for all the other projects. Accordingly, the exploration programs launched in the first quarter of 2009 on each project under MDN's control are progressing constantly and should lead to drilling programs in the near future. Until then, MDN geologists' are completing a detailed geochemical soil survey to collect new samples light of sinistral displacements and doing compilation and mapping of anomalies in the identified gold-bearing structures.

- At Ikungu, high gold samplings were confirmed by MDN early in the quarter by using the production samples of the artisanal miners. Ikungu is characterized by very high gold content (70.1 g/t, 56.8 g/t and 35.9 g/t) associated with a silicified zone containing 5% sulphides. Compilation of previous work has enabled additional gold zones to be identified on the lateral extensions and in parallel to the known gold zones. A detailed soil survey to locate the various zones more precisely should be completed shortly.

Quebec

- The mining exploration properties held in Quebec will be the subject of detailed analysis over the next few months. A strategy involving analysis and establishing the goals that are to be met was instituted during the first quarter and should serve as a starting point for future development.

- The Lespérance project (MDN 50%, SOQUEM 50%) was targeted by both partners to conduct drilling works at an appropriate time to test for copper/gold porphyry or copper/gold breccia areas with magnetite and sulphides in a favourable geological environment.

BUSINESS DEVELOPMENT

As in previous years, the first quarter is an opportunity for the senior officers of MDN to take part in the world's two largest mining conferences held in Cape Town, South Africa, in February, and in Toronto, in March. Prior to these events, the Company undertook an in-depth review of the strategy for its operations in connection with business development and investor relations. On the strength of its debt-free balance sheet and excellent financial resources, the Company has begun to enjoy increased recognition from the main industry players and is confident, hopefully in the near future, of achieving the same recognition in the equity markets.

MDN management is active on an ongoing basis in analyzing promising projects with strong growth potential that meet its investment criteria. The targeted projects are analyzed based on the strengths of the management team, the quality of the assets, the costs, and the outlook for growth in light of the Company's strategic development plan.

SUMMARY OF OPERATING RESULTS

For the three months ended March 31, 2009	2009	2008
(In thousands of dollars, except for amounts per share)		
Revenue	**$1,916**	$6,752
Administrative expenses	**$874**	$785
Gold price royalties	**$0**	$3,979
Foreign exchange gain (loss)	**$284**	($167)
Net income (loss)	**$794**	$1,821
Basic and diluted net earnings (loss) per share	**$0.008**	$0.020
Weighted-average number of shares outstanding (in thousands)	**95,325**	89,759

Operating results

Revenue totalled $1,915,619 for the three-month period ended March 31, 2009, compared to $6,751,819 for the same period in 2008. Revenue is attributable mainly to royalties from the operation of the Tulawaka gold mine. This revenue amounted to $1,867,677 in 2009, compared to $6,611,812 in 2008. The decline in revenue from the mine was due mainly to the fact that the ore was derived in part from the development of underground operations, compared to the same period in 2008, when the ore was mined from the open pit. Other revenues consisted of interest income from the Company's various investments.

Administrative expenses totalled $874,056, compared to $784,743 in 2008. Administrative expenses in 2008 included interest expenses of $226,931 on the long-term debt, which was fully repaid during the second quarter of 2008. Administrative expenses also included: management fees of $79,593 ($136,243 in 2008) representing 3% of all operating expenses of the Tulawaka project invoiced by the operator; professional fees of $278,536 ($128,159$ in 2008), with the increase due mainly to the hiring of a consultant for business development and project analysis, the addition of an operations manager in Tanzania, and the cost of technical, tax and legal studies for the assessment of an investment project and salary costs of $176,591 ($84,215 in 2008), with the increase due mainly to a change in the terms of payment of the members of the Board of Directors, who are now paid on a quarterly basis. Since the amounts distributed by the Tulawaka gold mine are now recorded as royalties on the income statement, the Company is recording amortization charges for the cost of exploration conducted prior to the opening of the mine; this amount came to $72,839 during the quarter.

As part of the long-term debt agreement, a royalty of $3,978,523 on gold sold by the Tulawaka mine was capitalized in the long-term debt during the first quarter of 2008, with the mine having produced more than 500,000 ounces of gold; this royalty ended in the second quarter of 2008.

During the period ended March 31, 2009, the Company decided to write off the Lozeau property located in Quebec, resulting in an operating charge of $73,562. In addition, the Company realized a foreign exchange gain of $283,612, compared to a loss of $167,636 during the same period in 2008.

SUMMARY OF OPERATING RESULTS (continued)

Net income

For the three-month period ended March 31, 2009, the Company recorded net income of $794,214 or $0.008 per share compared to net income of $1,820,418 or $0.020 per share for the same period in 2008.

The change in net income is attributed to the lower royalties received from the Tulawaka mine, explained in the assessment of revenue. The net gain per share was calculated according to the weighted average of 95,325,413 common shares outstanding on March 31, 2009, compared to the weighted average of 89,759,063 common shares outstanding on March 31, 2008.

Future results

The Company's future results will be influenced mainly by the amount of royalty income received by the Company from the operation of the Tulawaka gold mine. Also, the Company's future results should benefit from the expected increase in underground production.

Financial position	*March 31* 2009	*December 31* 2008
(In thousands of dollars)		
Cash and cash equivalents	$23,128	$18,081
Term deposits	$1,025	$1,019
Royalties receivable	$1,923	$6,020
Mining properties and deferred exploration costs	$16,216	$15,965
Total assets	$45,514	$44,928
Capital stock	$61,515	$61,515
Shareholders' equity	$45,140	$44,356

LIQUIDITY AND FINANCIAL POSITION

Cash, cash equivalents and term deposits

As at March 31, 2009, the Company's cash position, consisting of cash and term deposits, amounted to $24,154,185 compared with $19,100,248 as at December 31, 2008. The change in the cash position is due to the receipt of the royalties payment from the Tulawaka mine.

Accounts receivable

As at March 31, 2009, accounts receivable consisted mainly of the payment of royalties of $1,891,674 from the Tulawaka mine. This amount was determined by the Company from the financial reports of Pangea Minerals, the operators of the Tulawaka mine.

Mining properties

During the three-month period ended March 31, 2009, the Company made the first two payments pursuant to its agreement to acquire 70% of the Ikungu property in Tanzania.

Deferred exploration costs

During the three-month period ended March 31, 2009, the Company paid $268,346 in deferred exploration costs. Of this amount, $247,355 was spent for the Simba, Baraka, Msasa and Kunga properties in Tanzania. The Company also wrote off an amount of $73,018 representing the investment in the Lozeau property located in Quebec. As at March 31, 2009, deferred exploration costs related to mining properties came to $13,920,512, compared to $13,725,184 as at December 31, 2008.

Assets, shareholders' equity and liquidities

Total assets amount to $45,513,580 as at March 31, 2009, compared to $44,928,045 as at December 31, 2008. The difference is attributable to the increase in deferred exploration costs.

Shareholders' equity amounted to $45,139,609 as at March 31, 2009, compared to $44,356,347 as at December 31, 2008, with the increase being attributable to net income earned in the last three months.

The Company's short-term and long-term liquidities are available for the payment of administrative expenses, the financing of exploration activities and to support the Company's growth plan.

LIQUIDITY AND FINANCIAL POSITION

Capital stock

During the three-month period ended March 31, 2009, there was no fluctuation in the number of outstanding shares. As at March 31, 2009, the number of outstanding shares was 95,325,413.

Liquidity needs for the current financial year

Gold production at the Tulawaka mine began in March 2005. Based on the operation of the mining property and the available liquidity pursuant to the joint venture agreement, the Company receives a pro-rata share of 30%. For the current financial year, from January 1 to December 31, 2009, the Company's liquidity needs are estimated at approximately $6,000,000, which includes fixed costs and exploration expenses in Tanzania and Quebec. Without taking into account the revenues generated by future payments of royalties that will be paid by the mine in 2009, the Company already has the liquidity required to meet its needs.

RISKS AND UNCERTAINTIES

The Company's principal revenue is derived from the operation of the Tulawaka gold mine, which has been in operation since March 2005. The lifespan of the mine is linked to the exploitable gold-bearing reserves. Exploration is underway at Tulawaka to extend the mine's life. As at December 31, 2008, the mine operator has yet to define the lifespan of the mine in the context of underground development.

All the Company's other resource properties are exploration and development properties. The Company's long-term profitability depends on the costs and success of its exploration and development programs, which may also be influenced by different factors. Among these factors, one must consider 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 the competitive nature of the industry.

Substantial investments are necessary to carry out exploration programs and to develop reserves. In the absence of cash flows generated by mining operations, the Company depends on the capital markets to fund its exploration and development activities. Market conditions and other unforeseen events could affect the Company's ability to obtain the funds required for its development.

Mineral prices

Factors that influence the market value of gold, base metals and any other mineral discovered are outside 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.

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 party transactions

During the first quarter of 2009, as in the first quarter of 2008, the Company did not enter into any related party transactions.

Financial instruments

Fair value
Fair values for cash and cash equivalents, term deposits, accounts receivable, trade accounts payable and accruals approximate their book value due to their short-term maturity.

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 pertinent under the circumstances.

SUBSEQUENT EVENTS

On **April 14,** 2009, MDN announced an investment transaction with the shareholders of Les Minéraux Crevier Inc., (“MCI”) including its 50% shareholder IAMGOLD Corporation (“IAMGOLD” or “IMG”), to acquire a majority interest in MCI. The transaction is subject to the completion of all related documentation and regulatory body approvals for an expected closing of no later than May 15, 2009. The transaction provides MDN with an option to acquire, over a three (3) year period, a majority equity interest in MCI in return for funding the development and feasibility study of a 43-101 compliant niobium and tantalum resource (the “Resource”), located in Quebec’s Lac St-Jean Region, 80 km North of St-Félicien.

Highlights of the Investment:

- MDN will invest $750,000 for the acquisition of 25% of MCI shares. In addition, it will assist in providing funding of up to $1,500,000 to redeem an existing MCI convertible debenture.

- This initial investment of $2,250,000 by MDN will protect its right to increase its ownership in MCI over the next three years, at the end of which the construction phase of the project should begin, ultimately leading to the commercial production phase. This is a relatively short timeframe for achieving potential commercial production and the generation of cash flow for MDN.

SUBSEQUENT EVENTS (continued)

Highlights of the Investment:

- MDN will fund the development costs including a feasibility study, and other costs required to reach the construction phase and commercial production of the Resource. In exchange for its investment, MDN will have the right to acquire up to 75% of the ownership of MCI upon the achievement of every milestone. MCI's President Serge Bureau, P.Eng, will be responsible for the management of the feasibility study and the development process leading to the commercialization of the Resource.

- Following MDN's initial investment, IAMGOLD will have a 37.5% ownership interest in MCI. IAMGOLD and MDN will each have two representatives on MCI's Board of Directors. IAMGOLD owns and operates a nearby niobium mine and processing plant, Niobec, which produces ferro niobium.

- The niobium oxide – a steel alloy added to metal to increase strength and welding capability – will complement the existing ferro niobium markets. Tantalum is the metal with the highest capacitance known, and is essential in most electronic devices. Niobium and tantalum are expected to play an increasingly large role due to their unique properties and the fact that they are considered to be strategic metals by various governments, particularly the United States.

- The in situ Resource amounts to 47,895,000 kg of niobium oxide and 5,124,250 kg of tantalum oxide in the indicated category as well as 27,345,600 kg of niobium oxide and 3,443,520 kg of tantalum oxide in the inferred category (see table below). A conceptual mining scenario based on a resource of 25.75 million metric tonnes with a production rate of approximately one (1) million tonnes per year suggests an average potential lifespan for the mine of 17 to 20 years, with the first 6 years as an open pit operation.

43-101 Values	M tonnes	Ta2O5 g/t	Nb2O5 g/t	Ta2O5 Kg	Nb2O5 Kg
Indicated*	25.75	199	1,860	5,124,250	47,895,000
Inferred*	16.88	204	1,620	3,443,520	27,345,600
*Cut-off grade of 0.1% Nb205 included					

- There is growing worldwide demand for both metals and only a small number of producers. The development of the Resource will provide clients with stable sources of supply which will enhance end-product development and overall demand in the market.

- MDN management believes that this investment will create significant value as we develop the Resource from a green field project into the construction of a mine and milling operation for the two metals, which are considered to be highly strategic metals for the future of global industrial development.

SUBSEQUENT EVENTS (continued)

Highlights of the Investment:

- As part of MDN's initial assessment of this investment opportunity, the Resource was confirmed as a 43-101 compliant resource, in a report produced on April 6, 2009 by SGS Geostat Ltd., which was reviewed and found to be acceptable by Marc Boisvert, P.Eng., Vice President of Exploration for MDN.

- The conceptual work plan was prepared by MCI's President Serge Bureau, P.Eng. Mr. Bureau was formerly with Barrick Gold Corporation, where he was a key member of the team responsible for the evaluation, planning and development of mines in South and Central America, as well as Russia. The work plan and related documents were reviewed by Marc Boisvert, P. Eng., and also reviewed in detail by Met-Chem. The final Met-Chem report was issued on March 11, 2009 and concurred with the SGS Geostat resource estimation and conclusions. The Met-Chem due diligence findings indicated the project's initial plan was reasonable, and recommended completion of a pre-feasibility study.

- MDN's investment over the three-year period is to be made gradually, with each further advance to be linked to and supported by evidence of the commercial viability of a niobium and tantalum mining operation. Further investments will be directed at funding the feasibility study, further exploration expenses as required, the design and planning of an open pit and underground mine, and all ensuing expenses leading to the construction of the mine.

- MDN and MCI plan to produce niobium pentoxide (Nb2O5) and tantalum pentoxide (Ta2O5) to be sold in various markets, especially as enhancing elements in super alloys and other markets. Niobium is an additive in the production of specialty steel which is added to increase the strength of the alloy and and improve corrosion resistance. A 2% alloy of niobium has the ability to triple the tensile strength of steel from 40,000 psi (pounds per square inch) to 120,000 psi. Niobium-alloyed steel is used in the construction industry, oil and gas pipelines, nuclear plant pipelines, and in the automotive and aerospace industries.

- Tantalum is the metal with the highest known specific capacitance, which is the ability to hold and instantaneously release electrical charge. This feature makes tantalum an essential component of most electronic devices. Tantalum is a good conductor of heat and electricity, resists corrosion by acids and has a very high melting point (~3,000° C). In the form of a metal powder, tantalum is used primarily in the production of electronic components, mainly tantalum capacitors, where its ability to form stable oxide films creates highly efficient, reliable and environmentally versatile components. Capacitors are used in desktop and laptop computers, mobile phones, digital cameras, pagers, PDAs, handheld games, automotive applications and a number of other products in the electronics industry. Tantalum, which is biocompatible, is also used in implant materials for humans.

SUBSEQUENT EVENTS (continued)

On April 22, 2009, MDN announced the appointment of Mr. Paul Gobeil to its Board of Directors. Mr. Gobeil joins a seasoned group of Directors consisting of Serge Savard, Jacques Bonneau, Raymond Legault, Robert Getz and the President and Chief Executive Officer, Paul-A. Girard.

Mr. Paul Gobeil, F.C.A., has a distinguished reputation in both the Quebec and international business communities. He is presently a Board member of the National Bank of Canada and acts as President of the Auditing and Risk Management Committee. He also serves on many other Boards, including those of Métro, Diagnocure, the Yellow Pages Income Fund, Munich Reinsurance Company of Canada, and of several educational, cultural and charitable organizations. Previously, he was also the Chairman of the Board of Hydro-Québec International, Domtar, European Aeronautic Defence and Space (EADS) Canada and Development Canada.

He is a *Fellow* of the Order of chartered accountants of Québec and has a degree in the Advanced Management Program from the Harvard Business School. From 1985 to 1989, Mr. Gobeil was active in Quebec politics, initially as Minister responsible for Government Administration and Chairman of the Treasury Board, and subsequently, as Minister of International Relations, and contributed to bringing a large number of foreign investments to Quebec.

Paul-A. Girard	Yves Therrien, CMA
Chairman & CEO	Vice President, Finance

Montreal, Canada
May 8, 2009

FINANCIAL SUMMARIES

The tables below provide a summary of the main financial information on the Company for the last three years and for the last eight quarters.

FOR THE LAST THREE YEARS

	2009	2008	2007
	3 months	*12 months*	*12 months*
Total revenue	**$1,915,619**	$27,256,716	$1,570,637
Net income (loss)	**$794,214**	$22,127,336	($11,405,625)
Net income (loss) per share	**$0.008**	$0.241	($0.138)
Exploration expenses	**$195,327**	$3,979,794	$3,166,210
Accounts receivable	**$1,923,449**	$6,019,795	$335,650
Total assets	**$45,513,580**	$44,928,045	$30,768,074
Shareholders' equity			
Total	**$45,139,609**	$44,356,347	$22,597,080
Per share	**$0.47**	$0.47	$0.25

FOR THE LAST EIGHT QUARTERS

	2009
	1st quarter
Total revenue	$1,915,619
Net income	$794,214
Net income per share	$0.008

				2008
	1st quarter	*2nd quarter*	*3rd quarter*	*4th quarter*
Total revenue	$6,751,819	$8,385,228	$6,115,879	$6,003,790
Net income	$1,563,057	$6,322,404	$5,132,751	$9,109,124
Net income per share	$0.017	$0.073	$0.056	$0.095

			2007
	2nd quarter	*3rd quarter*	*4th quarter*
Total revenue	$472,230	$377,326	$273,575
Net loss	$4,204,488	$1,975,929	$3,237,463
Net loss per share	$0.058	$0.023	$0.036

Note: The first and second quarters of 2008 have been adjusted to reflect the amortization charge for the deferred exploration costs incurred before the start of mining operations at the property from which the Company receives royalties.

MDN Inc.

Interim Financial Statements

March 31, 2009

Consolidated Statements of Earnings and Comprehensive Income *(Unaudited)*

	Three months ended March 31, 2009	2008
Revenue		
Operating royalties from a mining property	$ 1,867,677	$ 6,611,812
Interest	47,942	140,007
	1,915,619	6,751,819
Administrative expenses		
Professional fees	278,536	128,159
Salaries and fringe benefits	176,591	84,215
Transfer fees	62,258	3,585
Travelling expenses	107,298	82,164
Rent	25,081	22,574
Office expenses	43,806	4,168
Promotion expenses	10,062	30,411
Reports to shareholders	1,966	32,068
Insurance, taxes and permits	6,972	27,315
Telecommunications	5,131	2,275
Management fees	79,593	136,243
Interest on long-term debt	-	226,931
Bank charges	2,144	2,584
Amortization of property and equipment	74,618	2,051
	874,056	784,743
Income before the following items	1,041,563	5,967,076
Other expenses (income)		
Gold price royalty	-	3,978,523
Foreign exchange (gain) loss	(283,612)	167,635
Write-off of mining properties and deferred exploration costs	73,561	-
	(210,051)	4,146,158
Income before income taxes	1,251,614	1,820,918
Income taxes		
Current	(400,385)	(560,000)
Recoverable from losses carry-forward	400,385	560,000
Future		
Recognition and utilization of losses carry-forward	400,385	-
Change in temporary differences and others	57,015	-
	457,400	-
Net income	$ 794,214	$ 1,820,918
Basic and fully diluted net income per share	$ 0.008	$ 0.020
Weighted-average number of outstanding shares (in thousands)	95,325	89,759

See notes to the consolidated financial statements

Consolidated Statements of Deficit *(Unaudited)*

	Three months ended March 31, 2009	2008
Balance at beginning of period	$23,334,051	$ 44,728,217
Net income	(794,214)	(1,820,918)
Share issue costs	10,952	-
Balance at end of period	$22,550,789	$ 42,907,299

Consolidated Statements of Contributed Surplus for Stock-Based Awards *(Unaudited)*

	Three months ended March 31, 2009	2008
Balance at beginning of period	$ 6,135,447	$ 2,535,129
Exercise of options	-	(70,237)
Balance at end of period	$ 6,135,447	$ 2,464,892

Consolidated Balance Sheets

	March 31, 2009	*December 31, 2008*
	Unaudited	*Audited*
Current assets		
Cash and cash equivalents (Note 2)	$ 23,128,493	$ 18,081,261
Term deposits, floating rate of 2.75% at March 31, 2009	1,025,692	1,018,987
Receivables	1,923,449	6,019,715
Prepaid expenses	70,832	169,427
	26,148,466	25,289,390
Mining properties (Note 3)	2,295,930	2,239,474
Deferred exploration costs (Note 4)	13,920,511	13,725,184
Property and equipment (Note 5)	423,373	491,297
Future tax asset	2,725,300	3,182,700
Total assets	$ 45,513,580	$ 44,928,045
Current liabilities		
Trade accounts payable and accrued liabilities	$ 373,971	$ 571,698
Shareholders' equity		
Capital stock (Note 6)	61,514,951	61,514,951
Contributed surplus for stock-based awards	6,135,447	6,135,447
Other contributed surplus	40,000	40,000
Deficit	(22,550,789)	(23,334,051)
	45,139,609	44,356,347
Total liabilities and shareholders' equity	$ 45,513,580	$ 44,928,045

See notes to the consolidated financial statements

On behalf of the board

.... Director

.... Director

Consolidated Statements of Cash Flows *(Unaudited)*

	Three months ended March 31, 2009	2008
Operating activities		
Net income	$ 794,214	$ 1,820,918
Items not affecting cash		
Operating royalties revenue applied in reduction of long-term debt	-	(6,611,812)
Write-off of mining properties and deferred exploration costs	73,561	-
Future Income tax	457,400	
Interest expense capitalized to long-term debt	-	226,931
Amortization on property and equipment	74,618	2,051
Gold price royalty capitalized to long-term debt	-	3,978,523
Unrealized foreign exchange loss	-	167,442
	1,399,793	(415,947)
Changes in non-cash working capital items (Note 8)	3,997,134	144,785
	5,396,927	(271,162)
Financing activities		
Issuance of capital stock	-	106,500
Share issue costs	(10,952)	-
	(10,952)	106,500
Investing activities		
Term deposits	(6,705)	1,970,344
Additions to fixed assets	(6,694)	-
Additions to mining properties	(57,000)	(120,000)
Deferred explorations costs	(268,344)	(1,212,197)
	(338,743)	638,147
Net increase in cash and cash equivalents	5,047,232	473,485
Cash and cash equivalents at beginning of period	18,081,261	3,514,393
Cash and cash equivalents at end of period	$23,128,493	$ 3,987,878

See notes to the consolidated financial statements

The comparative figures as at December 31, 2008 are audited.

The interim financial statements should be read in conjunction with MDN Inc.'s annual financial statements for the year ended December 31, 2008.

1. Significant accounting policies

The interim financial statements have been prepared following the same basis of presentation and accounting policies used in the annual financial statements for the year ended December 31, 2008, except as to the adoption of the following standards effective January 1st, 2009:

Business combinations and non-controlling interests
As an activity consistent with Canadian GAAP being converged with IFRS-IASB, the previously existing recommendations for business combinations and consolidation financial statements will be replaced with new recommendations for business combinations (CICA Handbook Section 1582), consolidations (CICA Handbook Section 1601) and non-controlling interest (CICA Handbook Section 1602)

Generally, the new recommendations result in measuring business acquisitions at the fair value of the acquired business and a prospectively applied shift form a parent corporation conceptual view of consolidation theory (which results in the parent corporation recording book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent corporation recording fair values attributable to non-controlling interests). Both the new Canadian GAAP recommendations and IFRS-IASB allow the choice of whether or not to recognize the fair value of goodwill attributable to non-controlling interests on a acquisition-by-acquisition basis.

Measuring business acquisitions at fair value will, among other things, result in:

- acquisition costs being expensed;
- acquisition-created restructuring costs being expensed
- contingent consideration, which is accounted for as a financial liability, being measured at fair value at the time of the acquisition with subsequent changes in its fair value being included in determining the results of operations; and
- changes in non-controlling ownership interests subsequent to the parent company's acquisition of control, and not resulting in the parent company's loss of control, being accounted for as capital transactions.

1. Significant accounting policies (cont'd)

Business combinations and non-controlling interests (cont'd)
Effective January 1st, 2009 the Company early adopted the new recommendations and did so in accordance with the transitional provisions; the Company would otherwise have been required to adopt the new recommendations effective January 1st, 2011.

Whether the Company will be materially affected by the new recommendations will depend upon the specific facts of business combinations, if any, occurring subsequent to the Company's adoption of the new recommendations.

Change in accounting policy – Revenue recognition
In order to recognize the revenues of operating royalties from a mining property in the period in which they were realized, the recognition is done when their receipt is reasonably assured and when the Company is able to estimate the distribution with enough accuracy or when the operating partner disclosed the amount of the distribution. Previously, these revenues were only recognized when the operating partner disclosed the amount of the distribution.

The operating partner not being obligated to disclose the amount of the distribution on a quarterly basis, he did not do so for the first quarter of 2009, therefore, the Company decided it was necessary to make this change.

Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses.

Critical estimates include estimates of the revenues of operating royalties, future income tax assets and liabilities, mining properties and deferred exploration costs and certain amounts payable. Actual results could therefore differ from these estimates.

Notes to Consolidated Financial Statements *(Unaudited)*

March 31, 2009

The comparative figures as at December 31, 2008 are audited.

2. Cash and cash equivalents

	March 31, 2009	*December 31,* 2008
Cash	$ 582,803	$ 1,733,634
Cash held for exploration work	42,361	9,019
Term deposits, floating rate (between 0.3% and 0.45%)	22,503,329	16,238,608
Term deposit, held for exploration work	-	100,000
	$ 23,128,493	$ 18,081,261

3. Mining properties

	March 31, 2009 Interest	*March 31,* 2009 Amount	*December 31,* 2008 Interest	*December 31,* 2008 Amount
Properties				
Tanzanie				
Kunga (Viyonza)	65 % – 100 %	$ 904,785	65 % – 100 %	$ 904,785
Simba (Isambara)	100 %	645,252	100 %	645,252
Baraka (PL-1561-1562)	90 %	169,478	90 %	169,478
Baraka (PL-2479)	100 %	79,298	100 %	79,298
Ikungu	60 %	57,000	- %	-
Quebec				
Lac Shortt	50 %	170,461	50 %	170,461
Lespérance	50 %	78,000	50 %	78,000
Le Tac	50 %	43,052	50 %	43,052
Barlow Est	100 %	60,000	100 %	60,000
Barlow Ouest	100 %	60,000	100 %	60,000
Other properties	100 %	28,604	100 %	29,148
		$ 2,295,930		$ 2,239,474

Included in other properties is the write-off of Lozeau property in the amount of $544.

Notes to Consolidated Financial Statements *(Unaudited)*

March 31, 2009

The comparative figures as at December 31, 2008 are audited.

4. Deferred exploration costs

The table below shows the additions to deferred exploration costs:

	Decembre 31, 2008	Exploration costs	Write-down	Balance at the end
Properties				
Tanzanie				
Tulawaka	$ 220,276	$ 845	$ -	**$ 221,121**
Simba	3,250,204	115,346	-	**3,365,550**
Baraka (PL-1561-1562)	252,986	3,760	-	**256,746**
Baraka (PL-2479)	259,553	6,436	-	**265,989**
Kunga	5,036,308	69,125	-	**5,105,433**
Msasa	477,707	18,168	-	**495,875**
Ikungu	22,799	33,673	-	**56,472**
Quebec				
Lac Shortt	1,202,121	697	-	**1,202,818**
Lespérance	359,644	12,090	-	**371,734**
Le Tac	657,639	394	-	**658,033**
Clairy	445,047	-	-	**445,047**
Des Meloïses	785,634	860	-	**786,494**
Isle Dieu	474,941	6,300	-	**481,241**
Barlow Est	74,705	325	-	**75,030**
Barlow Ouest	74,705	325	-	**75,030**
Other properties	130,915	-	(73,017)	**57,898**
	$ 13,725,184	$ 268,344	$ (73,017)	**$13,920,511**

The write down of exploration costs is due to the radiation of Lozeau property in Quebec.

5. Property and equipment

	March 31, **2009**			*December 31,* 2008
	Cost	Accumulated amortization	Net value	Net value
Exploration costs	$ 1,497,360	$ 1,119,964	**$ 377,396**	$ 450,235
Exploration equipment	14,813	12,782	**2,031**	289
Furniture and equipment	35,046	11,365	**23,681**	24,093
Computer equipment	40,899	20,634	**20,265**	16,680
	$ 1,588,118	$ 1,164,745	**$ 423,373**	$ 491,297

6. Capital stock

Warrants

The table below presents a summary of the warrants:

	March 31, 2009			*December 31,* 2008		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Outstanding at beginning of period	2,133,154	$	0.99	29,437,571	$	1.17
Granted	-	$	-	110,000	$	1.00
Exercised	-	$	-	(5,000)	$	1.00
Exchanged	-		-	(19,009,417)		1.00
Cancelled	(1,733,154)	$	1.00	(8,400,000)	$	1.60
Outstanding at end of period	400,000	$	0.94	2,133,154	$	0.99

The table below presents supplemental information about the outstanding warrants at the end of the period:

	Exercise prices	Number	Maturity
$	1.50	100,000	2009-06-30
$	0.75	300,000	2010-12-05

Stock option plan

The table below presents a summary of the stock option plan:

	March 31, 2009			*December 31,* 2008		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Options at beginning of period	4,464,438	$	0.78	5,138,445	$	0.75
Granted	-	$	-	-	$	-
Exercised	-	$	-	(624,007)	$	0.56
Cancelled	(200,000)	$	0.80	(50,000)	$	0.65
Options at end of period	4,264,438	$	0.77	4,464,438	$	0.78
Exercisable options at end of period	4,264,438	$	0.77	4,464,638	$	0.78

On March 27, 2009, the Company granted 1,495,000 share purchase options at an exercise price of $0.58. This grant is subjected to the approval of the shareholders at the annual meeting on June 12, 2009.

6. Capital stock (cont'd)

Stock option plan (cont'd)

As at March 31, 2009, there were 4,264,438 stock options outstanding at exercise prices ranging from $0.45 to $1.17 with a weighted average remaining contractual life of 4.42 years.

The table below presents supplemental information about the stock option plan at the end of the period:

Range of exercise prices	Number	Weighted average remaining life (years)	Weighted average exercise price
$0.45 – $0.50	1,225,000	6.20	$ 0.48
$0.73 – $0.76	450,000	6.76	$ 0.71
$0.80 – $0.84	609,438	2.29	$ 0.80
$0.90 – $0.91	1,490,000	4.47	$ 0.91
$1.10 – $1.17	490,000	0.31	$ 1.12

7. Financial instruments and risk management

Market risk

The Company is exposed to gold price fluctuations because gold price influences the economic potential of the mining properties held by the Company and impacts on the decision to enter or not into production.

Foreign exchange risk

The Company gets royalties revenue and incurs exploration costs in US dollars and is consequently exposed to currency rate fluctuations.

The Company occasionally enter into various types of foreign exchange contracts. During the period ended March 31, 2009, the Company did not enter into any forward exchange contracts.

Credit risk

The only credit risk the Company is exposed to is related to receivables from partners following a split of exploration expenses. The Company considers that this risk is minimized by the dilution of the partners' interest in the mining properties following a payment default.

The Company invests its cash and cash equivalents in fully guaranteed high quality titles issued by financial institutions.

7. Financial instruments and risk management (cont'd)

Liquidity risk

The Company manages its liquidity risk by using budgets allowing to determine the necessary funds required to meet its exploration plans. Moreover, the Company makes sure that the working capital is sufficient to meet its current obligations.

8. Statements of cash flows

	Three months ended March 31, 2009	2008
Changes in non-cash working capital items		
Current assets, decrease (increase)		
Receivables	$ 4,096,266	$ (39,037)
Prepaid expenses	98,595	(8,814)
Current liabilities, increase (decrease)		
Accounts payable and accrued liabilities	(197,727)	192,636
	$ 3,997,134	$ 144,785

Supplemental information on non-cash transactions:

	Three months ended March 31, 2009	2008
Unrealized foreign exchange gain allocated to loan receivable	$ -	$ (206,197)
Reduction of long-term debt applied in reduction of loan receivable	$ -	$ 2,010,788
Unrealized foreign exchange loss allocated to long-term debt	$ -	$ 373,639

9. Subsequent event

On April 14th, 2009, MDN announced an investment transaction with the shareholders of Les Minéraux Crevier Inc. ("MCI") including its 50% shareholder IAMGOLD Corporation ("IAMGOLD" or "IMG"), to acquire a majority interest in MCI. The transaction is subject to the completion of all related documentation and regulatory body approvals for an expected closing no later than May 15, 2009. The transaction provides MDN with an option to acquire, over a three (3) year period, a majority equity interest in MCI in return for funding the development and feasibility study of a 43-101 compliant niobium and tantalum resource (the "Resource"), located in Quebec's Lac St-Jean Region, 80 km North of St-Félicien.