

# **PRESS RELEASE**

**TSX SYMBOL : MDN**

## **Results for the second quarter ended June 30, 2008**

### **NET EARNINGS OF \$6.6 MILLION OR \$0.073 PER SHARE**

#### **MDN IS NOW DEBT FREE**

Montreal, August 12, 2008 - MDN Inc. ("MDN") released today its second quarter results for the period ended June 30, 2008. Management Discussions and Analysis and second quarter 2008 results are available on the Company Website ([www.mdn-mines.com](http://www.mdn-mines.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **Second Quarter 2008 – Highlights**

- Net revenue was \$8,385,228 compared to \$472,230 for the same period in 2007.
- Net income was \$6,645,689 or \$0.073 per share compared to a net loss of \$4,204,488 or \$0.058 per share for the same period in 2007.
- The Tulawaka Gold Mine in Tanzania produced a record of 67,032 ounces of gold with an average grade of 23.0 g/t at a recovery rate of 96.5%. MDN's 30% participation in the Tulawaka project results in its share being equal to 20,110 ounces of gold.
- Total cash costs to produce an ounce of gold were US\$180.
- The Tulawaka Gold Mine sold 70,053 ounces of gold on the "spot" market at an average price of US\$898 per ounce, generating gross income of US\$62.9M. The MDN share (30%) is equal to 21,016 ounces of gold sold for a gross income of US\$18.9M. An amount of US\$8.2M was distributed to MDN, which represents its share of the partners' distribution.
- The long term debt was fully repaid and the termination of royalty payments obligations on the selling price per ounce of gold occurred during the quarter.
- The drilling activities on the Isambara and Viyonza properties, under MDN's control, have been significantly reduced to allow the use of Diagnos' artificial intelligence technology. The results of these analyses should allow the Company to revise its exploration plan and maximise results of the drilling programs in the upcoming months.

- At the Annual and Special meeting of MDN Shareholders held on June 5, 2008, in Montreal, the majority of the shareholders voted for and approved the recommendations of the Company's board of directors and management to create a shareholders' rights plan.
- On June 19, 2008, the gold producer GBS Gold International Inc. sold all its shares in MDN, namely 8 million common shares, to Lusman Capital Management LLC, a private American Investment Fund. Lusman Capital issued an Alternative Monthly Report dated June 27, 2008, on SEDAR.

### SUMMARY OF OPERATING RESULTS

<b>For the three months ended June 30</b>	<b>2008</b>	<b>2007</b>
<i>(In thousands of dollars, except per-share amounts)</i>		
Revenue	\$ 8,385	\$ 472
Administrative expenses	\$ 886	\$ 1,220
Royalties on the price of gold	\$ 950	\$ 1,442
Foreign exchange loss	\$ (96)	\$ (1)
Net income (loss)	\$ 6,646	\$ (4,204)
Basic and diluted net earnings (loss) per share	\$ 0.073	\$ (0.058)
Weighted-average number of shares outstanding (in thousands)	<b>90,005</b>	73,014

### SUMMARY OF TULAWAKA GOLD MINE'S RESULTS

<b>For the three months ended June 30 2008</b>	<b>100%</b>	<b>30% (MDN)</b>
Gold Production (ounces)	<b>67,032</b>	20,110
Gold Sales (ounces)	<b>70,053</b>	21,016
Average Selling Price / ounce (in US \$)	<b>898</b>	898
Total Revenues (in millions US \$)	<b>62.9</b>	18.9
Production Cost / ounce (in US \$)	<b>180</b>	180

### Subsequent event

On July 31, 2008, MDN announced an offer to the holders of warrants listed on the Toronto Stock Exchange, exercisable at a price of \$1.00 per common share of MDN and expiring on January 14, 2009, to exchange one common share of MDN for 3.75 Warrants.

MDN believes the Exchange Offer will provide enhanced value to the common shares and the elimination of the negative impact from the Warrants on the share price of its common shares, through the reduction of the public float of Warrants. In addition, the Exchange Offer provides enhanced liquidity in the common shares through the reduction of the public float of Warrants.

MDN is a mining exploration company with its head office in Montreal (Quebec). Its main exploration activities are carried out in Quebec and Tanzania. In Quebec, MDN holds all or part of its exploration assets in gold and base metals. In Tanzania, in addition to its 30% interest in the Tulakawa Gold Mine, MDN holds a majority interest in 28 exploration permits in the Tulawaka surrounding area and two other permits in the Ikungu area.

For more information:

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