MDN inc.

INTERIM FINANCIAL REPORT

MARCH 31, 2013

MDN INC.

MANAGEMENT DISCUSSION AND ANALYSIS

(FOR THE PERIOD ENDED MARCH 31, 2013)

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, 2013 and 2012. The reader should also refer to the audited annual consolidated financial statements as at December 31, 2012, 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 May 8 2013, and complies with Rule 51-102A of the Canadian Securities Administrators on continuous disclosure. This analysis is a supplement to the Company's non-audited financial statements for the period ended March 31st, 2013, 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 African Barrick Gold ''ABG'', MDN holds a 30% interest in liquidity surplus of 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 minerals.

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 km^2 in the area of Lake Victoria Goldfield, as well as in a joint venture with African Barrick Gold, 70% and MDN 30%, in the Tulawaka mine and its adjacent permits.

Quebec: Le Tac, Lac Shortt and Lespérance in the Chibougamau area, and Isle-Dieu in the Matagami area. MDN is also preparing a feasibility study for the Crevier project in Lac-St-Jean, holding an interest of 72.5% in this property.

TULAWAKA GOLD MINE

African Barrick Gold (ABG) has been successful in extending the life of this operation for the past three years; however, on February 13, 2013, in the context of its year-end operational review, ABG announced that it had decided not to extend the life of the mine beyond the middle of 2013. ABG is therefore now starting to implement a mine closure plan and will focus on closure preparations in 2013.

Operating Performance

The Tulawaka mine produced a total of 4,780 ounces of gold in the first quarter, compared to 15,963 ounces in the same quarter of 2012. The high-grade ore from underground was mixed with lower-grade ore from the western extension of the west pit, resulting in a slight drop in the overall grade milled.

Cash costs for the quarter were US $2,328 per ounce sold compared to US $902 for the same quarter of 2012. The cost increase was primarily due to the slowing of production, in line with the closure plan.

Direct operating costs per ton milled rose to US $267 in the first quarter from US $158 in 2012, due to the increase in cash costs described above, as well as a lower mill throughput.

Tulawaka (on a 100% basis)

		Three months ended March 31	
(unaudited)		**2013**	**2012**
Tons of ore from underground	Kt	34	43
Tons of ore from open pit	Kt	-	61
Tons of waste from open pit	Kt	-	317
Ore milled	Kt	49	96
Head grade	g/t	3.2	5.4
Mill recovery	%	94.3	95.4
Ounces produced	oz	4,780	15,963
Ounces sold	oz	5,650	16,900
Cash cost per ounce sold	$/oz	2,328	902
Cash cost per tonne milled	$/t	267	158
Capital expenditures	$(‘000)	523	5,122

EXPLORATION IN TANZANIA

In the first quarter of 2013, the Company carried out prospecting surveys on the Ikungu East and Nikonga projects, and signed an agreement with Metalinvest for exploration of the Ikungu project.

Ikungu: one of the most advanced gold projects in Tanzania

On February 20, 2013, the Company signed an agreement with Metalinvest providing for Metalinvest to invest US $14 million in exploration expenditures on the Ikungu project in Tanzania over a four-year period, including at least $3 million by December 31, 2013, to acquire a 55% undivided interest of MDN's interest in the property.

Pursuant to the agreement, the management committee consisting of two representatives each of MDN and Metalinvest was set up in March. A US $3 million work program for 2013 was presented to and approved by the committee. Metalinvest was required to deposit the funds required to cover the expenditures for the first half of 2013 within days of the approval of the exploration program to maintain its option; it was unable to do so, and asked for an extension until May 13, which MDN granted.

Ikungu is one of the most advanced projects in Tanzania. It should be recalled that the 53 holes drilled to date in earlier exploration programs along the four-kilometre Ikungu structure have identified a mineralized zone that extends more than two kilometres long strike and 300 metres vertically. Four higher-grade gold zones with a minimum horizontal thickness of two metres have been delineated, formed around the drill intersections in holes IKD-45 (8.6 g/t Au over 14.78 m) on Section 2230mE, IKD-48 (3.11 g/t Au over 9.50 m) on Section 2830mE, IKD-51 (3.39 g/t Au over 7.05 m) on Section 3190mE and IKD-36 (13.22 g/t Au over 4.62m) on Section 3610mE.

Ikungu East: Volcanic belt discovered in 2012

In 2012, prospecting work by MDN led to the discovery of a previously-unknown 15-km long volcanic belt that constitutes the eastern extension of the major Ikungu mineralized zone. MDN acquired 133 km^2 of mining lands covering the volcanic belt, and controls 100% of the property.

In the first quarter of this year, detailed mapping was carried out over a 40 km^2 area to cover the two main gold anomalies detected by soil geochemistry surveys conducted in 2012. A total of 2,242 outcrops were described and 192 structural measurements were taken. This data, which is now being analysed, will allow for a better understanding of the 2012 geochemistry results, and processing and interpretation of the results will provide a basis for the identification of exploration targets along the 15-km volcanic belt discovered in 2012.

Nikonga: Discovered by drilling in 2012

The 2012 discovery at Nikonga was the outcome of two drilling programs on the Nikonga property, which is wholly-owned by MDN. The discoveries were identified by the following intersections:

NKD-02:	**12.3 g/t Au over 4.2 m**
	10.9 g/t Au over 4.9 m
NKD-05:	**9.9 g/t Au over 4.2 m**
NKD-04:	**17.3 g/t Au over 1.1 m**

MDN acquired the Nikonga property, located 40 km southeast of the Tulawaka mine, in 2010. The property consists of two prospecting licenses covering a total of 51 km^2.

In the first quarter of this year, a ground magnetic survey was conducted over the western part of the property. The survey, which totalled 108 km of lines, supplemented the survey done over the eastern part of the property in 2012. Processing of the magnetic data from the 2012 and 2013 programs is now underway and is expected to be completed in the second quarter. All this new data will be used in the planning of the induced polarization geophysics program to be carried out in the second half of the year.

CREVIER PROJECT DEVELOPMENT

HISTORY

The Crevier project consists of a niobium (Nb) and tantalum (Ta) resource found north of the Lac-Saint-Jean region in Quebec. MDN received a positive preliminary economic assessment for the project in 2010; the assessment was carried out by Met-Chem Canada Inc.

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

The feasibility study was ongoing throughout 2011, with the preparation of the environmental and geotechnical studies required for construction of the key facilities (see 2011 MD&A for description).

In the last quarter of 2011, the extraction of an initial bulk sample enabled the Company to start metallurgical process development work, but a delay in the preparation and execution of pilot plant testing and the analysis of the results of this portion of the study led to a delay in the overall preparation of the feasibility study.

During 2012, much of the work related to the Crevier feasibility study was suspended pending the results of work on the metallurgy needed for process development, which consisted of completing the hydrometallurgy studies and conducting a second pilot test at COREM to confirm the ore flotation parameters (see Q4 2012 MD&A for description).

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

Q1 2013

In the first quarter of 2013, the Company received COREM's final flotation report, which confirmed that it was possible to obtain an overall recovery of 62.8% for the flotation circuit, and to produce a concentrate with a grade of 9.6% niobium and tantalum. This 62.8% recovery is acceptable and considered normal for this type of ore. MDN decided to perform additional metallurgical work to examine the possibilities of increasing the grade of niobium and tantalum in the concentrate. This extension would be an added step in the preparation of the feasibility study.

Since February, Mr. Serge Bureau is devoted exclusively to Crevier Minerals Inc. as President. Mr. Bureau's mandate for the near term is to find a partner for the project and secure the funds necessary to complete the feasibility study. On February 1st 2013, Marc Boisvert, Ing formely Vice President, Exploration of MDN, was appointed President, Chief Executive Officer and a director of MDN.

During the first quarter, the Company met with various financial organization as well as potential strategic partners. These meetings led to the signature of confidentiality agreements.

MDN has completed all of its obligations to ensure its 72.5% interest in the Crevier project. Following the addition of the metallurgical work mentioned above, it was decided to temporary suspend the feasibility study during the research for funding.

SUMMARY OF OPERATING RESULTS

For the periods ended March 31	**2013**	2012
(In thousands of dollars, except for amounts per share)		
Revenues net of financial charges	**$9**	($51)
Administrative expenses	**$398**	$700
Write off of evaluation and exploration assets	**-**	$947
Management fees related to the Tulawaka mine	**$137**	$193
Net loss attributable to the shareholders of the company	**($500)**	($1,637)
Basic and diluted net loss per share	**(0.005)**	($0.016)
Number of shares outstanding (in thousands)	**101,527**	101,527

Operating results

MDN's revenues are generated mainly from royalties derived from the production at the Tulawaka gold mine. These royalties are distributed based on available cash at the end of periods and are therefore affected by changes in accounts payables, receivables, inventory fluctuation, capital investments and by setting aside funds for the restoration of land during the mine closure. Subsequently to the above, royalties were not declared for the first quarter of 2013 as well as for the first quarter 2012. Other revenues ($15,435 in 2013 and $27,110 in 2012), consist of interest income from the Company's various investments, gains on disposal of investment and a part of the reversal of the liability related to the issuance of flow-through shares in 2011 for work done in 2012.

Financial charges totalled $6,824 compared with $77,742 for the first quarter of 2013 and 2012, respectively. The financial charges included bank charges of $2,343 ($2,974 in 2012), accretion expenses on other long-term liability of $4,481 ($6,411 in 2012) and net foreign exchange loss of $68,357 in 2012.

Administrative expenses totalled $397,567 for the first quarter 2013, compared with $700,414 in 2012. Administrative expenses included professional fees of $128,080 ($230,409 in 2012), decrease primarily due to costs related to the search for a strategic partner for the Crevier project and a geologic evaluation for the Tulawaka mine both expenses incurred in 2012. Salary costs of $171,703 ($276,920 in 2012) variation mainly attributable the non-replacement of one opened position, and voluntary temporary salary reduction of employees, directors and board members resulting in a net payroll decrease of 35% since September 2012. Traveling expenses and promotion expenses was $19,970 for the first quarter 2013 ($81,830 in 2012) decrease mainly due to reduction of promotion activities.

The write-off of $946,667 of exploration assets in 2012 was for the Msasa project. The partnership agreement on the project Msasa, stated that we had to make a feasibility study for the month of December 2012. As the cumulative results on this property did not justify conducting such a study by year end of 2012, the Company entered into negotiations with the partner to postpone the date of execution of the study in order to get more positive results. Given the refusal of the partner to negotiate a further extension at the end of March 2012, the Company decided to cease operations on the property and proceeded to write off the project. In the first quarter of 2013, there was no write-off of exploration assets.

The management fees representing 30% of 3% of all operating expenses of the Tulawaka project invoiced by the operator; was $137,236 for the first quarter 2013 in comparison of $193,209 for the same period in 2012.

Net loss

For period ended March 31, 2013, the Company recorded a net loss attributable to the shareholders of the Company of $499,757 or $0.005 per share compared to net loss of $1,636,992 or $0.016 per share for the same period in 2012.

The net loss per share is based on weighted-average number of 101,527,220 common shares outstanding as at March 31, 2013, which is the same as of for the same period in 2012.

Future results

The Company's future results will be influenced mainly by the loss of royalty income received from its 30% participation in the Tulawaka gold mine, given its likely closure as of the middle of the year, as well as its exploration results in Tanzania and finally from its development of Crevier project.

Financial position	*March 31* **2013**	*December 31* 2012
(In thousands of dollars)		
Cash	**$1,716**	$1,375
Investments	**$1,714**	$3,059
Accounts receivables	**$1,212**	$1,124
Mining taxes receivable	**$139**	$138
Exploration and evaluation assets	**$30,881**	$30,359
Total assets	**$35,778**	$36,168
Share Capital	**$63,813**	$63,813
Total equity attributable to equity holders of the Company	**$31,986**	$32,237

LIQUIDITY AND FINANCIAL POSITION

Cash, cash equivalents and term deposits

As at March 31, 2013, the Company's cash position, consisting of cash and investments amounted to $3,429,986 compared with $4,433,437 as at December 31, 2012. This variation is mainly due to the investment in exploration and evaluation assets coupled with normal operational expenses.

Mining taxes receivables

As of March 31, 2013, tax credit receivables amounted to $138,556 compared with $138,095 as at December 31, 2012. The mining taxes receivable are mainly attributable to the Crevier project.

Accounts receivables

As of March 31, 2013, accounts receivable amounted to $1,212,454 mainly due to resources credit ($377,019), Tanzanian sales tax reimbursements for a value of $556,674 and GST and QST refundables ($123,616).

Mining properties

In relation with several property agreements in Tanzania, MDN made an annual payment of $29,613 for the Nikonga property.

Exploration and evaluation assets

During the first quarter of 2013, the Company increased by $247,108 its exploration and evaluation assets. These amounts were spent mainly for the Ikungu property ($63,518), Nikonga property ($61,781), Simba ($59,634) and Ikungu East ($55,542). The Company also expensed $9,811 in the province of Quebec, for the Crevier property.

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

Total assets amount to $35,777,911 as at March 31st, 2013, compared to $36,167,533 as of December 31, 2012. The difference is mainly attributable to the impairment of exploration assets coupled with normal administration expenses engaged for continuing activities of the period.

Equity attributable to equity holders of the Company amounted to $31,986,421 as of March 31st, 2013, compared to $32,236,847 as of December 31st, 2012, with the decrease being attributable to the loss of the period.

The Company's liquidities are sufficient for the payment of administrative expenses, the financing of exploration activities and to support the Company's growth plan for at least the next twelve months.

Share capital

During the period ended March 31, 2013, the Company did not issue any new shares. The Company`s outstanding share number is 101,527,220 which is the same as of December 31, 2012.

Liquidity needs for the current financial year

Gold production at the Tulawaka gold mine started in March 2005. Based on the operation of the mining property and the available liquidities based on the JVA, the Company receives a 30% share of surplus distributed. Also, following a new partnership with Metalinvest Capital, the Company will receive $3 million US to be spent on the Ikungu project before the end of December 2013. For the current financial year ending on December 31st, 2013, the Company's liquidity needs are estimated at $2,300,000 the Company's management believes that the available liquidity exceeds the amount required to meet at least its financial 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. African Barrick Gold (ABG) announced that it had decided not to extend the life of the mine beyond the middle of 2013. ABG is therefore now starting to implement a mine closure plan and will focus on closure preparations in 2013.

Except for the Company's investment in MCI, 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 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 evaluation and exploration programs and to develop reserves. In the absence of cash flows generated by mining operations, the Company depends on 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.

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.

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.

CONTINGENCIES

Communication with Tanzania Revenue Authority:

On May 10, 2011, the Company received a request from the Tanzania Revenue Authority ("TRA") to file certain documents in respect of the Tulawaka mine operation and the legal structure of the Company's share in the royalties from this mining property. This request included also preliminary calculations made by TRA presuming that the Company owed substantial amounts to the Tanzanian government related to corporate taxes on gold sales from the Tulawaka mining property and other various withholding taxes for the fiscal years 2004 to 2010. The Company subsequently sent the requested information to TRA and discussions are presently in progress in order to clarify this situation. Pursuant to the Joint Venture Agreement between the Company, Pangea Goldfields Inc. and Pangea Minerals Limited (the "Operator"), the Operator cannot distribute the cash flow from the Tulawaka mine before first paying taxes to the TRA. The Company has obtained a confirmation from the Operator that since the beginning of the production at the Tulawaka Mine in 2004, the Operator has paid all taxes due to the TRA.

Furthermore in August 2011, the operator`s auditors have confirmed to the TRA the above statement. Meetings between the different stakeholders were held during 2011 and exchange of documentation and information are still continuing.

During 2012, additional requests for information were sent to the Company in relation with other matters disputed by the TRA. These issues affect MDN Inc. and MDN Tanzania Ltd and the Company has delegated its legal advisors to address these demands.

No provisions have been recorded in the Company's consolidated financial statements as at March 31, 2013, as management is of the opinion that amounts included in this communication are not founded and that the Company does not owe any taxes to the TRA in respect of these mining operations. Any amounts that may become payable related to this contingency could have a negative impact on the Company.

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

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 close of the period ended March 31, 2013 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 are 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. Management as well as the Chief Executive Officer and the Chief Financial Officer conclude, as at March 31,2013, 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 first quarter of 2013 materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

SUBSEQUENT EVENTS

At the date of the deposit of the March 31 2013 interim consolidated condensed financial statements, there were no subsequent events to record.

OUTLOOK

In 2013, we will continue to develop each of our assets so as to create more long-term value for our shareholders. MDN has the advantages of:

- A solid foundation on which to build its value
- Two outstanding discoveries in one year in 2012, with Nikonga and Ikungu East
- Ikungu, one of the most advanced gold projects in Tanzania
- Crevier, an asset that continues to gain value as it develops

Ikungu:

Ikungu is an advanced exploration project with a large gold-bearing zone and excellent growth potential. It is one of the most advanced projects in Tanzania and one of the few not owned by a major gold producer.

Pursuant to the agreement signed in February, Metalinvest is to invest at least US $3 million in the Ikungu project by December 31, 2013. On April 26, 2013, Metalinvest asked for an extension in the deadline for depositing the required funds until May 13, which MDN granted. Subject to the availability of the funds, a drilling program will be carried out in the second half of the year to test the gold-bearing extensions intersected in 2010 and 2011.

Ikungu East

Wholly-owned by MDN, this property shows synergy with the Ikungu drill results. Ikungu East covers a 133 km^2 area adjacent to the Ikungu project that is the eastern extension of the volcanic belt hosting the Ikungu gold zone. The work program will follow up on the prospecting done last year, with the goal of locating drill targets of similar quality to those at Ikungu by the fourth quarter of 2013. Work will be along the lines of mapping, geophysical surveying and soil sampling.

Nikonga

MDN's application for a prospecting license to the west of the discovery was approved in 2012, opening up more than seven kilometres to the west of the gold horizon to exploration. In the first three quarters of 2013, MDN will do the basic work required to identify drill targets on the western extension. The goal is to identify drill targets sufficiently large to indicate the presence of a gold deposit. This work will also provide additional data to enhance the understanding of the geological setting. Results to date suggest similarities with the Timmins camp, one of the most prolific gold mining camps in Canada.

Crevier

The higher tantalum demand and prices seen in the past two years are positive developments for the Crevier project. Since the 2010 preliminary economic assessment, tantalum has risen in price from $150 per kg to over $240 per kg. Based on the results of the metallurgical testing in the first quarter 2013, MDN decided to perform additional metallurgical work to examine the possibilities of increasing the grade of niobium and tantalum in the concentrate. This extension would be an added step in the preparation of the feasibility study.

During the first quarter, the Company met with various financial organization as well as potential strategic partners. These meetings led to the signature of confidentiality agreements.

MDN has fulfilled all the obligations required to earn its 72.5% interest in the Crevier project. Following the decision to produce an extension to the feasibility study, the Company decided to temporarily suspend feasibility study work during the financing period. During this period, the Company will assess the merits of amending the base scenario of the 2010 preliminary economic assessment so as to optimize the already-positive economic parameters. In the future, the Crevier project development will be funded through Crevier Minerals Inc., a private company, rather than through equity financings by MDN.

(S)	(S)
Marc Boisvert	Yves Therrien, CMA
Chairman & CEO	Vice President, Finance

Montreal, Canada
May 8th, 2013

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

	2013	**2012**	**2011**
	3 months	*12 months*	*12 months*
Total revenues net of finance expenses	**$8,611**	$278,049	$6,329,995
(Net Loss) income	**($499,796)**	($12,862,510)	$1,675,414
(Net loss) income per share	**($0.005)**	($0.127)	$0.016
Addition on Exploration and evaluation assets	**$247,108**	$3,265,453	$4,389,491
Accounts receivable & Mining tax receivables	**$1,351,010**	$1,262,059	$5,810,914
Total assets	**$35,777,911**	$36,167,533	$49,087,267
Shareholders' equity			
Total	**$33,887,857**	$34,164,743	$47,312,724

FOR THE LAST EIGHT QUARTERS

				2013
	1st quarter			
Total revenues net of finance expenses	$8,611			
Net loss	($499,796)			
Net loss per share	($0.005)			

				2012
	1st quarter	*2nd quarter*	*3rd quarter*	*4th quarter*
Total revenues net of finance expenses	$(50,632)	$362,818	($39,402)	$5,265
Net loss	($1,636,992)	($583,820)	($1,012,463)	($9,629,235)
Net loss per share	($0.016)	($0.006)	($0.010)	($0.095)

			2011
	2nd quarter	*3rd quarter*	*4th quarter*
Total revenues net of finance expenses	$1,272,122	$3,574,336	1,501,692
Net income (loss)	($154,462)	$1,983,792	$485,719
Net income (loss) per share	($.008)	$.02	$0.005

Interim Condensed Consolidated Financial Statements of
(Unaudited)

MDN INC.

Periods ended March 31, 2013 and 2012

MDN INC.

Interim Condensed Consolidated Financial Statements
(Unaudited)

Periods ended March 31, 2013 and 2012

Financial Statements

MDN INC.

Interim Condensed Consolidated Statements of Financial Position
(Unaudited)

March 31, 2013 and December 31, 2012

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash	$ 1,716,431	$ 1,374,545
Temporary investments (note 4)	1,713,555	3,058,892
Accounts receivable (note 5)	1,212,454	1,123,964
Mining taxes receivable	138,556	138,095
Prepaid expenses	34,247	29,415
Total current assets	4,815,243	5,724,911
Non-current assets:		
Mining properties (note 6)	8,792,163	8,749,999
Exploration and evaluation assets (note 7)	22,088,583	21,608,818
Property and equipment	81,922	83,805
Total non-current assets	30,962,668	30,442,622
Total assets	$ 35,777,911	$ 36,167,533
Liabilities and Equity		
Current liabilities:		
Trade accounts payable and accrued liabilities	$ 636,267	$ 728,946
Current portion of other long-term liability	100,000	100,000
Total current liabilities	736,267	828,946
Non-current liabilities:		
Other long-term liability	58,733	79,252
Deferred tax liabilities	1,095,054	1,094,592
Total non-current liabilities	1,153,787	1,173,844
Equity:		
Share capital	63,813,193	63,813,193
Contributed surplus	6,564,040	6,562,087
Accumulated other comprehensive loss	(508,330)	(755,708)
Deficit	(37,882,482)	(37,382,725)
Total equity attributable to shareholders of the Company	31,986,421	32,236,847
Non-controlling interests	1,901,436	1,927,896
Total equity	33,887,857	34,164,743
Contingencies and commitments (notes 14 and 15)		
Total liabilities and equity	$ 35,777,911	$ 36,167,533

The notes on pages 5 to 16 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

Periods ended March 31, 2013 and 2012

		Three-month periods ended March 31,		
		2013		2012
Administrative expenses (note 10)	$	397,567	$	700,414
Management fees related to the Talawaka mine		137,236		193,209
Write-off of exploration and evaluation assets (note 8)		–		946,667
Loss before net finance (income) cost and income taxes		(534,803)		(1,840,290)
Net finance (income) cost (note 11):				
Finance income		(15,435)		(27,110)
Finance cost		6,824		77,742
		(8,611)		50,632
Loss before income taxes		(526,192)		(1,890,922)
Income taxes (recovery):				
Current taxes		(437)		(5,187)
Deferred taxes		462		(248,055)
		25		(253,242)
Net loss		(526,217)		(1,637,680)
Other comprehensive income (loss):				
Foreign currency translation differences for foreign operations		247,378		(263,750)
Comprehensive loss	$	(278,839)	$	(1,901,430)
Net loss attributable to:				
Shareholders of the Company	$	(499,757)	$	(1,636,992)
Non-controlling interests		(26,460)		(688)
Total comprehensive loss attributable to:				
Shareholders of the Company	$	(252,379)	$	(1,900,742)
Non-controlling interests		(26,460)		(688)
Basic and fully diluted net loss per share	$	(0.005)	$	(0.016)
Weighted average of outstanding shares - basic and diluted		101,527,220		101,527,220

The notes on pages 5 to 16 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Periods ended March 31, 2013 and 2012

	Number of ordinary shares outstanding	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance, December 31, 2011	101,527,220	$ 63,813,193	$ 6,542,619	$ (471,845)	$ (24,520,215)	$ 45,363,752	$ 1,948,972	$ 47,312,724
Share-based payments	–	–	7,147	–	–	7,147	–	7,147
Foreign currency translation differences of foreign operations	–	–	–	(263,750)	–	(263,750)	–	(263,750)
Net loss	–	–	–	–	(1,636,992)	(1,636,992)	(688)	(1,637,680)
Balance, March 31, 2012	101,527,220	$ 63,813,193	$ 6,549,766	$ (735,595)	$ (26,157,207)	$ 43,470,157	$ 1,948,284	$ 45,418,441
Balance, December 31, 2012	101,527,220	$ 63,813,193	$ 6,562,087	$ (755,708)	$ (37,382,725)	$ 32,236,847	$ 1,927,896	$ 34,164,743
Share-based payments	–	–	1,953	–	–	1,953	–	1,953
Foreign currency translation differences of foreign operations	–	–	–	247,378	–	247,378	–	247,378
Net loss	–	–	–	–	(499,757)	(499,757)	(26,460)	(526,217)
Balance, March 31, 2013	101,527,220	$ 63,813,193	$ 6,564,040	$ (508,330)	$ (37,882,482)	$ 31,986,421	$ 1,901,436	$ 33,887,857

The notes on pages 5 to 16 are an integral part of these interim condensed consolidated financial statements.

MDN INC.

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

Periods ended March 31, 2013 and 2012

	Three-month periods ended March 31, 2013	2012
Cash flows (used in) from operating activities:		
Net loss	$ (526,217)	$ (1,637,680)
Adjustments for:		
Share-based payments	1,953	7,147
Amortization of property and equipment	2,782	1,902
Other income related to flow-through shares	–	(5,519)
Interest income	(12,475)	(21,591)
Accretion expense related to the other long-term liability	4,481	6,411
Gain on sale of investment	(150)	–
Write-off of evaluation and exploration assets	–	946,667
Foreign exchange (gain) loss	(2,810)	68,357
Income taxes	25	(253,242)
Change in non-cash working capital item	(188,161)	3,938,394
Payment related to the other long-term liability	(25,000)	(25,000)
Interest received	12,834	27,367
	(732,738)	3,053,213
Cash flows from (used in) investing activities:		
Acquisition of investments	–	(839,098)
Disposal of investments	1,350,000	800,000
Acquisition of property and equipment	–	(2,424)
Additions to mining properties	(40,575)	(65,282)
Increase in evaluation and exploration assets	(240,896)	(480,068)
	1,068,529	(586,872)
Effect of exchange rate changes on cash denominated in foreign currency	6,095	(36,319)
Net change in cash	341,886	2,430,022
Cash, beginning of period	1,374,545	1,659,611
Cash, end of period	$ 1,716,431	$ 4,089,633

The notes on pages 5 to 16 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 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 1010 de la Gauchetière West, Suite 680, Montréal, Québec, Canada.

The interim condensed consolidated financial statements of the Company as at and for the period ended March 31, 2013 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 Province of Québec, in Canada, and in Tanzania. Under an agreement with African Barrick Gold, the Company also holds an interest of 30% in the excess cash flows generated by the operating activities of the Tulawaka gold mine in Tanzania which is presented as "operating royalties from the Tulawaka mine" in the interim condensed consolidated statements of comprehensive income (nil as at March 31, 2013 and 2012).

On February 13, 2013, African Barrick Gold decided to not extend the life of the mine beyond mid-2013. A closure plan is actually ongoing and options for the sale of the mine assets are considered. Under its joint venture agreement with African Barrick Gold, the Company will continue to receive 30% of all liquidity generated by the mine operations, the realization of the non-cash working capital items as well as liquidity generated by the sale of assets. The amount of future royalties remains unknown and uncertain.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Recovery of amounts indicated under mining properties and the related deferred exploration costs are subject to the discovery of economically recoverable reserves, the Company's ability to obtain the financing required to complete development and profitable future production or the proceeds from the sale of such assets.

2. Basis of preparation:

Statement of compliance

The 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, 2012, including the significant accounting policies used by the Company.

The interim condensed consolidated financial statements were approved by the Board of directors on May 9, 2013.

Functional and presentation currency

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

3. Significant accounting policies:

The accounting policies described in the Company's December 31, 2012 annual consolidated financial statements have been applied consistently to all periods presented in these interim condensed consolidated financial statements. The accounting policies have been applied consistently by Group entities.

New standards and interpretations adopted during the period

The following new standards and amendments to standards and interpretations are effective for the first time for interim periods beginning on or after January 1, 2013 and have been applied in preparing these interim condensed consolidated financial statements:

IFRS 10, *Consolidated Financial Statements*, replaces the guidance in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation - Special Purpose Entities*. The consolidation procedures are carried forward substantially unmodified from IAS 27. IFRS 10 adoption did not have a material impact on the Company's interim condensed consolidated financial statements.

3. Significant accounting policies (continued):

IFRS 11, *Joint Arrangements*, replaces the guidance in IAS 31, *Interest in Joint Ventures*. IFRS 11 carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionate consolidation. These entities must now use the equity method. IFRS 11 adoption did not have a material impact on the Company's interim condensed consolidated financial statements.

IFRS 12, *Disclosure of Interests in Other Entities*, complements the disclosure requirements concerning interests that an entity holds in subsidiaries, joint ventures, associates and consolidated structured entities. The standard requires an entity to disclose information regarding the nature and risks associated with all its interest in other entities and the effect of those interests on its financial position, financial performance and cash flows. IFRS 12 adoption did not have a material impact on the Company's interim condensed consolidated financial statements.

IFRS 13, *Fair Value Measurement*, replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. IFRS 13 adoption did not have a material impact on the Company's interim condensed consolidated financial statements.

Amendments to IAS 1, *Presentation of Financial Statements*, require that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. As the amendments only require changes in the presentation of items in other comprehensive income, the amendments to IAS 1 did not have a material impact on the Company's interim condensed consolidated financial statements.

IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, requires recognition of production stripping costs that improve access to ore to be mined in the future as a non-current asset if specific criteria are met. IFRIC 20 adoption did not have an impact on the interim condensed consolidated financial statements as the Company has not entered into the production phase of its mining property.

4. Temporary investments:

	March 31, 2013	December 31, 2012
Guaranteed investment certificates, rate of 1.00%, maturing in May 2013	$ 1,000,000	$ 1,000,000
Guaranteed investment certificate, rate at 2.05%, maturing in December 2013, redeemable at the option of the Company once a month without penalty	463,000	618,000
Bonds, rates 3.05% (3.05% to 4.67% as at December 31, 2012), maturing in June 2013	250,555	1,440,892
	$ 1,713,555	$ 3,058,892

5. Accounts receivable:

	March 31, 2013	December 31, 2012
Tax credit related to resources	$ 377,019	$ 373,913
Sales tax receivable	586,046	597,402
Other	249,389	152,649
	$ 1,212,454	$ 1,123,964

6. Mining properties:

Mining properties are detailed as follows:

Properties	Interest at end	December 31, 2012	Additions	Effect of foreign exchange	March 31, 2013
Tanzania:					
Ikungu	80% [i]	$ 250,883	$ –	$ 1,589	$ 252,472
Nikonga	100	45,707	29,613	–	75,320
Simba (Isambara)	100	645,251	–	–	645,251
Québec:					
Crevier	72.5 [ii]	7,481,515	–	–	7,481,515
Isle Dieu	100	24,180	1,468	–	25,648
Lac Shortt	50	170,461	–	–	170,461
Lespérance	50	78,000	–	–	78,000
Le Tac	50	43,052	–	–	43,052
Samaqua	100	10,950	9,494	–	20,444
		$ 8,749,999	$ 40,575	$ 1,589	$ 8,792,163

[i] The cumulative exploration expenditures made on the Ikungu property has allowed the Company to increase its interest by 10% in the property, for a total of 80% as of March 31, 2013 (70% as at December 31, 2012).

[ii] The amounts related to this property represent 100% of CMI capitalized costs because this property is consolidated in the Company.

7. Evaluation and exploration assets:

Evaluation and exploration assets by properties can be detailed as follows:

Properties	December 31, 2012	Tax credits related to resources	Additions	Effect of foreign exchange	March 31, 2013
Tanzania:					
Ikungu East	$ 300,614	$ –	$ 55,542	$ 5,871	$ 362,027
Ikungu	6,007,061	–	63,518	123,280	6,193,859
Nikonga	1,215,064	–	61,781	26,829	1,303,674
Simba (Isambara)	4,284,113	–	59,634	79,099	4,422,846
Tulawaka	324,674	–	(3,178)	684	322,180
Québec:					
Crevier	5,296,763	(3,106)	9,811	–	5,303,468
Des Meloïses	898,972	–	–	–	898,972
Isle Dieu	537,456	–	–	–	537,456
Lac Shortt	1,371,023	–	–	–	1,371,023
Lespérance	485,188	–	–	–	485,188
Le Tac	887,890	–	–	–	887,890
	$ 21,608,818	$ (3,106)	$ 247,108	$ 235,763	$ 22,088,583

8. Write-off of exploration and evaluation costs

Under the term of its joint operating agreement, the Company had the obligation to process with a feasibility study before March 31, 2012. The cumulative results of the exploration and evaluation of mineral resources in the property did not justify such a study, and the Company decided to withdraw from the project and cancelled all activities on this property.

As at March 31, 2012, the Company made a write-off of $946,667, which was the total of exploration and evaluation assets of the Msasa property up to that date.

No write-off was made during the period ending March 31, 2013.

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, for a contractual period not to exceed ten years. Prior to 2010, options were vesting immediately. Since 2010, options are vesting over a period of 5 to 7 years.

9. Share-based payments:

Share option plan (continued)

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

	March 31, 2013			March 31, 2012		
	Number of outstanding options	Weighted average exercise price		Number of outstanding options	Weighted average exercise price	
Balance, beginning of period	2,800,000	$	0.47	2,920,000	$	0.48
Expired	(100,000)		0.84	–		–
Balance, end of period	2,700,000	$	0.46	2,920,000	$	0.48
Exercisable options, end of period	2,660,000	$	0.46	2,675,000	$	0.48

The table below presents supplemental information about the share option plan as at March 31, 2013:

Range of exercise prices	Number of outstanding options	Weighted average remaining contractual life (years)
$0.05 - $0.19	40,000	10.00
$0.20 - $0.44	310,000	6.10
$0.45 - $0.51	2,160,000	2.31
$0.73 - $0.79	150,000	1.04
Undetermined (i)	40,000	–
	2,700,000	2.91

(i) In relation with an indemnity agreement, 200,000 options have been granted during the year of 2009 and are vesting linearly once a year over a five-year period. The exercise price is then determined when options are vesting. During the period ended March 31, 2013, 40,000 options have been vested at an exercise price of $0.05 (40,000 options were vested at an exercise price of $0.20 in 2012).

10. Administrative expenses:

	Three-month periods ended March 31, 2013	2012
Professional fees	$ 129,080	$ 230,409
Salaries and fringe benefits	171,703	276,920
Share-based payments	1,953	7,147
Transfer fees	2,581	4,033
Travelling expenses	17,697	55,642
Rent	28,295	30,599
Office expenses	10,577	24,446
Promotion expenses	2,273	26,168
Reports to shareholders	13,355	19,427
Insurance, taxes and permits	8,297	10,490
Membership and training	3,882	1,717
Telecommunications	3,510	3,878
Project development	1,582	7,636
Amortization of property and equipment	2,782	1,902
	$ 397,567	$ 700,414

11. Net finance (income) cost:

	Three-month periods ended March 31, 2013	2012
Other income related to flow-through shares	$ –	$ (5,519)
Interest income on cash and investments	(12,475)	(21,591)
Gain on sale of investments	(150)	–
Foreign exchange gain	(2,810)	–
Finance income	(15,435)	(27,110)
Accretion expense on other long-term liability	4,481	6,411
Bank charges and other	2,343	2,974
Net foreign exchange loss	–	68,357
Finance costs	6,824	77,742
Net finance (income) cost	$ (8,611)	$ 50,632

12. Statements of cash flows:

	Three-month periods ended March 31, 2013	2012
Operations without impact on cash related to:		
Operating activities:		
Change in accounts payable and accrued liabilities related to exploration and evaluation assets	$ 434,832	$ (124,820)
Investing activities:		
Change in tax credits related to resources capitalized in exploration and evaluation assets included in accounts receivable	3,106	34,913

13. Financial instruments:

Fair value

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

Cash, accounts receivable and trade accounts payable and accrued liabilities are financial instruments whose fair value approximates their carrying value due to their short-term maturity.

The fair value of the temporary investments obtained by discounting future cash flows or forward interest rates derived from interest rates at the close of business on the balance sheet date for similar instruments available on capital markets (Level 2).

The fair value of the other long-term liability is determined by discounting cash flows with a discount rate assessed by comparing closing rates of similar financial instruments at the balance sheet date on the financial markets (Level 3).

The difference between the fair value of short-term investments and the other long-term liability with the book value are not significant.

14. Commitments:

(a) Mining properties:

Nikonga (Tanzania)

On September 30, 2010, the Company acquired the Nikonga property, located 40 kilometers south-east of the Tulawaka mine, in exchange for a series of annual payments:

- US$10,000 upon signature of the agreement;
- US$15,000 on the first anniversary of the agreement;
- US$20,000 on the second anniversary of the agreement;
- US$30,000 on the third anniversary of the agreement.

The subsequent annual payments increasing by US$2,000 each from the last payment, until the start of a feasibility study or the abandonment of work.

An additional amount of US$100,000 will be payable upon completion of the feasibility study on the property; and

An additional amount of US$200,000 will be payable upon the decision to enter into production.

Lastly, following the beginning of production, a royalty equal to 1% of net revenue of the foundry will be payable. However, this royalty will be redeemable in the amount of US$1,000,000.

Ikungu (Tanzana)

On February 25, 2013, the Company signed an agreement with Metalinvest Capital Corporation ("Metalinvest"). Under this agreement, the Company is granting an option to Metalinvest to acquire a 55% undivided interest in the prospecting licences of the Company on the Ikungu property.

To acquire such interest, Metalinvest must incur US$14 million in exploration expenditures over a four-year period, including at least US$3 million by December 31, 2013 as presented and approved by the management committee of the project. To maintain its option, Metalinvest was to deposit the funds required to cover the expenditures for the first half of 2013 within days of the approval of the exploration program. It was unable to do so and asked for an extension until May 13, 2013. This request was accepted by the Company. The Company will manage the exploration work.

Amounts received related to this agreement will be recorded against evaluation and exploration assets.

14. Commitments (continued):

(a) Mining properties (continued):

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, as the Company desires $750,000 to the non-controlling shareholder.

Isle Dieu (Québec)

On December 1, 2011, MDN Inc. signed an agreement with private company Big Bang Resources Ltd. for the the Isle Dieu property. The five-year, nine-month agreement permits the option to acquire MDN's 100% interest in consideration of payments totalling $3,060,000 and exploration work totalling $4,250,000. MDN would retain a 2% NSR royalty on the property. Big Bang can terminate the agreement at any time, however the exploration work will have to be recorded on behalf of the property. The option can only be exercised by Big Bang when all the exploration payments and costs have been incurred.

Amounts received related to this agreement are recorded against evaluation and exploration assets (no amount received in the three-month periods ended March 31, 2013 and 2012).

(b) Management fees related to the Tulawaka mine:

Under its joint venture agreement with African Barrick Gold, the Company committed itself to pay management fees of 3% on its share of exploration, operating, development and capital expenditures related to the Tulawaka mining property.

15. Contingencies:

Communications with Tanzania Revenue Authority

On May 10, 2011, the Company received a request from the Tanzania Revenue Authority ("TRA") to file certain documents in respect of the Tulawaka mine operation and the legal structure of the Company's share in the royalties from this mining property. This request included also preliminary calculations made by TRA presuming that the Company owed substantial amounts to the Tanzanian government related to corporate taxes on gold sales from the Tulawaka mining property and other various withholding taxes for the fiscal years 2004 to 2010. The Company subsequently sent the requested information to TRA and discussions are presently in progress in order to clarify this situation. Pursuant to the Joint Venture Agreement between the Company, Pangea Goldfields Inc. and Pangea Minerals Limited (the "Operator"), the Operator cannot distribute the cash flows from the Tulawaka mine before first paying taxes to the TRA on 100% of the mining activity. The Company has obtained a confirmation from the Operator that, since the beginning on the production at the Tulawaka mine in 2004, the Operator has paid all taxes due to the TRA.

Since the month of August 2011, the Operator has delegated its tax advisors in order to confirm its statements and to help the Company to clarify the request. Meetings between the different parties have been held and exchanges of information are still in progress.

During 2012, additional requests for information were sent to the Company in relation with other matters disputed by the TRA. These issues affect MDN Inc. and MDN Tanzania Ltd., and the Company has delegated its legal advisors to address these demands.

No provisions have been recorded in the Company's interim consolidated financial statements as at March 31, 2013, as management is of the opinion that amounts included in this communication are not founded and that the Company does not owe any taxes to the TRA in respect of these mining operations. Any amounts that may become payable related to this contingency could have a negative impact on the Company.