

MEDALLION RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the six month period ended September 30, 2011
Containing information up to and including November 10, 2011

The following Management Discussion and Analysis (the "MD&A") is prepared as at November 10, 2011 and is intended to help the reader understand the accompanying unaudited interim condensed consolidated financial statements of Medallion Resources Ltd. (the "Company" or "Medallion"). The information provided herein should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended March 31, 2011 as well as the unaudited interim condensed consolidated financial statements for the six months ended September 30, 2011.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the accompanying unaudited interim financial statements and this MD&A, is complete and reliable.

The financial statements of the Company for the year ended March 31, 2012 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, the Company has begun reporting using IFRS for its unaudited interim condensed consolidated financial statements for the three months ended June 30, 2011 and the six months ended September 30, 2011.

The Company is incorporated in British Columbia and is involved in the acquisition and exploration of mineral-resource properties. Management is in the process of evaluation, exploration and, if warranted, the potential future development of promising resource properties.

Additional information relating to the Company is available on the SEDAR website: www.sedar.com under "Medallion Resources Ltd".

All currency amounts are in Canadian dollars unless otherwise indicated.

RESULTS OF OPERATIONS

The Company's operations consist generally of the acquisition, exploration and evaluation of mineral properties. This includes evaluating the merits of these properties using various techniques such as sampling, trenching, drilling, and geophysical and geochemical survey methods.

The Company has no commercial mining production at this time; therefore, the Company has no revenue from operations.

Mineral Properties

Eden Lake Property

On December 1, 2009, the Company signed a Letter of Intent and on February 23, 2010 executed a definitive option agreement with Rare Element Resources Ltd. ("RES") whereby RES granted the Company an option to acquire a 65% interest in the Eden Lake rare-earth-element property in Manitoba, subject to a 3% net smelter return royalty in favour of a former property owner.

The Eden Lake property does not offer, at this stage of its exploration, a near-term potential resource and it does not meet the criteria of the Company's new strategy of acquiring existing rare-earth-bearing monazite resources to achieve rapid production. Therefore, the Company has elected not to invest additional funds and effort in the Eden Lake property.

On September 12, 2011, the Company returned the Eden Lake property to RES. As a result, \$576,084 of exploration expenditures incurred on this property by the Company were written off. The write-off was reflected in the period ended June 30, 2011

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Red Wine Property

On April 10, 2010, the Company signed a Letter of Intent with a private vendor, Polaris Capital Ltd. (the "Vendor") to obtain an option to acquire a 100% interest in the Red Wine REE exploration project, which consists of four Labrador mineral licenses covering an area of 3,325 hectares. On June 10, 2010, the Letter of Intent was amended to include two additional mineral licenses, which brought the total area of the project to 4,225 hectares.

Under the terms of the amended Letter of Intent, the Company was required to pay the Vendor's license-staking costs of \$2,160 which has been paid and to complete, by October 31, 2010, a summer 2010 exploration program, costing approximately \$125,000 to include mapping, sampling, an airborne geophysical survey and an NI43-101-compliant Technical Report on the Property. As a condition of funding the summer 2010 exploration program, the Vendor subscribed to a \$55,000 private placement of the common shares of the Company.

On March 16, 2011 the Company and the Vendor signed an Amending Letter Agreement in which the Company elected to proceed with the option to acquire a 100% interest in the Property. To maintain the option, the Company must pay an aggregate of \$475,000 in cash, issue an aggregate of 1,750,000 common shares, and conduct \$550,000 in exploration work over a period of five years. On or before March 16, 2012 the Company must pay \$50,000, issue 250,000 common shares and complete \$200,000 of exploration expenditures. During the three months ended September 30, 2011 \$600 in exploration expenditures were incurred by the Company on the property. A total of \$17,094 in property acquisition and exploration expenditures were incurred during the six months ended September 30, 2011. The Company anticipates it will incur the required exploration expenditures by March 16, 2012.

On May 20, 2011, the Company issued 50,000 common shares to the Vendor under the Amending Letter Agreement at a value of \$14,000.

The property is subject to a 3% net smelter return royalty, half of which the Company can purchase at any time by making a payment of \$1,500,000 to the Vendor.

The 2010 Red Wine program consisted of an airborne magnetic and radiometric survey, a reconnaissance mapping and sampling program, a follow-up sampling program and rare-earth element ("REE") mineralogical studies. The exploration work was carried out on seven claim-group licenses in four separate claim blocks (4650 hectares in total – the "Property"), which lie approximately 90 kilometres northeast of Churchill Falls, Labrador.

The initial exploration work encountered at least three types of REE mineralization and, historically, other types have been reported, as well. The main REE target on the Property was a large exposed body of previously mapped Red Wine peralkaline intrusive rock, which is known to contain the REE-bearing mineral, eudialyte. While significant eudialyte was identified during the field work and all assayed samples showed elevated levels of REEs, the overall average assays for the eudialyte-bearing rock were lower than expected. Laboratory examination determined a Red Wine eudialyte total REE content of approximately 2.5%, which is low for eudialyte and explains the lower-than-expected REE assays reported for the samples of peralkaline rock.

In October 2011, a further mapping and sampling program was initiated at Red Wine. The goal of this program was to evaluate the potential for a rare-earth-niobium-beryllium mineralization, which has been found to the north of the four Medallion claim blocks. Block "D", which is the northern-most Medallion claim block is the claim block closest to the known rare-earth-niobium-beryllium mineralization. The field-work portion of this program has been completed; however, sample analyses and the resulting evaluation reports have not been completed.

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SELECTED ANNUAL INFORMATION

The following table provides certain financial information for the past three fiscal years. The Company's financial statements for the year ended March 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. Therefore, the comparative results of operations for the year ended March 31, 2011 have been prepared by retrospectively applying all applicable IFRS standards. Please refer to Note 13 of the unaudited condensed interim condensed consolidated financial statements for the six months ended September 30 2011 for additional information on the Company's first time adoption of IFRS.

	Year ended March 31, 2011 (IFRS)	Year ended March 31, 2010 (IFRS)	Year ended March 31, 2009 (Canadian GAAP)
	\$	\$	\$
Total Revenues (interest income and government assistance)	84,876	147,105	2,687
Net Income (Loss)	(1,222,541)	(582,060)	(1,773,320)
Net Income (Loss) Per Share	(0.04)	(0.03)	(0.15)
Total Assets	4,445,934	491,417	223,233
Long-Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information for each of the last eight quarters (information is unaudited).

Basis of Presentation	Quarter Ending	Revenue \$	Expenses \$	Net Loss \$	Loss Per Share \$
IFRS	September 30, 2011	68,129	279,598	211,469	0.00
IFRS	June 30, 2011	4,331	850,771	846,440	0.02
IFRS	March 31, 2011	9,657	651,851	642,194	0.01
IFRS	December 31, 2010	75,219	185,915	110,696	0.00
IFRS	September 30, 2010	-	358,286	358,286	0.01
IFRS	June 30, 2010	-	111,365	111,365	0.00
IFRS	March 31, 2010	68	212,689	212,623	0.01
Canadian GAAP	December 31, 2009	147,104	340,992	193,888	0.01
Canadian GAAP	September 30, 2009	-	100,300	100,300	0.00

Results of operations for the three months ended September 30, 2011 compared to the three months ended September 30, 2010.

The Company's loss for the three months ended September, 2011 was \$211,469 (loss per share – \$0.00) compared to a loss of \$358,286 (loss per share – \$0.01) for the comparative period in 2010. The decreased loss was primarily due to decreased share-based compensation of \$20,516 in the three months ending September 30, 2011 compared with \$210,925 in the same three month period in 2010. During the three months ended September 30, 2010, 1,245,000 stock options were granted by the Company compared with 100,000 stock options during the comparable three month period in 2011.

The decreased loss is also a result of the Company receiving \$58,674 in government assistance during the three months ended September 30, 2011 relating to exploration work at the Eden Lake property. This

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property has been returned to the owner and therefore this amount has been recorded on the interim consolidated statements of loss and comprehensive loss of the Company as at September 30, 2011. In addition, the Company earned \$9,455 in interest income during the three months ended September 30, 2011 (2010 - \$nil).

This decrease was offset by higher consulting fees of \$33,746 during the three months ended September 30, 2011 (2010 - \$23,817) reflecting greater activity in the Company as it executes its exploration strategy. In addition, for the three months ended September 30, 2011, management fees were \$68,000 (2010 - \$21,200) due to the expansion of the Company's senior management team to include both a President and CEO effective January 1, 2011. Office and general expenses were \$38,251 during the three months ended September 30, 2011 (2010 - \$10,903) due to higher travel costs as the Company continues to pursue acquisition opportunities.

The Company incurred property investigation costs of \$45,570 during the three months ended September 30, 2011 (2010 - \$876) as a result of greater acquisition evaluation activity as it executes its business strategy.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2011, the Company's working capital was \$3,192,001 (March 31, 2011 - \$3,608,596) a decrease of \$416,595 due primarily to operating expenditures during the six months ended September 30, 2011.

Cash and short-term investments are made up of \$85,981 in cash available in the bank accounts of the Company and \$3,050,000 in short term investments for a total of \$3,135,981 at September 30, 2011. This is a decrease of \$440,551 from \$3,576,532 as at March 31, 2011. Details of the change are disclosed in the accompanying unaudited interim condensed consolidated financial statements. Short term investments consist of a variable rate Guaranteed Investment Certificate issued by a Canadian chartered bank that matures on November 21, 2011. Should the Company require operating funds, above cash on hand, prior to the date of the maturity of the GIC, a portion of the GIC is redeemed. The remaining portion of the GIC will continue to earn interest at the prime rate less 1.80%.

Contributed surplus totaled \$1,169,177 as at September 30, 2011 (March 31, 2011 - \$1,156,151). The increase is due to share-based compensation of \$50,747 during the period offset by \$37,721 from the exercise of options.

The Company has relied primarily upon the sale of equity securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon sales of its equity to raise capital. There can be no assurance that additional equity financing will be available to the Company in the required amount when needed or at all. Mining exploration is a capital-intensive business with lengthy periods elapsing from initial exploration to any prospect of revenues. The nature of the exploration business increases risks of insufficient capital resources above that of many other businesses.

The Company expects its current working capital will be sufficient to fund its planned activities for at least the next 12 months, however, if significant new acquisitions are made, additional funding may be required.

COMMITMENTS

On June 1, 2010, the Company entered into a sub-lease agreement for its office premises with a company owned by a director for a term of one year and one month commencing on June 1, 2010 and expiring on June 30, 2011. The monthly rent of \$1,818 commenced July 1, 2010 and is due at the beginning of each month. At the option of the Company, the sub-lease agreement could be extended for an additional year

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under the same terms and conditions. On June 13, 2011, the Company exercised the option to extend the sub-lease agreement for another year to June 30, 2012.

The following is a summary of the future lease commitments as at March 31, 2011 for the fiscal years ended March 31, 2012 and 2013:

Fiscal 2012	\$ 21,816
Fiscal 2013	5,454

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with related parties. For further details relating to transactions with related parties, please refer to Note 9 of the unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2011.

DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2011, the Company had 44,749,435 issued and outstanding common shares. As of November 10, 2011 there were 44,771,935 issued and outstanding shares. The increase was a result of the exercise of finder's options to purchase 22,500 common shares of the Company at an exercise price of \$0.10 per common share.

For further details relating to the issuance of shares, please refer to Note 8 of the unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2011.

As at September 30, 2011, the Company had 4,145,000 (March 31, 2011 – 4,070,000) stock options outstanding.

On June 14, 2011, 75,000 stock options were granted to a consultant of the Company with an exercise price of \$0.23 and an expiry date of June 14, 2016. These stock options vest and are exercisable immediately.

On September 12, 2011, a director of the Company exercised an option to purchase 100,000 common shares of the Company at an exercise price of \$0.15 per common share for proceeds of \$15,000.

On September 21, 2011, the Company granted 100,000 stock options to a director of the Company with an exercise price of \$0.17 and an expiry date of September 21, 2016. These stock options vest and are exercisable immediately.

On October 24, 2011, the Company granted 200,000 stock options to a company that provides investor relations consulting services to the Company with an exercise price of \$0.155 and an expiry date of October 24, 2016. The stock options vest over a 12 month period from the date of grant.

As at November 10, 2011 there were 4,345,000 stock options outstanding.

For further details relating to outstanding options, please refer to Note 8 of the unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2011.

No warrants were issued or exercised during the six months ended September 30, 2011 and therefore as of September 30, 2011 the Company had 9,164,794 warrants outstanding with a weighted exercise price of

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\$0.34. Since September 30, 2011, 645,000 warrants have expired and therefore there are 8,519,794 warrants outstanding as of November 10, 2011.

As of September 30, 2011 the Company had 22,500 finders' options outstanding (March 31, 2011 – 22,500) with an exercise price of \$0.10. These finders' options were exercised subsequent to September 30, 2011 for proceeds of \$2, 250 and as of November 10, 2011 there were no finders' options outstanding.

For further details relating to outstanding warrants and finders' options, please refer to Note 8 of the unaudited interim condensed consolidated financial statements for the three and six months ended September 30, 2011.

There are no shares subject to escrow or pooling agreements.

The Company's common shares are listed for trading on the TSX Venture Exchange with the stock trading symbol of MDL.

On February 8, 2011, the Company's common shares were listed for trading on the U.S. based OTCQX trading system with the stock trading symbol of MLLOF.

CRITICAL ACCOUNTING ESTIMATES

Mineral Properties

The Company capitalizes the acquisition costs of mineral properties and related exploration and development costs. The amounts shown for mineral properties represent costs incurred to date, less write-downs, and do not necessarily reflect present or future values. These costs will be amortized over the estimated productive lives of the properties upon commencement of commercial production using the unit-of-production method. Costs relating to mineral properties that are sold or abandoned are written off when such events occur or are written down to a nominal amount when management decides not to commit any further exploration or development of the property. Interests acquired under option agreements, whereby option payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from options granted are applied to the cost of the related property and any excess is included in earnings for the period. Although the Company has taken steps to verify title to mineral properties in which it has or is acquiring an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

Impairment of Long-lived Assets

The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less cost to sell, the asset is written down accordingly. An impairment loss is charged to the profit or loss of the Company in the period in which the determination of the impairment was made.

Share-based Compensation

The Company accounts for share-based compensation expense using the fair value based method with respect to all share-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this method, the fair value of each option grant is estimated on the date of grant. If grants do not vest immediately, each tranche in an award is treated as a separate grant with a different vesting date and fair value and is amortized over the vesting period separately with a corresponding increase to contributed surplus under shareholders' equity. The Company estimates the fair value of each option grant using the Black-Scholes option pricing model. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to share capital.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

International Financial Reporting Standards

The Company's financial statements for the year ended March 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. IFRS 1, "First Time Adoption of International Financial Reporting Standards", requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was April 1, 2010. (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all applicable IFRS standards as of the reporting date, which for the Company will be March 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover GAAP"). In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover GAAP.

The IFRS applicable exemptions and exceptions applied in the conversion from pre-changeover GAAP to IFRS are described below.

Optional Exemptions

a) Business combinations

The Company elected not to retrospectively apply IFRS 3, "Business Combinations" to any business combinations that occurred prior to its Transition Date and such business combinations have not been restated.

b) Share-based payment transactions

The Company has elected not to retrospectively apply IFRS 2, "Share-based payment" to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to outstanding equity instruments that are unvested as of the Transition Date to IFRS and equity instruments granted after the Transition Date.

c) Leases

IFRS 1 allows an exemption for first-time adopters to determine whether an arrangement existing at the IFRS transaction date contains a lease on the basis of facts and circumstances existing at the transition date, instead of the inception of the agreements. The Company has elected to use this exemption.

d) Cumulative translation differences

IFRS 1 allows an exemption for first-time adopters to deem cumulative translation differences to be \$nil for foreign operations at the date of transition to IFRS. The Company has elected to use this exemption.

Mandatory Exceptions

a) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made under pre-changeover GAAP, unless there is objective evidence that those estimates were in error. IFRS employs a conceptual framework that is similar to Canadian GAAP. The Company's IFRS estimates as of April 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

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Reconciliation of pre-changeover Canadian GAAP to IFRS

The unaudited interim condensed consolidated financial statements of the Company for the three and six months ended September 30, 2011 provide detailed reconciliations of the changes made to the statements of financial position and statements of loss and comprehensive loss as a result of transitioning to IFRS. The changes have not resulted in material adjustments to the net cash flows, and therefore, reconciliation of the statement of cash flows has not been disclosed.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's management is responsible for designing disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at September 30, 2011. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place as at September 30, 2011 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting.

The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting as at September 30, 2011. Based on this evaluation, the CEO and CFO have concluded that as at September 30, 2011, the Company's internal control over financial reporting continue to be effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO of the Company have identified that due to the size of the Company there is limited segregation of duties. Companies of a similar size often have this limitation. Although it is possible, management of the Company does not believe that this lack of segregation of duties will lead to a material misstatement in the financial statements. Steps have been taken to minimize this risk such as ensuring that two senior officers or directors sign all cheques and outgoing wire transfer requests. In addition, senior management of the Company reviews internal financial statements on a regular basis.

There was no change in the Company's internal control over financial reporting during the three months ended September 30, 2011 that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

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RISKS AND UNCERTAINTIES

The Company is a mineral exploration and development company and is exposed to a number of risks and uncertainties that are common to other companies in the same business; some of these risks have been discussed elsewhere in this document. Additional risks include: uncertainty regarding the REE market in the future, risk that the title to properties being explored are free of defect, uncertainty regarding current and future environmental regulations that may affect existing and future properties, requirements to acquire licenses and permits to explore and or develop properties, competition from other companies undertaking similar exploration, current and future political environment in areas being explored, loss of key members of management of the Company, access to necessary financing on an ongoing basis and volatility of prices of publicly traded securities.

OUTLOOK

Medallion's acquisition and exploration program targets those REE potential-production and mineral-exploration projects that offer a reasonable solution to the two most critical REE-supply issues. These are:

1. a near-term shortage of REE supply, and
2. a lack of low-production-cost projects that can supply long-term sustainable REE supplies.

To solve the critical REE near-term-shortage and low-cost long-term supply issues, Medallion is focusing on the mineral monazite as a near-term source and is seeking monazite processing partnerships and purchase-agreements. The mineral monazite, an REE phosphate, was the world's original source for REEs. In the 1950s, with the discovery of the Mountain Pass mine in California, bastnaesite replaced monazite as the leading REE source. Today, monazite and bastnaesite account for about 95% of the world's REE resources (roughly evenly split between the two minerals). Even at Mountain Pass, a significant amount of the REEs are in monazite.

New REE production from monazite could potentially be developed quickly and inexpensively because monazite is a by-product of heavy-mineral-sands mines around the world. The huge heavy-mineral-sands industry provides the world's main source of titanium and zirconium. Many of the mines maintain reserves in excess of one billion tonnes, which translates into 20 to 40 years of production per mine. The by-product monazite from just one of these huge mines could produce more REEs than most current REE mines outside China.

By-product monazite does not require exploration, proving of ore, mining or most milling processes. Monazite metallurgy is relatively simple, when compared to other REE minerals, and the metallurgical processes have successfully produced commercial REEs for over 100 years. No other REE mineral, except bastnaesite, has such a record of commercial success. These are significant cost-saving and time-saving attributes.

Medallion is advancing three complementary approaches to acquire and process monazite for REE. First, the Company is in discussions with several Asian, African, and South American heavy-mineral-sands producers, as potential joint-venture partners, to develop near-term rare-earth production from their on-going mining operations.

Medallion is also testing monazite feedstock samples, which have been submitted by heavy-mineral-sands producers, to locate sources of monazite. These could be purchased and processed at a large-scale, strategically located rare-earth separation plant, which Medallion would look to build, possibly in conjunction with strategic partners.

Lastly, the Company is undertaking sampling and due-diligence studies in support of negotiations to acquire its own heavy-mineral-sands property for production of monazite rare earths and other mineral products.

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With rare-earth production from monazite, Medallion could advance the production timeline, save significantly on capital and operating costs and provide a short-term payback to investors.

The Company's strategies and acquisition targets have significant potential. To realize this potential, the Company will follow through with the necessary acquisition, exploration and development work, employing the talents of recognized experts in rare-earth exploration.

The Company is currently investigating new acquisitions. If new acquisitions are made, additional funding may be required.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business plan; future operations, the impact of regulatory initiatives on the Company's operations; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents file on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

BY ORDER OF THE BOARD

"William H Bird"

WILLIAM H. BIRD