

MONTREAL, QUEBEC--(Marketwired - Sep 8, 2015) - [MDN Inc.](#) (TSX:MDN) (the "Company") is pleased to announce that it has signed a Heads of Agreement ("HOA") with Sichuan Xinye Investment Corporation of Mining and Exploration ("XINYE") to enter into a joint venture whereby XINYE would be transferred, in escrow, 50% of interests in the Company's Ikungu and Ikungu East properties in Tanzania (the "Properties") and would have the option of retaining such interests (the "Interests") by investing up to US\$7M in such Properties over a maximum period of 42 months.

Under the terms of the HOA, XINYE has 100 days to complete a due diligence review, which may include test drilling. During this period, MDN has agreed to an exclusivity of discussions with XINYE with respect to the Properties.

Should XINYE decides to pursue the proposed transactions following the due diligence period, and should other precedent conditions be met, the parties will negotiate a definitive agreement, providing up to US\$7M of investments to be made at XINYE's option over three phases.

During the first phase, XINYE need to spend US\$2M over an 18-month period to release from escrow 22% of the Interests in the Properties and would have the option of acquiring 100% of the Interests for US\$3.5M + a royalty of US5\$/oz of gold produced. If XINYE decides to continue to the second phase, another US\$2M must be spent on the Properties within a twelve-month period to release from escrow an additional 14% of the Interests and XINYE may decide to acquire 100% of the Interests for US\$4.5M + US5\$/oz. During the third and final phase, XINYE must spend US\$3M over 12 months to release the remaining shares from escrow to gain the full 50% Interest of the Properties. At that time, XINYE may choose to acquire 100% of the Interests for US\$6M + US5\$/oz royalty. XINYE has the option not to proceed with any Investments at any time, while retaining the Interest gained based on the Investments it has committed on the Properties.

The sums to be invested by XINYE on the Properties include a 10% "administration fee" for MDN. Furthermore, following the completion of the due diligence review but before the signature of a definitive agreement, XINYE has the right to purchase 100% of the Properties for US\$3M plus a US\$5/oz royalty.

Should XINYE completes the US\$7M initial investment, MDN may elect to maintain its participation in both Properties by funding its share of future investments. Should MDN decides not to participate and XINYE continues to invest in the Properties, MDN's Interests in the Properties would be diluted correspondingly, and should MDN's Interest become less than 20%, MDN's Interests would be transferred to XINYE in exchange for a 2% Net Smelter Return (NSR) Royalty, of which 1% may be purchased by XINYE for US\$1.5M.

"We are delighted to have entered into this HOA for the Ikungu Properties with XINYE, a Chinese state-owned corporation," commented Mr. Claude Dufresne, President and CEO of MDN. "This agreement highlights the quality of our Ikungu and Ikungu East properties in Tanzania. We are looking forward to working with XINYE in the development of these properties," added Mr. Dufresne.

About XINYE

XINYE is a subsidiary of Sichuan Bureau of Metallurgical Geology and Exploration ("SBMGE") a Chinese state-owned company of approximately 6,500 employees. Their revenues which reached US\$900 million mainly come from geotechnical engineering, exploration services and mining operations. The XINYE subsidiary is specialized in overseas investment opportunities in mining industry, especially focusing on gold, copper, lead, zinc, nickel and PGE.

About Ikungu and Ikungu East Properties

Both projects are located in the Lake Victoria Goldfield area, 135 kilometers northeast of Mwanza, the second largest city of Tanzania.

The Ikungu project, with its 2-km long by 300-m deep gold zone, is one of the most advanced exploration projects in Tanzania, with additional growth potential along each of its extensions. Drilling has revealed four high-grade lenses formed by the gold-bearing intervals around holes IKD-45 (8.6 g/t Au over 14.76 m) on Section 2230mE, IKD-48 (3.11 g/t Au over 9.48 m) on Section 2830mE, IKD-51 (3.39 g/t Au over 7.04 m) on Section 3190mE and IKD-36 (13.22 g/t Au over 4.63m) on Section 3610mE.

In 2012 on the Ikungu East project, exploration work done by MDN led to the discovery of an as-yet unknown 15-km long volcanic belt. 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.

About MDN (TSX:MDN)

[MDN Inc.](#) is a mining exploration and development company with properties in Quebec, Ontario and Tanzania. In Quebec, MDN

holds a 72.5% interest in Crevier Minerals Inc., which owns a NI 43-101 niobium-tantalum resource and 100% of the Samaqua property. The Company also has the option to acquire a 100% of the Prairie Lake properties in Ontario.

Jacquelin Gauthier, P. Geo., P. Eng., acted as the qualified person as defined in National Instrument 43-101. He reviewed and approved the technical and scientific content of this press release.

Forward-Looking Statements

This press release contains forward-looking statements. Such statements are not guarantees of future performance, and actual results may differ materially from those in the 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. 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 as such, the forward-looking statements in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

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