

## **PRESS RELEASE**

**Symbol on TSX : MDN**

### **MDN RECEIVES POSITIVE ECONOMIC INDICATORS FOR THE NIOBIUM AND TANTALUM (ANITA) PROJECT SCOPING STUDY COMPLETED AND PROCEEDING TO FEASIBILITY STUDY**

**(All amounts in Canadian dollars unless otherwise indicated – all tonnage in metric tonnes)**

Montreal, January 28, 2010- MDN Inc. (TSX:MDN) reports that it has received a positive Scoping Study analysis on the niobium (Nb) and tantalum (Ta) resource regarding its projected mine located north of the Lac St-Jean area, in the Province of Quebec.

MDN and Minéraux Crevier Inc (“MCI”) are proceeding to complete the Feasibility Study with the objective of commercializing the niobium and tantalum resource identified on the Anita Project (the “Project”). The Board of MDN has reviewed the Scoping Study and has approved the purchase of a further 10% of the shares of MCI related to the completion of the First Milestone. MDN will continue with the Second Milestone Funding Program of \$2 million (see press release June 2, 2009).

The Project is expected to create economic activity in this region of Quebec and the proposed initial open pit operation has a potential mine life of 18 years. With a proposed production of 4,000 tpd and at an estimated investment of \$315.6 million, the Project is expected to generate, at the start of production in 2013, average annual revenues of \$125 million and annual net operating cash flows of \$57.5 million, over the 18 year operating period. The Scoping Study forecasts the project economics to be a NPV (net present value) of \$272 million at a 5% discount, and an IRR (internal rate of return) of 13.9% (pre-tax).

“MDN’s Board and management team view the Project as being accretive to MDN shareholder value as well as being of great benefit to all MCI stakeholders. We are pleased and enthusiastic to see the progress being made and to initiate the Feasibility Study”, said Jacques Bonneau, interim CEO of MDN.

The Scoping Study was prepared by Met-Chem Canada Inc., (“Met-Chem”) for a 2,740 tpd operation and was factored up to 3,500, 4,000 and 4,500 tdp. This will lead to a report in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). Highlights for the 4,000 tpd operation are summarized below.

### Assumptions for a 4,000 tpd scenario

Niobium oxide price	US\$/kg	\$ 51.00
Tantalum K salt price	US\$/kg	\$ 150.00
Canadian \$ to US\$	Rate	1.10

### SGS Geostat Mineral Resource (May 2009)

Diluted in-pit mineral resource 25,838,000 t (95% indicated / 5% inferred)

### Mine Parameters Ore milled

Mine plan tonnage	tpy	1,435,000
	tpd	4,000
Average mill feed grade	Nb <sub>2</sub> O <sub>5</sub> (%)	0.170
	Ta <sub>2</sub> O <sub>5</sub> (ppm)	181
Mine life (open pit)		18 years
Bench height		10 meters
Maximum pit slope		55 degrees
Bench face slope		70 degrees
Maximum ramp slope		10 %
Ramp width		15 meters
Catch bench width		14 meters every 3 benches
Waste dump slope		30 degrees
Waste to ore ratio		6.4:1
Pre-production period		2 years

### Annual estimated production

Nb <sub>2</sub> O <sub>5</sub>	1,683,000 Kg
TaK <sub>2</sub> F <sub>7</sub>	178,000 Kg
Annual estimated cashflow	approx \$57.5 million

### Operating costs

Ore mining	\$2.24 / tonne ore
Waste mining	\$2.20 /tonne
Overburden	\$1.94 /tonne
Process and Refinery	\$27.78 /tonne ore
G&A	\$2.42 /tonne ore
Environmental	\$0.50 /tonne ore
Cost per tonne	\$47.00 / tonne ore
Net value per tonne	\$40.00 / tonne ore

### Metallurgical Operations

Concentrator recovery	72 %
Refinery recovery	96 %

Pre-production capital	\$315.6 million
Sustaining capital and reclamation costs	\$ 76.6 million

### Financial Return

Operating cash flow (before tax)	\$1,035 million
Payback from start of production	7 years
Internal Rate of Return (before tax)	13.9 %
Net present value at 5% discount, pre tax	\$272 million

The Scoping Study was prepared as an independent stand-alone project and related mainly to the indicated mineral resource located on the southern sector of the MCI mining property, and accordingly does not take into account the inferred mineral resource contained immediately north of and at depth below the open pit. A Feasibility Study will be developed at a 4,000 tpd scenario and will confirm all assumptions such as capital costs, operating costs and metallurgy.

MCI management now expects the Feasibility Study to be completed by the first half of 2011, with construction starting in the second quarter of 2012 and construction completion occurring by late 2013.

MCI is currently in the process of selecting the various engineering consulting firms for the preparation of the Feasibility Study and SGS Lakefield is already working on metallurgical tests. Discussions with stakeholders will take place in order to ensure that the Feasibility Study integrates their interests, with a view to providing economical, environmental and social gains for all concerned parties.

“We are very pleased to release the Scoping Study on the Project. The shareholders of the Project, namely MDN, IAMGOLD and private owners are satisfied with the evolution of the process and our assessment of the commercialization of this strategic resource” said Mr. Serge Bureau, President of MCI.

**You are encouraged to carefully read the section of this news release entitled “Forward Looking Statements and Information” below.**

## **OVERVIEW OF THE PROJECT**

The Project is a 4,645 hectare area located along the geological belt of the Mistassini River Basin, in Northern Quebec. Quebec is a pro-mining jurisdiction, with well defined environmental and social legislation and controls. The Project is located in a region which is the focus of several Quebec government economic stimulus initiatives.

Support infrastructure exists, including a road just 9.8 km east of the future mine site, a deep water port (Saguenay), and access to a source of hydro-electrical power within a short distance to the Project (88 km). A pool of experienced workforce and suppliers is also available in the Lac St-Jean area.

## **ADVANTAGES AND OPPORTUNITIES OF THE PROJECT**

The Project has several clear advantages over other similar deposits. It has a large indicated and inferred resource at good head grades. The Project is in a politically stable country, and represents a stable northern and western hemisphere source of niobium and tantalum.

There is good exploration potential within MCI’s land position and permits surrounding the deposit which may increase the mine and operating life of the Project. In addition, the land position can fully support all mining and milling operations and the necessary infrastructure.

## **UPSIDE POTENTIAL TO BE CONSIDERED IN THE FEASIBILITY STUDY**

The Scoping Study is a preliminary economic assessment of the initial start-up and operating plan for the Project and is based only on the southern portion of the Crevier deposit which contains an indicated diluted *in pit* resource of 25.8 million tonnes (see news release of June 2, 2009), which can be converted into an end product of 30,300,000 kg of niobium oxide and 3,200,000 kg of tantalum Ksalt.

In order to better define the commercial potential of the property, MCI completed an infill drilling program on the property during 2009. A total of 5,500 meters of drill results are expected to be announced before the next phase of the Feasibility Study. Additionally, an exploration program completed on the northern portion of the property confirmed the existence of niobium and tantalum mineralization. The data from the 2009 drilling program was not included in the current Scoping Study and the following are expected to be included in the Feasibility Study:

- Infill drilling will support the conversion of indicated resource to a measured resource;
- The resource is still open to the south of and at depth below the proposed open pit;
- The 2009 exploration drilling holes intersected niobium and tantalum and confirmed the findings of the previous Soquem drill holes in the northern sector of MCI's permits. A new 43-101 resource calculation based on these additional drill results is being prepared by SGS-Geostat and will be announced during the first half of 2010.

The Project's mineralized ore zone is generally formed of nepheline syenite, and additional potential revenue from this by-product was *not included* in this Scoping Study but will be considered in the Feasibility Study.

The Scoping Study provides for the acquisition of new equipment, while MCI intends to secure the purchase of used equipment prior to the completion of the Feasibility Study.

## **UPSIDE POTENTIAL OF A RISING PRICE ENVIRONMENT**

***Roskill Consulting Group Ltd, a renowned metals industry consultant states that:***

*"There are mounting fears in the tantalum market that serious shortages are looming. Weak demand in consuming industries, particularly capacitors, coupled with large inventories in the supply chain, has kept tantalum prices low. Primary output has been slashed and processors are increasingly relying on stock draw downs to make up the shortfall. If there is even a modest recovery in demand for tantalum in the near future, the market faces a difficult period."*

*"There is a strong possibility there could be a supply crunch of primary tantalum in 2012 and possibly as early as 2011...a supply crunch resulted in a severe shortage of tantalum capacitors in 2001."*

([www.roskill.com/reports/tantalum](http://www.roskill.com/reports/tantalum))

## **THE FUNDING OF THE PROJECT**

While the full structure of the project financing is still under consideration, MCI considers the following items as potential pre construction objectives, and positive developments.

MDN has committed up to \$13.5 million to the Project to successfully complete the Feasibility Study and provide MDN with up to 75% ownership in the Project as announced on June 2, 2009.

The First Milestone Funding of \$2 million has been completed. The MDN Board approved the funding for the \$2 million Second Milestone Funding, and as a result, MDN will have committed \$4 million toward the \$7.5 million cost of the Feasibility Study.

MDN's current equity investment in MCI totals \$2.4 million which represents a 28.75% ownership interest. Completion of the First Milestone Option provides MDN with an option to buy a further 10% of MCI's equity. The MDN Board approved the exercise of this option at a cost of \$950,000.

## **ADDITIONAL INFORMATION**

The Scoping Study was prepared by Met-Chem Canada Inc., a leading independent industry consultant. The Qualified Persons, Mr Serge Bureau, P.Eng., President of MCI and Mr Marc Boisvert, P.Eng., Vice President of MDN, have reviewed and approved the content of this news release. Data from the following consultants was also used to prepare the Scoping Study: SGS Lakefield, SGS Geostat, Roskill Consulting Group Limited.

The Scoping Study will be posted on MDN's website at [www.mdn-mines.com](http://www.mdn-mines.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) within a 45 day period following this news release. All other material information previously released on the Project is also available on the MDN website.

### **About MDN**

MDN is a mining exploration and development company having adequate financial resources to develop its promising projects in Québec 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 mineral licenses totaling 621 sq km around the Tulawaka gold mine in Tanzania, and owns a 28.75% interest in Minéraux Crevier, which owns a property with a NI 43-101 niobium and tantalum resource located in the Lac St-Jean area of Québec. MDN has an option to increase its equity participation in Minéraux Crevier up to 75%. Additional information is available on MDN's website at [www.mdn-mines.com](http://www.mdn-mines.com).

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**Forward looking statements**

All statements in this release, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements are discussed in greater detail in the Company's most recent Annual Information Form filed on SEDAR, which also provides additional general assumptions in connection with these statements. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the factors mentioned in the Annual Information Form as well as the uncertainties they represent and the risk they entail. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release