INTERIM FINANCIAL REPORT

JUNE 30, 2015

MDN INC.

MANAGEMENT DISCUSSION AND ANALYSIS

(FOR THE PERIOD ENDED JUNE 30, 2015)

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following analysis should be read in conjunction with the interim condensed consolidated financial statements of MDN Inc. (the "Company" or "MDN") and the accompanying notes to the financial statements for the three-month periods ended June 30, 2015 and 2014. The reader should also refer to the audited annual financial statements as of December 31, 2014, including the section describing the risks and uncertainties. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This Management Discussion and Analysis was prepared as of August 5, 2015, and complies with Rule 51-102A1 of the Canadian Securities Administrators on continuous disclosure. This analysis is a supplement to the Company's non-audited financial statements and not reviewed by auditors for the period ended June 30, 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.

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.

MDN carries exploration on mining properties, but has not yet determined whether these properties contain economically viable mineral deposit.
The Company also holds interests in properties located in the following areas:

- **Tanzania**, East Africa: MDN is involved in various gold exploration projects totalling 473 km2 in the area of Lake Victoria Goldfield. These projects are known under the name Ikungu, Ikungu East, and Isambara (Simba).

- **Canada**: MDN has a 72.5% interest in the Crevier niobium and tantalum deposit located in the Saguenay Lac-St-Jean region in the province of Quebec. The Company also owns 100 % of the Samaqua property located south-east of the Crevier deposit. MDN also has the option to acquire 100% of the Prairie Lake and Prairie Lake South properties in the Thunder Bay region in Ontario.

ACTIVITIES - TANZANIA

MDN continued to keep its workforce and expenses to the minimum in Tanzania, due to the challenging market conditions that persisted in the second quarter of 2015. The Company however retains its properties' titles with the ultimate objective of divesting them or finding a partner to continue the exploration work.

MDN has a good base of quality projects as briefly described below;

IKUNGU

- MDN pursued discussions with potential partners. Site visits took place with various entities and the Company is hopeful that it will lead to the execution of an agreement.

  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 a depressed gold market, investors normally prefer higher-grade gold projects, which can benefits MDN.

IKUNGU EAST

- 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.

  The Ikungu East property is also subject to discussions for sale or partnership with potential investors.

ISAMBARA (SIMBA)

- During the period ended on December 31, 2014, the Company decided to devalue the Isambara property while maintaining the mining titles in order to concentrate its future efforts in the development of the other more advance Tanzanian properties.

  Following a demand from the Tanzanian Ministry of Energy and Minerals, the Company has the intention to give certain mining titles of the Isambara property to the Tanzanian government. . This decision is based on our current financial situation and will also allow us to concentrate our efforts on our most developed projects namely, Ikungu and ikungu East.

ACTIVITIES – CANADA

CREVIER PROJECT

History

In the fiscal year of 2010, MDN received a positive Preliminary Economic Assessment for the Crevier project. This project consists of a niobium (Nb) and tantalum (Ta) resource which is located in the north of the Lac-Saint-Jean region in Quebec. The Preliminary Economic Assessment was carried out by Met-Chem Canada Inc.

Based on this positive assessment, MDN and Crevier Minerals (CMI) decided to start a feasibility study on the project with the intention of bringing the niobium and tantalum resource to the market.

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 Fourth Quarter 2012 MD&A).

During the course of the study, MDN decided to increase its stake in the project to 72.5%, with Niobec a then subsidiary of IAMGOLD holding the remaining 27.5% interest.

Crevier project developments since last year

Feasibility Study update

The results obtained from the 2011 and 2012 pilot plant tests did not substantiate the results achieved with the laboratory testing. MDN must therefore 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.

Search of partner

Despite the collapse of the capital markets that normally supports the development of the mining industry we continued throughout the second quarter to promote the project with the aim of finding a partner and / or funding, in order to complete the required work.

Market

The Crevier project is one of the few sources of tantalum in a conflict-free and stable region. This is a very important fact because, following the reform of the Dodd Frank Act section 1502, US companies must be able to prove that their products do not contain tantalum originating from a conflict source, such as the Democratic Republic of Congo. Moreover, tantalum and niobium are both classified as strategic and critical metals for the United States and Europe, in part because of their military applications and the limited number of producers. Finally, unlike many metals, niobium and tantalum prices have not drastically decreased in recent years. Their utilization in high technology applications is also a very promising aspect in regards to their respective forecasted demand growth.

SAMAQUA PROJECT

Exploration program

During the summer of 2014, the Company announced an exploration program on its wholly owned property. The Samaqua property covers a magnetic geophysical response similar to the one associated with Niobec's niobium mine. The magnetic signature lies 23 km southeast of the Crevier deposit and 130 km northwest of the Niobec mine. The magnetic response is circular in shape with a strong magnetic aureole surrounding a weak magnetic core, which is identical to the magnetic response of the Niobec mine and other niobium deposits associated to carbonatite.

Work consisted of a helicopter-borne geophysical survey, an induced polarization ground survey and a drilling campaign. The objective of the 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 results 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.

PRAIRIE LAKE PROJECT

Option agreements

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. The deal structure calls for capital expenditures to be distributed over time and also includes a 3% net smelter royalty (NSR), with 2% that can be repurchased for $2M.

The Prairie Lake property consists of 210 mineral claims in 16 claim blocks covering 3,360 hectares and the Prairie Lake South property consists of 37 mineral claims in 4 claim blocks covering 592 hectares.

Rock sampling done by the vendor and by the Geological Survey of the Ministry of Northern Development and Mines in Thunder Bay (MNDM) confirmed the occurrences of alkaline rocks which contain niobium assays as high as 1.63% Nb_2O_5. The samples consisted of grab samples and samples taken from blasted outcrops. Analyses by XRF on fused borate beads confirmed a significant potential for niobium and phosphorous mineralization. The property encompasses part of the outer ring of a circular aeromagnetic anomaly, a signature comparable to the Niobec mine and many other niobium bearing carbonatitic complex.

The Company sent a team of geologists in order to undertake a mapping program. The first known results validated those generated by the prospector and the MNDM team. All the known mineralized showings were sampled. A first batch of 70 samples was sent to the laboratory; the results will be known during the third quarter of 2015.

With this acquisition MDN reinforces its position in the niobium niche market and intends to conduct an exploration campaign to define a resource. Sample assay results show a great potential for Ferro-Niobium production.

In April 2015, because of its discoveries on the Prairie Lake properties, the prospector/seller received the Bernie Schnieders Discovery of the Year Award given by the Northwestern Ontario Prospectors Association (NWOPA).

SUMMARY OF OPERATING RESULTS

For the three months periods ended June 30 **(in thousands of dollars, except for amounts per share)**	**2015**	2014
Administrative expenses	**$ 182**	$ 414
Write-off of exploration and evaluation assets and mining properties	**$ 1 957**	$ 0
Finance income	**$ (21)**	$ (23)
Finance cost	**$ 1**	$ 3
Net loss attributable to the shareholders of the company	**$ (2 111)**	$ (377)
Net loss attributable to non-controlling interests	**$ (7)**	$ (17)
Basic and diluted net loss per share	**$ (0,019)**	$ (0,004)
Weighted-average number of shares outstanding (in thousands)	**114 437**	101 527

Administrative expenses:

	Three month ended June 30,	
	2015	2014
Professional fees	**$ 89,452**	$ 172,895
Salaries and fringe benefits	**29,095**	118,524
Share-based payments	**28,602**	48,603
Transfer fees	**11,558**	15,505
Travelling expenses	**5,309**	3,437
Rent	**8,122**	29,935
Office expenses	**2,551**	6,137
Promotion expenses	**200**	5,900
Reports to shareholders	**1,966**	1,765
Insurance, taxes and permits	**3,802**	4,647
Membership and training	**0**	522
Telecommunications	**29**	3,766
Amortization of property and equipment	**1,646**	2,136
Mining titles management	**0**	0
	$ 182,332	$ 413,772

Administrative expenses totalled $182,332 for the second quarter 2015, compared to $413,772 in 2014. The variation of professional fees is mainly due to legal advisor's charges in Tanzania in 2014 in relation to the legal opposition with the TRA (US$50,771), as well as tight costs control, partly offset by a reorganization of the company transforming some permanent positions into contractual ones, resulting in an increase of $25,000 of professional fees. The decrease in salary costs ($29,095 in 2015 and $118,524 in 2014) is mainly attributable to the reorganization described in professional fees, partly offset by the attribution of severance payment of $38,812 in 2014. The company granted 1,250,000 stock options in 2015, compared to 1,850,000 in 2014. Due to the current economic situation, MDN reviewed its operations, thus reducing several costs including rent, office expenses, promotional expenses, telecommunications expenses and insurance tax and permits.

Operating results

On April 7 2015, the company wrote-off an amount of $1,956,500 related to exploration and evaluation assets and mining properties of the Nikonga property. 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 concluded that it was too expensive to continue the annual payment required to maintain its exploration rights on the property.

Finance income ($21,268 in 2015 and $22,717 in 2014), consist of interest income from the Company's various investments and foreign exchange gain.

Financial charges totalled $897 in 2015 (compared to $2,921 in 2014). The financial charges included in 2014, an accretion expenses on other long-term liability of $1,785 (nil in 2015), and bank charges & others of $897 for 2015 ($1,136 in 2014).

Net loss

For the three months period ended June 30 2015, the Company recorded a net loss attributable to the shareholders of the Company of $2,111,380 or $0.019 per share compared to a net loss of $377,341 or $0.004 per share for the same period in 2014. The variation is mainly due to the write-off of the Nikonga property partly offset by the decrease in administration expenses.

The net loss per share is based on weighted-average number of 114,437,097 common shares outstanding for the period of three months closed on June 30, 2015, compared to 101,527,220 for the period of three months closed June 30, 2014.

SUMMARY OF OPERATING RESULTS

For the six months periods ended June 30 **(in thousands of dollar, except for amounts per share)**		**2015**		2014
Administrative expenses	**$**	**370**	$	625
Write-off of exploration and evaluation assets and mining properties	**$**	**1 957**	$	0
Finance income	**$**	**(51)**	$	(6)
Finance Cost	**$**	**54**	$	8
Net loss attributable to the shareholders of the company	**$**	**(2 316)**	$	(598)
Net loss attributable to non-controlling interests	**$**	**(14)**	$	(30)
Basic and diluted net loss per share	**$**	**(0,020)**	$	(0,006)
Weighted-average number of shares outstanding (in thousands)		**114 658**		101 527

Administrative expenses:

	Six month ended June 30,			
		2015		2014
Professional fees	**$**	**187 679**	$	218 046
Salaries and fringe benefits		**57 691**		191 967
Share-based payments		**29 329**		49 840
Transfer fees		**19 297**		18 400
Travelling expenses		**9 029**		19 352
Rent		**21 491**		59 397
Office expenses		**4 591**		9 756
Promotion expenses		**449**		11 344
Reports to shareholders		**26 362**		19 124
Insurance, taxes and permits		**7 604**		9 470
Membership and training		**0**		2 285
Telecommunications		**1 896**		5 155
Amortization of property and equipment		**3 292**		4 272
Mining titles management		**923**		6 846
	$	**369 633**	$	625 254

Administrative expenses totalled $369,633 for the first six months of 2015, compared to $625,254 in 2014. The variation of professional fees is mainly due to higher legal advisor's fees in Tanzania in 2014 related to the legal opposition with the TRA (US$50,771), as well as tight cost controls partly offset by a new reorganization of the company transforming some permanent positions into contractual ones, resulting in an increase of $ 50,000 at the level of professional fees. Salary costs of $57,691 ($191,967 in 2014) variation mainly attributable the reorganization described in professional fees, and by the attribution in 2014 of severance payments totalling $38,812. The company granted 1,250,000 stock options compared to 1,850,000 in 2014. Due to the current economic situation, MDN reviewed its operations, thus reducing several costs including rent, office expenses, promotion expenses, telecommunications expenses and insurance tax and permits.

Operating results

On April 7 2015, the company wrote-off an amount of $1,956,500 related to exploration and evaluation assets and mining properties of the Nikonga property. 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 concluded that it was too expensive to continue the annual payment required to maintain its exploration rights.

Finance income ($50,793 in 2015 and $5,522 in 2014), primarily represent other income related to flow through shares ($47,771 in 2015 and nil in 2014) and interest income from the Company's various investments ($3,022 in 2015 and $5,522 in 2014).

Financial charges totalled $54,028 compared with $7,855 for the six months period ended in June 30, 2015 and 2014 respectively. The financial charges included accretion expenses on other long-term liability of $4,136 in 2014 (nil in 2015), foreign exchange loss $52,319 ($1,324 in 2014) and bank charges & others of $1,709 ($2,395 in 2014).

Net loss

For the six months period ended June 30 2015, the Company recorded a net loss attributable to the shareholders of the Company of $2,315,650 or $0.020 per share compared to net loss of $597,882 or $0.006 per share for the same period in 2014. The variation is mainly due the write-off of the Nikonga property partly offset by the decrease in administration expenses.

The net loss per share is based on weighted-average number of 114,657,539 common shares outstanding for the six months ended June 30, 2015 compared to 101,527,220 for the same period ended June 30, 2014.

Financial position (in thousands of dollars)		**June 30, 2015**		December 31, 2014
Cash	**$**	**334**	$	265
Investments	**$**	**350**	$	700
Mining taxes receivable	**$**	**140**	$	140
Accounts receivables	**$**	**218**	$	692
Exploration and evaluation assets	**$**	**22,979**	$	23,723
Total assets	**$**	**24,106**	$	25,600
Total liabilities	**$**	**1,340**	$	1,327
Share Capital	**$**	**64,531**	$	64,482
Total equity attributable to equity holders of the Company	**$**	**20,982**	$	22,475
Non-controlling interest	**$**	**1,784**	$	1,798

LIQUIDITY AND FINANCIAL POSITION

Cash, cash equivalents and term deposits

As at June 30, 2015, the Company's cash position, consisting of cash, investments and term deposits, amounted to $683,610 compared with $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 operational expenses for the first six months of 2015 partly reduce by reimbursement of approximately $511,000 by the Tanzanian Revenue Authority regarding sales tax returns.

Mining taxes receivables

As of June 30, 2015 and December 31, 2014, tax credit receivables amounted to $139,609. The mining taxes receivable are mainly attributable to the Crevier project.

Accounts receivables

As of June 30, 2015, accounts receivable amounted to $217,929 and were mainly related to Tanzanian sales tax receivable of $116,910, tax credit related to resources of $41,696 and provincial and federal sales tax receivables.

Mining properties

During the six months period ended June 30 2015, the company paid $1,105 for exploration claims related to the Samaqua project and, as per the option agreement related to the acquisition of the Prairie Lake properties, paid $30,000 in cash consideration and issued capital shares having a value of $49,000. In addition, the company has written-off an amount of $110,398 related to the Nikonga property.

Exploration and evaluation assets

During the six months period ended June 30, 2015 the Company incurred $422,147 in exploration and evaluation assets. Of this amount, $50,662 was spent for properties in Tanzania $17,282 for the Ikungu property and $28,852 for Ikungu East property). The Company also incurred $371,485 in exploration and evaluation expenses in Canada ($300,433 for the Samaqua project in Quebec and $69, 837 for the project Praire Lake in Ontario). The Company has also written-off an amount of $1,846,102 related to the exploration and evaluation assets of the Nikonga property.

Assets, equity attributable to equity holders of the Company and liquidity

Total assets amounted to $24,106,221 as at June 30, 2015, compared to $25,599,783 as of December 31, 2014. The variation is mainly attributable to the write-off of the Nikonga property in Tanzania, by the current administration expenses engaged for continuing activities of the period, partly offset by the investment in exploration and evaluation assets coupled with effect of foreign exchange on Tanzanian property.

Equity attributable to equity holders of the Company amounted to $20,982,106 as of June 30, 2015, compared to $22,475,011 as of December 31, 2014. The variation is attributable to the loss of the period, partly offset by the variation of the foreign currency translation adjustment, related to MDN's assets in Tanzania.

Liabilities

Total liabilities amount to $1,340,121 as at June 30, 2015, compared to $1,327,057 as of December 31, 2014.

Share capital

During the six months period ended June 30, 2015, the Company issued 700,000 capital shares in relation with the Prairie Lake project. As at August 5, 2015, the Company has 114,657,539 outstanding capital shares.

Non-controlling interest

The non-controlling interest is linked to the participation of 27,5% owned by Niobec Inc. in Crevier Minerals Inc. The variation during the six months period ended June 30, 2015 relates essentially to the net loss.

Liquidity needs for the current financial year

	Three-months period ended June 30,		Six-months period ended June 30,	
	2015	2014	**2015**	2014
Cash flows (used in) from operating activities	**$ (239 323)**	$ (389 652)	**$ 176 677**	$ (548 062)
Cash flows (used in) from investing activities	**$ (87 746)**	$ 258 860	**$ (91 812)**	$ 322 124
Effect of exchange rate changes on cash denominated in foreign currency	**$ (58 459)**	$ (809)	**$ (16 051)**	$ 3 157
Net variation in cash	**$ (385 528)**	$ (131 601)	**$ 68 814**	$ (222 781)

During the current fiscal year, from January 1, 2015 to December 31, 2015, MDN's liquidity needs are estimated at $925,000. The Company's management believes that it has sufficient liquidity to meet its financial needs to discharge its commitments and liabilities in the ordinary course of business for the fiscal year 2015.

The financial statements have been prepared on a going concern basis. The application of the assumption of going concern may be inappropriate because the above mentioned conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. The financial statements do not include adjustments that should be made to the carrying amount of assets and liabilities if the assumption of going concern proves to be unfounded.

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 evaluation, exploration 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 flow and no assurance that additional funding will be available for further exploration and development of its projects. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain additional financing may materially affect the Company's operation, 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 Corporation 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.

Commitments and other contractual agreements

(a) Mining properties:

Crevier (Québec)

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 MCI 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 by the names of Prairie Lake Property and Prairie Lake South Property. The sampling confirmed the presence of alkaline rocks that contain high grades of Niobium.

Two agreements were signed:

(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 4 blocks of claims and covering 592 hectares in the Killala Lake Township.

(b) Flow-through shares:

The Company has committed to incur, before December 31, 2015, an amount of $380,011 in eligible exploration and evaluation expenses in accordance with the federal Income Tax Act and the Québec Income Tax Act, and to transfer these tax deductions to subscribers of the flow-through shares. In connection with this commitment, the Company incurred cumulative eligible expenses of $469,697 as at March 31, 2015, and therefore completed its obligation in regard to this funding.

CONTINGENCIES

(a) Communications with Tanzania Revenue Authority ("TRA")

During the second quarter of 2013, the Company received a written communication from the 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 (or approximately $511,000 on December 31,2014) in sales taxes receivable included in accounts receivable in the consolidated statements of financial position in compensation of the amounts claimed in the notice of assessment.

The Company has always stated in the various documents, including a contract between the two parties, that the parent company made advances to its Tanzanian subsidiary without interest, which is a common practice in the industry of mineral exploration. The TRA claims that it is not possible to have an interest free loan and the subsidiary should have retained 10% of all amounts of interest paid as withholding.

After discussion with their lawyers, the management immediately notified its opposition to the National Commissioner of the TRA. Management believes that the TRA regional office in Mwanza does not understand the particularities of mining exploration companies, given the standards of markets, corporate business style as well as the difficulty of exploration companies to obtain bank loans. In this opposition, the management has always been confident of the chances of success with regard to the dispute.

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 favour of MDN in this case.

Following this decision, on February 26, 2015, the TRA repaid MDN Tanzania Ltd. the amounts owed, representing approximately $511,000.

No provision has been recorded in the consolidated financial statements of the Company as of June 30, 2015 as management believes that the outstanding items above are unfounded and that the Company owes no tax to TRA.

(b) The Company is partly financed by the issuance of flow-through shares, however there is no guarantee that the funds spent by the Company will qualify as Canadian operating costs, even if the Company has agreed to take all necessary measures for this purpose. Refusal of certain expenses by the tax authorities could have adverse tax consequences for investors or the Company. As of March 30, 2015, the Company conducted all required expenditures under commitment for the flow through shares issued in 2014.

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.

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, 2014 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, 2014 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 June 30, 2015 materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

OUTLOOK

In 2015 MDN will continue to execute its strategy to develop and explore its critical metals assets that are niobium and tantalum.

The long awaited stock market recovery in the metals and mining sector did not occur. The price of most of the metals and minerals also continued to decline. The junior mining exploration companies saw their market capitalization stagnate at their lowest level and MDN is no exception. This is a situation that we consider unacceptable and which we strive to correct in finding solutions that combine value creation for shareholders and increase of interest for investors. Markets need to regain confidence in the juniors and it is a process that takes time and requires perseverance. We are therefore convinced that our focus toward niobium rich resources will bear fruit in due course. Besides, the price for niobium did not depreciated like other and remains relatively stable since several years.

The recent events surrounding this niche metal suggest a high potential for appreciation in the value of MDN's share price in the forthcoming periods. First, the Niobec mine, to which only a few years of operation is left based on the current infrastructures, was sold for the sum of US $500 million (640 Mt at 0.42% Nb_2O_5). Then there is a niobium project in the United States that has attracted a lot of attention and whose market capitalization has increased by 420% in less than a year.

MDN has niobium projects in Quebec and has the option to acquire one more in Ontario. These projects are at different stages and the Company intends to pursue their development in due time, considering their potential.

During 2014, we conducted a review of the development of the Crevier project. Our findings were positives: i) the demand for niobium oxide and tantalum is doing well; ii) in the context of current prices Crevier should be profitable. However, we must first validate the recovery of niobium and tantalum obtained in laboratory tests. The two pilot tests in 2011 and 2012 did not achieve the desired results, forcing us to conduct a third pilot plant test in order to complete the feasibility study. These tests are essential to the further development of Crevier. The Company does not have the financial resources to conduct such tests, estimated to cost about $ 1.5M. Given the current difficult context of the financial markets, these tests were postponed. We are continuing our discussions to raise the required funds but there is currently low interest for the financing of 'metallurgical development' projects. Government entities have confirmed their intention to help finance the tests but with a shared risk participation. Our activities for 2015 on Crevier are dependent on obtaining the required financing.

The Prairie Lake and Prairie Lake South properties are great assets to the critical metals portfolio of the Company. Grab samples containing very high niobium grades were discovered on the property. In addition, the prospector who discovered the properties received the Bernie Schnieders Discovery of the Year award, given by the Northwestern Ontario Prospectors Association (NWOPA). The objective of the Company in the coming months is to find the funding required to conduct a drilling campaign next winter.

In Tanzania, MDN will be active in further promoting its projects to potential partners and buyers. Expenses will still be held to a minimum while maintaining our properties. The Company is confident that an agreement will be reached during the year, despite a depressed gold market. The amount that could be generated from such an agreement could be invested in one of the projects in Canada.

Future results

The Company's future results will be influenced by its capacity to find strategic partners in Tanzania and also by its ability to raise funds in the market. The exploration campaigns results on Prairie Lake will also have a role to play in the Company's future results.

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

Montreal, Canada
AUGUST 5, 2015

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*
Total revenues net of finance expenses	$ (23 606)	$ 20 371
Net loss attributable to Shareholders	$ (204 270)	$ (2 111 380)
Net loss per share	$ (0,002)	$ (0,019)

	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)
Net loss per share	$ (0,002)	$ (0,004)	$ (0,002)	$ (0,055)

	2013	
	3rd quarter	*4th quarter*
Total revenues net of finance expenses	$ (731)	$ (96 836)
Net loss attributable to Shareholders	$ (290 795)	$ (4 595 817)
Net loss per share	$ (0,003)	$ (0,045)

Note: the loss in the 4th quarter of 2013 and 2014 and the 2nd quarter of 2015, are mainly due to the write-off of prospecting, exploration and evaluation and mining properties.

Interim Condensed Consolidated Financial Statements of
(Unaudited and not reviewed by the auditors)

MDN INC.

Periods ended June 30, 2015 and 2014

Interim Condensed Consolidated Financial Statements
(Unaudited and not reviewed by the auditors)

Periods ended June 30, 2015 and 2014

Financial Statements

MDN INC.

Interim Condensed Consolidated Statements of Financial Position
(Unaudited and not reviewed by the auditors)

June 30, 2015 and December 31, 2014

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash	$ 333 610	$ 264 796
Temporary investments (note 3)	350 000	700 000
Accounts receivable (note 4)	217 929	691 778
Mining taxes receivable	139 609	139 609
Prepaid expenses	25 574	19 277
Total current assets	1 066 722	1 815 460
Non-current assets:		
Mining properties (note 5)	7 889 828	7 913 430
Exploration and evaluation assets (note 6)	15 089 667	15 809 968
Property and equipment	60 004	60 925
Total non-current assets	23 039 499	23 784 323
Total assets	$ 24 106 221	$ 25 599 783
Liabilities and Equity		
Current liabilities:		
Trade accounts payable and accrued liabilities	$ 877 897	$ 816 775
Liability related to flow-through shares	-	48 058
Total current liabilities	877 897	864 833
Non-current liabilities		
Deferred tax liabilities	462 224	462 224
Total non-current liabilities	462 224	462 224
Equity:		
Share capital and warrants (note 8)	64 530 913	64 481 913
Contributed surplus	6 651 637	6 622 308
Accumulated other comprehensive income	2 023 429	1 279 016
Deficit	(52 223 876)	(49 908 226)
Total equity attributable to shareholders of the Company	20 982 103	22 475 011
Non-controlling interests	1 783 997	1 797 715
Total equity	22 766 100	24 272 726
Contigencies and commitments (notes 13 and 14)		
Total liabilities and equity	$ 24 106 221	$ 25 599 783

The notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Comprehensive Income
(Unaudited and not reviewed by the auditors)

Periods ended June 30, 2015 and 2014

	Thee-month periods ended June 30,		Thee-month periods ended June 30,	
	2015	2014	2015	2014
Administrative expenses (note 10)	$ 182 332	$ 413 772	$ 369 633	$ 625 254
Write-off of exploraton and evaluation assets and mining property (note 7)	1 956 500	-	1 956 500	-
Loss before net finance cost (income) and income taxes	(2 138 832)	(413 772)	(2 326 133)	(625 254)
Net finance cost (income) (note 11)				
Finance income	(21 268)	(22 717)	(50 793)	(5 522)
Finance cost	897	2 921	54 028	7 855
	(20 371)	(19 796)	3 235	2 333
Loss before income taxes	(2 118 461)	(393 976)	(2 329 368)	(627 587)
Income taxes (recovery):				
Current taxes	-	(26)	-	(159)
Deferred taxes	-	26	-	159
	-	-	-	-
Net loss	(2 118 461)	(393 976)	(2 329 368)	(627 587)
Other comprehensive income:				
Foreign currencies translation differences of foreign operations	(197 932)	(485 880)	744 413	34 438
Comprehensive income (loss)	$ (2 316 393)	$ (879 856)	$ (1 584 955)	$ (593 149)
Net loss attributable to:				
Shareholders of the Company	$ (2 111 380)	$ (377 341)	$ (2 315 650)	$ (597 882)
Non-controlling interests	(7 081)	(16 635)	(13 718)	(29 705)
Total comprehensive income (loss) attributable to:				
Shareholders of the Company	$ (2 309 312)	$ (863 221)	$ (1 571 237)	$ (563 444)
Non-controlling interests	(7 081)	(16 635)	(13 718)	(29 705)
Basic and fully diluted net loss per share	$ (0,019)	$ (0,004)	$ (0,020)	$ (0,006)
Weighted average of outstanding shares - basic and diluted	114 437 097	101 527 220	114 657 539	101 527 220

The notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited and not reviewed by the auditors)

	Number of ordinary shares outstanding	Number of warrants	Share capital	Contributed Surplus	Accumlated other comprehensive income (loss)	Deficit	Total equity attributable to shareholders of the Company	Non-controlling Interest	Total equity
Balance, December 31, 2013	101 527 220	-	$ 63 813 193	$ 6 569 993	$ 66 655	$ (43 174 393)	$ 27 275 448	$ 1 854 596	$ 29 130 044
Share-based payments	-	-	-	49 840	-	-	49 840	-	49 840
Foreign currendy translation differences of foreign operations	-	-	-	-	34 438	-	34 438	-	34 438
Net loss	-	-	-	-	-	(597 882)	(597 882)	(29 705)	(627 587)
Balance, June 30, 2014	101 527 220		$ 63 813 193	$ 6 619 833	$ 101 093	$ (43 772 275)	$ 26 761 844	$ 1 824 891	$ 28 586 735
Balance, December 31, 2014	113 957 539	3 681 747	$ 64 481 913	$ 6 622 308	$ 1 279 016	$ (49 908 226)	$ 22 475 011	$ 1 797 715	$ 24 272 726
Stake acquisition in Prairie Lake (note 8)	700 000	-	49 000	-	-	-	49 000	-	49 000
Shared-based payments	-	-	-	29 329	-	-	29 329	-	29 329
Foreign currency translation of foreign operations	-	-	-	-	744 413	-	744 413	-	744 413
Net loss	-	-	-	-	-	(2 315 650)	(2 315 650)	(13 718)	(2 329 368)
Balance, June 30, 2015	114 657 539	3 681 747	$ 64 530 913	$ 6 651 637	$ 2 023 429	$ (52 223 876)	$ 20 982 103	$ 1 783 997	$ 22 766 100

The notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited and not reviewed by the auditors)

Periods ended June 30, 2015 and 2014

	Three monthes ended June 30,		Six month ended June 30	
	2015	2014	2015	2014
Cash flows used in operating activities:				
Net loss	$ (2 118 461)	$ (393 976)	$ (2 329 368)	$ (627 587)
Adjustments for:				
Shared-based payments	28 602	48 603	29 329	49 840
Amortization of property and equipment	1 646	2 136	3 292	4 272
Write-off of exploraton and evaluation assets and mining property	1 956 500	-	1 956 500	-
Interest income	(1 769)	(3 339)	(3 022)	(5 522)
Accretion expenses related to the other long-term liability	-	1 785	-	4 136
Foreign exchange loss (gain)	19 499	(19 378)	19 499	1 324
Change in non-cash working capital items	(125 321)	(3 195)	506 952	67 106
Payment related to the other long-term liability	-	(25 000)	-	(50 000)
Interest received	(19)	2 712	(6 505)	8 369
	(239 323)	(389 652)	176 677	(548 062)
Cash flows from investing activities:				
Disposal of investments	-	400 000	350 000	750 000
Additions to mining properties	-	(2 245)	(31 105)	(37 323)
Increase in evaluation and exploration assets	(87 746)	(138 895)	(410 707)	(390 553)
	(87 746)	258 860	(91 812)	322 124
Effect of exchange rates changes on cash denominated in foreign currency	(58 459)	(809)	(16 051)	3 157
Net change in cash	(385 528)	(131 601)	68 814	(222 781)
Cash, beginning of period	719 138	183 763	264 796	274 943
Cash, end of period	$ 333 610	$ 52 162	$ 333 610	$ 52 162

The notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements.

1. Reporting entity and going concern:

MDN Inc. (the “Company”) is a Company domiciled in Canada and incorporated under Part 1A of the Québec *Companies Act*. The common shares are traded on the Toronto Stock Exchange under the symbol MDN. The address of the Company’s registered office is 1693 Saint-Patrick Street, Suite 106, Montréal, Québec, Canada.

The interim condensed consolidated financial statements of the Company as at and for the period ended June 30, 2015 comprise the Company and its subsidiaries, MDN Tanzania Ltd. (100% interests) and Crevier Mineral Inc. (“CMI”, 72.5% interests) (together referred to as the “Group” and individually as “Group entities”).

The Group primarily is involved in the exploration of mineral resources in the Provinces of Quebec and Ontario in Canada, and in Tanzania.

These consolidated financial statements have been prepared on a going concern basis. The going concern assumption assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business.

As the Company does not generate revenue, the Company must periodically obtain new funds to continue its operations. Despite the ability of the Company to raise funds in the past, there is no guarantee that it will be able to obtain financing in the future.

Management expects that the funds of the Company as at June 30, 2015 are just sufficient to meet its budget for administrative costs and minimum expenses related to mining properties for the year 2015. The Company must find additional funding in the next year to meet its short-term obligations and to cover administrative costs and future exploration activities.

1. Reporting entity and going concern (continued):

The application of the assumption of going concern may be inappropriate because the above conditions indicate the existence of material uncertainty that may cast significant doubt on the ability of the Company to continue its operations.

These consolidated financial statements do not give effect to adjustments that may be required in the event that the assumption of the going was not proven appropriate. If that were the case, adjustments could be made to the carrying value of assets and liabilities.

2. Basis of preparation:

Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*, and, therefore, are condensed consolidated financial statements since they do not contain all disclosures required by IFRS for annual consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2014, including the significant accounting policies used by the Company.

The interim condensed consolidated financial statements were approved by the Board of directors on August 5, 2015.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Temporary Investments

		June 30, 2015		December 31, 2014
Guaranteed investment certificate, rate of 1.12% maturing in January 2016, redeemable at any time	$	100 000	$	200 000
Guaranteed investment certificate, rate of 1.15%, maturing in September 2016, redeemable at the option of the Company once a month without penalty		150 000		200 000
Guaranteed investment certificate, rate at 1.15% maturing in July 2015, redeemable at any time		100 000		300 000
	$	350 000	$	700 000

4. Accounts receivable:

		June 30, 2015		December 31, 2014
Tax credit related to resources	$	41 696	$	1 550
Sales tax receivable		145 892		656 404
Others		30 341		33 824
	$	217 929	$	691 778

5. Mining properties:

Mining properties are detailed as follows:

Properties	Interest at end	December 31, 2014	Additions	Write-off (note 8)	Effect of foreign exchange	June 30, 2015
Tanzania						
Ikungu	81 %	$ 315 181	$ -	$ -	$ 6 691	$ 321 872
Nikonga	100	110 398	-	(110 398)	-	-
Canada						
Crevier	72,5 [i)]	7 481 515	-	-	-	7 481 515
Samaqua	100	6 336	1 105	-	-	7 441
Prairie	-	-	79 000	-	-	79 000
		$ 7 913 430	$ 80 105	$ (110 398)	$ 6 691	$ 7 889 828

(i) The amounts related to this property represent 100% of CMI capitalized costs because this property is consolidated in the Company.

On February 13, 2015, the Company signed two option agreements (note 14) to acquire a 100% interest in two properties located in the mining district of Thunder Bay, 45 km northwest of Marathon, Ontario known by the names of Prairie Lake Property and Prairie Lake South Property.

To acquire these options, the Company paid a cash consideration in the amount of $ 30,000 and issued common shares for an amount of $ 49,000.

(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 4 blocks of claims and covering 592 hectares in the Killala Lake Township.

6. Evaluation and exploration assets:

Evaluation and exploration assets by properties are detailed as follows:

Properties	December 31, 2014	Tax credits related to resources	Additions	Write-off (note 8)	Effect of foreign exchange	June 30, 2015
Tanzania						
Ikungu	$ 7 634 221	$ -	$ 17 282	$ -	$ 582 337	$ 8 233 840
Ikungu East	754 603	-	28 852	-	53 180	836 635
Nikonga	1 733 291	-	4 528	(1 846 102)	108 283	-
Canada						
Crevier	5 464 906	-	1 215	-	-	5 466 121
Samaqua	222 947	(40 146)	300 433	-	-	483 234
Prairie Lake	-	-	69 837	-	-	69 837
	$ 15 809 968	$ (40 146)	$ 422 147	(1 846 102)	$ 743 800	$ 15 089 667

7. Write-off of exploration and evaluation assets and mining property:

On a regular basis, a special committee reviews all the different mining properties to ensure that they still comply with the strategic objectives of the Company.

On April 7, the Company wrote-off an amount of $1,956,500 related to the Nikonga evaluation and exploration asset and mining property. 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.

8. Share capital and warrants:

On February 27, 2015, the Company issued 700,000 common shares in exchange for an interest in two mineral properties (Note 6 and Note 14). The shares were issued at the market price at the date of the transaction. The total fair market value of shares issued was $49,000.

9. Share-based payments:

Share Option plan

Under the share option plan, the Company may grant up to a maximum of 8,000,000 share options to employees, directors and officers to acquire share capital.

The Board of Directors sets the conditions for acquiring the common share options according to quantity and exercise prices which they established in accordance with regulations. Prior to 2010, options vested immediately. Since 2010, options are vested immediately or over a period of five to seven years. The maximum term is ten years.

On June 3, 2015, the Company granted 1,250,000 stock options to directors and officers of the Company. The stock options have a five year term and are exercisable at a price of $0.05 per share. All the stock options granted vested on the date of grant. The fair value of the stock option was estimated at $0.0223 per option by applying the Black-Sholes option pricing model, using an expected time-period of 5 years, a risk-free interest rate of 1.01%, a volatility rate of 61.70% and a 0% dividend factor. At the date of grant, the market value of the share was $0.045.

The following table set out the activity in the stock options:

	Six-month periods ended June 30,			
		2015		2014
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Balance, beginning of period	3 810 000	$ 0,24	2 560 000	$ 0,45
Granted	1 250 000	0,05	1 850 000	0,06
Expired	(700 000)	0,48	(150 000)	0,73
Balance, end of period	4 360 000	$ 0,15	4 260 000	$ 0,15
Exercisable options, end of period	4 360 000	$ 0,15	4 260 000	$ 0,15

The following table reflects the stock options issued and outstanding at June 30, 2015:

Range of exercise prices	Number of outstanding options	Weighted average remaining contractual life (years)
$ 0.05 - $ 0.19	3 240 000	4,40
$ 0.20 - $ 0.44	310 000	3,90
$ 0.45 - $ 0.51	810 000	0,73
	4 360 000	3,68

10. Administrative expenses:

	Three month ended June 30,		Six month ended June 30,	
	2015	2014	2015	2014
Professional fees	$ 89 452	$ 172 895	$ 187 679	$ 218 046
Salaries and fringe benefits	29 095	118 524	57 691	191 967
Share-based payments	28 602	48 603	29 329	49 840
Tranfer fees	11 558	15 505	19 297	18 400
Travelling expenses	5 309	3 437	9 029	19 352
Rent	8 122	29 935	21 491	59 397
Office expenses	2 551	6 137	4 591	9 756
Promotion expenses	200	5 900	449	11 344
Reports to shareholders	1 966	1 765	26 362	19 124
Insurance, taxes and permits	3 802	4 647	7 604	9 470
Membership and training	-	522	-	2 285
Telecommunications	29	3 766	1 896	5 155
Amortization of property and equipment	1 646	2 136	3 292	4 272
Mining titles management	-	-	923	6 846
	$ 182 332	$ 413 772	$ 369 633	$ 625 254

11. Net finance cost (income):

	Three month ended June 30,		Six month ended June 30,	
	2015	2014	2015	2014
Other income related to flow-through shares	$ -	$ -	$ (47 771)	$ -
Interest income on cash and investments	(1 769)	(3 339)	(3 022)	(5 522)
Foreign exchange gain	(19 499)	(19 378)	-	-
Finance income	(21 268)	(22 717)	(50 793)	(5 522)
Acrretion expense on other long-term liability	-	1 785	-	4 136
Bank charges and other	897	1 136	1 709	2 395
Foreign exchange loss	-	-	52 319	1 324
Finance cost	897	2 921	54 028	7 855
Net finance cost (income)	$ (20 371)	$ (19 796)	$ 3 235	$ 2 333

12. Cash flows:

	Three month ended June 30, 2015	Three month ended June 30, 2014	Six month ended June 30, 2015	Six month ended June 30, 2014
Operations without impact on cash related to:				
Operating activities:				
Change in accounts payable and accrued liabilities related to exploration and evaluation assets	$ 58 349	$ (4 091)	$ 57 203	$ (1 580)
Investing activities				
Change in tax credit related to resources capitalized in exploraton and evaluation assets included in accounts recevable	40 146	175	40 146	1 069
Financing activities				
Issuance of shares as consideration for acquisition of option for the acquisition of rights to mining properties	-	-	49 000	-

13. Commitments:

Mining properties

Crevier (Québec)

Having completed its required exploration and evaluation work during 2012, the Company has a non-expiring right to acquire an additional interest of 15% in CMI by paying in cash or in shares, at the option 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 by the names of Prairie Lake Property and Prairie Lake South Property.

Two agreements were signed:

(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 4 blocks of claims and covering 592 hectares in the Killala Lake Township.

14. Contingencies:

(a) Communications with Tanzania Revenue Authority ("TRA")

During the second quarter of 2013, the Company received a written communication from the 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 (or approximately $511,000 on December 31, 2014) in sales taxes receivable included in accounts receivable in the consolidated 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 favour of MDN in this case.

Following this decision, on February 26, 2015, the TRA repaid MDN Tanzania Ltd. the amounts owed, representing approximately $511,000.

No provision has been recorded in the condensed consolidated financial statements of the Company at June 30, 2015 as management believes that the outstanding items above are unfounded and that the Company owes no tax to TRA.

(b) The Company is partly financed by the issuance of flow-through shares, however there is no guarantee that the funds spent by the Company will qualify as Canadian operating costs, even if the Company has agreed to take all necessary measures for this purpose. Refusal of certain expenses by the tax authorities could have adverse tax consequences for investors or the Company. As of March 30, 2015, the Company conducted all required expenditures under commitment for the flow through shares issued in 2014.