

# **PRESS RELEASE**

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## **MDN PROVIDES AN UPDATE ON ANITA**

### **Highlights:**

- Team of experts and partners in place to develop the Anita project up to the production stage and the marketing of strategic metals.
- Management exploring an open-pit only development for more than 18 years .
- Independent firm Roskill Consulting Group confirms that market conditions could be favourable to the entry of the Anita project as new producer of niobium oxide and tantalum oxide.
- Drilling program just completed will improve the quality of the current resource of 25.75 million tones.
- A bulk sample of approximately 70 tonnes of ore is in progress to provide further information on niobium and tantalum's treatment and processing costs.

**Montreal, October 21, 2009** – MDN Inc. (“MDN”) announces an update on market studies and technical progress on Anita project, a strategic metals advanced project located in the Lac St-Jean area of Quebec and currently owned 100% by Les Minéraux Crevier Inc (“MCI”).

MDN currently owns 28.75% of MCI and has committed up to \$13.5 million over the next three years, including \$7.5 million for the feasibility study and \$6 million to gain 75% equity participation.

Niobium and tantalum are considered strategic metals by the U.S. administration and are rare in nature. Their unique properties make them essential to our modern way of living because they are part of many electronic components, avionics and aerospace industry equipment as well as for communications systems and national defence equipment.

More than \$2.4 million was invested by MDN since the announcement of the project in April 2009. The engineering firm Met-Chem Canada was awarded the mandate to perform a scoping study. Other firms were also mandated for analysis and development of the Anita project, namely: SGS Geostat to qualify the resource, Roskill Consulting Group for the market study, Hatch and COREM for metallurgical studies and the evaluation of ore treatment processes, Golder for the Environmental Base Line Assessment and Roche for the preliminary assessment of mining infrastructures, in conformity with environmental laws. Also worth mentioning are Forages Mario Rouillier for the definition drilling of the resource, ACTLAB for assay results, MIR Télédétection for topographical maps production from satellite images and IOS Services Géoscientifiques for project coordination on the site.

## **Economic Aspects of the Project**

At this point in time, Management of MDN is assessing the potential to operate the mine as an open pit for more than 18 years instead of the originally proposed work plan of 6 years as an open pit and 12 years underground (see press release of April 14, 2009).

Roskill Consulting Group (UK), a world-renowned metals consulting firm, was contracted to produce a market study for niobium and tantalum. The scope of the project included the assessment of trends in demand, pricing, and consumption by various industry segments. Their price forecasts leads Management to believe that we could expect better market and better prices in 2012-2013 when the project will have started its commercial production.

The proposed annual targeted output of the mine is currently of approximately 1.2 million kg of Niobium oxide ( $Nb_2O_5$ ) and 115,000 kg of Tantalum oxide / K-salt ( $Ta_2O_5$  /  $TaK_2F_7$ ). Forecasted prices are estimated at US\$45 per kg of  $Nb_2O_5$  and US\$150 per kg of  $Ta_2O_5$  /  $TaK_2F_7$ .

In their study, Roskill commented as follows: *The project has several clear advantages... It has a large indicated resource at good head grades in niobium and tantalum. The deposit is in a location with excellent infrastructure to support its development. It has the necessary financing in place and a management team with experience in niobium production and marketing. It has a short timeline to production and will begin to supply tantalum and niobium when the market is likely to be in most need. It is Roskill's view, and one that was confirmed during the research interviews, that the Anita project has a very high probability of success.*

## **Technical Aspects of the Project**

A diamond drilling program for a total of 5,500 m was completed to bring a portion of the actual indicated resource of 25.75 million tonnes from the indicated to the measured category. The remaining drilling is to explore and confirm the intersections with high grade values located to the north of the main ore body and intercepted on drill holes performed by SOQUEM when the deposit was discovered in the 80's. Geostat will be mandated to proceed with an update of the resource in compliance with NI 43-101.

A total of 15 new claims were added to the property to secure the space required for the construction of infrastructures necessary to bring the project to production.

Preliminary ore flow sheet designs, in particular for the flotation and lixiviation processes were completed and additional metallurgy testing is under progress. Operating costs and capital expenditures estimates, including processing operation costs, tailing treatment costs, water, roads and electricity costs are about to be completed.

“We are progressing on all fronts to make this a success and bring to market a new and successful top tier producer of strategic metals. Our team of experts and partners is focused to fast-track the project and benefit from the promising trends in global market demand and supply as well as increasing prices”, said Paul-A. Girard, President and CEO of MDN.

## **Off-take Agreement with IAMGOLD**

A preliminary agreement was entered into with IAMGOLD, currently the 3rd largest producer of ferro niobium in the world, through its Niobec mine located 190 km south east of the Anita project. The total niobium oxide production could be, if needed, bought by IAMGOLD for the life of the mine for the production of ferro-niobium. IAMGOLD currently owns 37.5% of MCI.

## **Scarcity of Information**

Management of MDN and of MCI are facing a scarcity of information concerning the costs of treatment and processing for niobium and tantalum. It thus becomes imperative that more precise and detailed estimations of these costs become available through larger volumes tests. Metallurgical tests on large volumes are currently underway.

Preliminary design of the open pit, flotation plant, tailing pond and other mining infrastructure are completed. Only the cost evaluation of the ore treatment process and of the 161 Kv power line remains to be done.

## **Next Steps**

A pre-feasibility study is to start in 2010 in order to firmly establish all the economic parameters of the project. The preliminary feasibility study may not have the same outcome but, assuming the economics are positive, Management is targeting the start of the construction phase for 2011, with production anticipated to start in 2012-2013.

## **About MDN**

MDN is a mining exploration and development company having adequate financial resources to develop its very promising projects in Quebec and in Tanzania and to search for new business opportunities that can raise shareholder value. In addition to its 30% participation in the Tulawaka gold mine, MDN is the operator and owner of a majority interest in 35 mineral licenses totaling 621 square kilometers around the Tulawaka gold mine in Tanzania, and owns a 28.75% interest in a property with a NI 43-101 niobium and tantalum resource located in the Lac St-Jean area of Quebec.

## **About MCI and the Niobium and Tantalum Resource**

MCI is a privately-held company whose major shareholders are IAMGOLD Corporation (37.5%) and MDN Inc. (28.75%). The founding shareholders and active managers are Messrs. Serge Bureau, Jacques Bonneau and Claude Dufresne. The mineralized zone was originally discovered by SOQUEM in 1975, which conducted several phases of exploration from 1975 to 1986. During this period, SOQUEM conducted 6 drilling campaigns totalling 72 holes. The property was subsequently transferred to Cambior during the privatization of SOQUEM's productive assets. The property remained more or less dormant until 2002 when Cambior conducted a further drilling program of 33 holes totalling over 6,000 metres. In 2006, Cambior was bought by IAMGOLD which became the owner of the property. In April 2008, MCI bought 100% of the property from IAMGOLD.

All technical information in this press release was reviewed by Marc Boisvert, P. Eng., Vice President Exploration, who is a Qualified Person as defined in National Instrument 43-101.

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Forward looking statements:

Certain statements contained in this Press Release express management's estimates of MDN's future performance and constitute "forward- looking statements" on future events or on MDN's future results or performance. All statements, other than statements of historical fact, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risk factors are discussed in greater detail in MDN's most recent Annual Information Form filed on SEDAR.