MEDALLION RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the year ended March 31, 2009
Containing information up to and including July 28, 2009

The following Management Discussion and Analysis(the "MD&A") is prepared at July 28, 2009 and is intended to help the reader understand the accompanying audited consolidated financial statements of Medallion Resources Ltd. (the "Company"). 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, 2009.

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

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

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Financial Condition

As of March 31, 2009, the Company had a working capital deficiency of $214,102 (March 31, 2008 working capital – $579,978). The deficiency includes $110,875 owing under promissory notes issued to a director of the Company and $125,728 of management fees and legal fees owed to companies in which two other directors are principals. The Company is currently examining options to arrange additional required financing and re-negotiate acquisition terms in order to proceed with the exploration of its Romaine Titanium iron ore property in Quebec.

RESULTS OF OPERATIONS

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

The Company has no commercial mining production at this time; therefore, the Company has no revenue from operations. Other than its mineral property acquisition agreements, the Company has no material long-term contracts or obligations.

Mineral Properties

<u>*Ocelot Property, Nevada, USA*</u>

On April 3, 2006, the Company entered into a Mining Lease and Option to Purchase Agreement (the "Option Agreement"), as subsequently amended with Carl Pescio and Robert Foster (the "Vendors"), pursuant to which the Vendors leased the property to the Company and granted to the Company an option to acquire a 100% interest in 13 core mineral claims at the Ocelot gold-exploration property in Nevada. In addition, the Company staked an additional 142 new mineral claims in the immediate area and contributed them to the Ocelot property for the purpose of the Option Agreement.

The terms of the Option Agreement required the Company to issue to the Vendors 50,000 common shares of the Company (issued) and to pay to the Vendors annual advance royalty payments in the aggregate amount of US$735,000 by September 26, 2011, and US$200,000 on September 26 of each successive year thereafter. All advance royalty payments are to be credited against a net smelter return ("NSR") royalty of 3% (of which 1% may be purchased at the Company's option for US$2,000,000).

The Company was required to post a reclamation bond which covers the cost to reclaim the ground disturbed during its exploration programs at the Ocelot Property. The Company did this and as of March 31, 2009, the Company had $16,218 remaining under the bond required to cover the reclamation obligations. The Company must complete certain reclamation work for these funds to be released, but may leave the bond in place for future exploration programs, even if such work is completed.

On June 20, 2008, the Company and the Vendors signed an amending Letter of Intent (LOI), which altered the Company's acquisition terms for the Ocelot property. To secure the terms of the LOI, US$45,000 was paid to the Vendors.

Under the terms of the LOI, the Company could earn a 60% joint-venture interest in the Ocelot property by making an annual property payment of US$30,000 and spending a total of US$1.2 million on property exploration over four years. The Company is the project manager. Following earn-in, the Vendors would have a one-time back-in right to acquire an additional 20% of the project for a payment equal to 200% of the Company's expenditures up to the date of the Vendors' exercise of their back-in right.

During the quarter ending March 31, 2009, the Company entered into further negotiations with the Vendors concerning the unpaid US$30,000 property payment due July 31, 2008 and the unpaid US$11,924 assessment payment due September 1, 2008 (which was paid by the Vendors). These negotiations were inconclusive.
On March 13, 2009, the Company returned the Ocelot property to the Vendors and wrote off $439,254 of exploration expenditures incurred on this property.

<u>*Amazing Grace Property, British Columbia*</u>

On October 25, 2007, the Company signed a Letter Agreement and on February 26, 2008 a definitive Option Agreement (the "Agreement") to obtain an option to acquire a 100% interest in the Amazing Grace gold-exploration property, British Columbia. The property comprised 17 Crown mineral claims covering approximately 4,867 hectares.

The Agreement required the Company to initially pay the vendor $10,000 (paid) and issue 50,000 common shares (issued). In order to exercise the option to acquire a 100% interest in the property, subject to a 2% Net Smelter Return royalty ("NSR"), the Company must pay the vendor, over a period of five periods, an additional aggregate of $140,000 ($5,000 paid) and issue an additional aggregate of 150,000 common shares of the Company (5,000 shares issued). Of the 2% NSR royalty in favour of the vendor, 1% could be purchased by the Company for $1 million. The Company must also perform $70,000 in exploration work on the property during the first period of the Agreement (incurred).

Pursuant to a finder's fee agreement, if the Company maintains the Agreement over a period of three years, it will pay the finder, in stages, an aggregate of $15,000 ($2,500 paid) and issue to the finder an aggregate of 20,000 common shares of the Company. If the Company exercises its option and acquires a 100% interest in the Amazing Grace Property, it would grant to the Finder a 0.5% NSR, of which one-half (0.25%) could be purchased by the Company for $250,000.

An amendment to the Agreement, signed October 3, 2008, provided for partial payment ($5,000 paid) of the property payment due October 26, 2008, with the remainder ($10,000) to be paid by December 26, 2008. The December 26 payment was not made and remained under negotiation.

As of March 31, 2009, financial market conditions reduced the value of the Amazing Grace property and the Company terminated its option resulting in a write off of the $517,818 of exploration expenditures incurred on this property.

Lodi Hills Property, Nevada, U.S.A.

On December 4, 2007, the Company signed a Letter Agreement for an option to acquire 100% of the Lodi Hills gold-exploration property, Nye County, Nevada. The property comprised 39 federal mineral claims covering 780 acres. At execution of the Letter Agreement, the Company paid US$5,000 and reimbursed the owner US$7,604 for claim-filing fees.

An initial sampling and mapping program was not sufficiently encouraging to proceed with the exploration of the property. On July 31, 2008, the Lodi Hills property was returned to the owner and $20,085 of expenditures incurred on the property were written off.

Romaine Iron-Titanium Project (Everett Property), Quebec

On August 29, 2008, the Company entered into a letter of intent ("LOI") and on January 16, 2009 finalized a definitive Option Agreement ("Agreement") to obtain from Romaine River Titanium Inc. ("RRT") the right to acquire a 100% legal and beneficial interest ("Option") in the Everett iron-titanium property ("Everett Property"). The Property consists of 60 claims, located in Duplessis County, Quebec.

Historical drilling and metallurgical work support the property's historical resource estimate of 234 million tones grading 10.8% titanium oxide (TiO_2) and 17.9% iron.** The body of iron-titanium mineralization crops out along a known length of over three kilometres and a width that ranges from 200 metres to 460 metres. It is open along strike and down dip. Information from the 1960's and 1970's suggests that there is a significant potential for increasing both the size and grade of the body. The Romaine iron-titanium minerals are hematite and ilmenite, which are the minerals mined at the nearby Quebec Iron and Titanium mine ("QIT mine"). Rio Tinto's QIT mine, with a reported 50-million-tonne reserve three kilometres to the west of the Everett property, is a leading producer of high-quality titanium and steel and is presently the largest iron-titanium mine of its type in the world. The Company must produce a technical report in accordance with National Instrument 43-101 to confirm measured and/or indicated mineral resources on the Property.

***The historical resource estimate and the Everett Property reports supporting the estimate were prepared before the introduction of National Instrument 43-101–* Standards of Disclosure for Mineral Projects *("NI 43-101"). They may not be relied upon until they are confirmed using methods and standards that comply with those required by NI 43-101. The potential for the Everett Property mineralization to replicate the historical resource estimate, or for new data to expand its tonnage and grade, is conceptual and is based on historical reports and field observations, which cite approximate lengths, widths, depths, grades, metallurgical test work and projections of the historical resource. Investors are cautioned that a qualified person has not yet completed sufficient exploration, test work or examination of* *past work to define a resource that is currently compliant with NI 43 -101. The Company further cautions that there is a risk that exploration and test work will not result in the delineation of such a currently compliant resource. Neither the Company nor its personnel treat the historical resource estimate or the historical data as defining a current mineral resource, as defined under NI 43-101, nor do they rely upon the estimate or the data for evaluation purposes; however, these data are considered relevant and will be used to guide exploration as the Company develops new data to support a current mineral-resource estimate in accordance with the requirements of NI 43-101.*

Under the Agreement, the Company was required to reimburse RRT $16,157 for assessment fees and filing costs for the property (requirement met); pay an aggregate of $30,000 in monthly installments ($5,000 per month) before May 29, 2009 ($30,000 paid), and issue 100,000 common shares upon receipt of TSXV approval . The terms of the Agreement require the Company to pay an additional $480,000, issue an additional aggregate of 800,000 common shares of the Company, and incur an aggregate of $6,000,000 exploration expenditures on the Everett Property over four years to maintain the option as follows:

$80,000 and 100,000 shares on or before June 30, 2009;
$100,000, 100,000 shares, and $750,000 of expenditures on or before December 31, 2009;
$100,000, 200,000 shares, and $1,250,000 of expenditures on or before December 31, 2010;
$100,000, 200,000 shares, and $1,500,000 of expenditures on or before December 31, 2011;
$100,000, 200,000 shares, and $2,500,000 of expenditures on or before December 31, 2012.

In addition, the Company must produce, on or before December 31, 2011, a technical report in accordance with National Instrument 43-101 to confirm measured and/or indicated mineral resources on the Everett Property.

The Agreement permits the Company to extend the term of the Option to August 31, 2013, in the event that the Company defers a portion of the required expenditures due by 31 December 2012 and agrees to expend the deferred shortfall, plus a premium, by August 31, 2013. In the event that the Company wishes to exercise the Option at an earlier date, the Company has the right to complete the Option requirements at any time prior to the required dates. The Everett Property is not subject to any royalties.

On completion of the above requirements and provided that the Company has not less than $4,000,000 in working capital and no long-term unconvertible debt, the Company will have the right to exercise the Option and acquire the Everett Property by paying to RRT an additional $1 million cash and by issuing to RRT that number of the Company's shares so that RRT will then hold, inclusive of all shares previously issued to RRT, an aggregate of 50% of the Company's then issued and outstanding shares. The Company will grant to RRT the right to acquire, for no additional consideration, a proportion of the number of the Company's shares which are subsequently issued upon exercise of any warrants of the Company outstanding at the date of the exercise of the Option based on the extent to which such warrants are in the money when exercised. The Company will also grant RRT the right to acquire, for no additional consideration, such number of the Company's shares as is equal to the number of any of the Company's shares that are subsequently issued upon conversion of any special warrants, subscription receipts and convertible debt instruments of the Company (excluding stock options), which are outstanding at the date of the exercise of the Option.

Prior to the exercise of the Option, the Company has also granted to RRT the right to acquire up to 10% of the securities issued in any equity financing of the Company on the terms and conditions applicable to other investors in such financing.

The Company agreed to reimburse RRT its legal costs for up to $15,000 ($15,000 paid) related to the negotiation of the LOI and the Agreement.

The Company commenced its due-diligence and historical-data confirmation program on the Everett Property in September 2008. The fall 2008 program goals were to construct a detailed geological map, to confirm the extent of the known iron-titanium mineralization, and to systematically collect samples for assay and metallurgical tests. The results, along with an analysis of historical drilling and sampling, are being compiled as a NI43-101-compliant technical report, which is required to obtain regulatory approval of Medallion's acquisition of the Everett Property. The technical report also will provide recommendations for an initial drill program.

On November 5, 2008, the Company announced that the initial check grab samples, taken during the initial Romaine property visit, have returned iron oxide and titanium oxide assays that are significantly higher than the average grades of the historical resource estimate. The average grade of the seven check samples, as compared to the historical resource estimate, is 38% and 29.5% higher, respectively, for titanium oxide and iron oxide.

On November 19, 2008, the Company announced that the amount of sample and data production, during the fall field program, nearly doubled expectations. Geological mapping indicates that the iron-titanium-mineralized outcrops continue along strike for more than three kilometers, a significant distance beyond the north end of the previously known main area of mineralization.

On January 15, 2009, the Company announced the assay results for the surface-core samples, collected during the Romaine Iron-Titanium Project fall field program. These results support the potential for higher-grade iron-titanium mineralization than that recorded for the historical resource. Of the 74 samples assayed, 67 were taken from the main body of presently defined mineralization. These 67 averaged 30.39% iron oxide (Fe_2O_3) and 13.66% titanium oxide (TiO_2). The data represent percentage increases over the historical grade. The average iron-oxide grade is 14.76% higher than that of the historical estimate and the average titanium-oxide grade is 26.46% higher than that of the historical estimate.

On January 20, 2009, the Company executed a definitive option agreement that grants to Medallion the option to acquire a 100% legal and beneficial interest ("Option Agreement") in the Everett iron-titanium property ("Everett Property"). The Option Agreement has been conditionally accepted by the TSX Venture Exchange (the "Exchange"); however, it is subject to final Exchange acceptance pending the completion and acceptance of a technical report prepared and filed in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (completed, accepted and filed), and a financial plan to support the recommended advancement of the Everett Property.

Field work at the Romaine Iron-Titanium Project (Everett property) began in September and ended in November 2008. The program was successful. The mapping and sampling substantiated the property's historical surface data. The geologist in charge of the field program compiled the newly gathered data into an NI43-101 technical report, which concluded that the property was of significant merit.

The 2008 field work and report also provided the information to plan and budget the next stage of field work. The report recommended a ten-drill-hole program, with a $573,000 budget, to substantiate the vertical dimension of the mineralization. Permitting for the ten-hole program was completed based on the plan. The permit was later expanded to cover 20 holes, which would provide basic data for an NI43-101 resource estimate.

In February 2009, Jordan Capital Markets Inc was commissioned as agent to raise financing for the $2 million resource-estimate drill program.

Subsequent to the end of the fiscal year and due to the state of the financial markets, this financing was not successful As of June 30, 2009 the Company went into default of the Agreement for non-payment of an $80,000 payment due as of that date.

Revised terms for the property acquisition option agreement and a funding plan to advance the Romaine Project (Everett property) are presently being negotiated with the vendor and potential investors. Medallion hopes to conclude these negotiations satisfactorily and meet its obligations to maintain and advance the Romaine Project; however, there is no assurance that it will be able to do so.

Due to this uncertainty, the potential value to the Company of the Romaine Project is impaired. To reflect this impairment, the Company has written down exploration costs of $423,576, which were expended on the Everett property

Expenditures on the Company's mineral properties are summarized as follows:

	2007	Expenditures	2008	Expenditures	2009
Ocelot Property					
Property-acquisition costs	$ 187,536	$ -	$ 187,536	$ 45,855	$ 233,391
Exploration expenditures					
Geological consulting	106,393	(1,858)	104,535	632	105,167
Drilling	39,307	-	39,307	-	39,307
Field costs	20,285	2,381	22,666	2,316	24,982
License fees and dues	23,696	12,585	36,281	126	36,407
Written-off exploration expenditure	-	-	-	(439,254)	(439,254)
	377,217	13,108	390,325	(390,325)	-
Amazing Grace Property					
Property-acquisition costs	-	10,000	10,000	17,500	27,500
Exploration expenditures					
Geological consulting	-	48,734	48,734	275,706	324,440
Geophysical consulting	-	26,544	26,544	137,817	164,361
Sampling and assays	-	440	440	-	440
License fees and dues	-	1,137	1,137	-	1,137
Written-off exploration expenditure	-	-	-	(517,878)	(517,878)
	-	86,855	86,855	(86,855)	-
Lodi Hills Property					
Property-acquisition costs	-	5,025	5,025	-	5,025
Exploration expenditures					
Sampling and assays	-	-	-	2,758	2,758
Geological consulting	-	-	-	4,830	4,830
License fees and dues	-	7,472	7,472	-	7,472
Written-off exploration expenditure	-	-	-	(20,085)	(20,085)
	-	12,497	12,497	(12,497)	-
Romaine Project					
Property-acquisition costs	-	-	-	34,332	34,332
Claim staking	-	-	-	12,817	12,817
Exploration expenditures					
Geological consulting	-	-	-	229,057	229,057
Field costs	-	-	-	178,361	178,361
License fees and dues	-	-	-	16,158	16,158
Written-off exploration expenditure	-	-	-	(423,576)	(423,576)
	-	-	-	47,149	47,149
Total Expenditures	$ 377,217	$ 114,556	$ 489,677	$ (442,528)	$ 47,149

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2009	**Year ended March 31, 2008**	**Year ended March 31, 2007**
	$	**$**	**$**
Total Revenues (interest income)	2,687	4,517	3,439
Net Income (Loss)	(1,773,320)	(123,451)	(263,842)
Net Income (Loss) Per Share	(0.15)	(0.01)	(0.04)
Total Assets	223,233	1,273,797	524,608
Long-Term Debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Results of operations for the year ended March 31, 2009 compared to the year ended March 31, 2008.
The Company's loss for the year ended March 31, 2009 totaled $1,773,320 compared to $123,451 in 2008. In fiscal 2009, the Company wrote off its Ocelot, Amazing Grace, and Lodi Hills properties and exploration expenditures on the Romaine property which aggregated $1,400,794 of mineral property expenditures written off in 2009. Also, the Company recorded a recovery of future income tax of $119,290 (2008 - $170,000) with respect to renunciation of flow-through shares totaling $397,633 (2008 -$500,000) and future income tax provision of $6,579 (2008 - future income tax recovery $ 7,568) for the reduction in market value of securities classified as available-for-sale.

In fiscal 2009, the Company increased its administrative activities as a result of two new property acquisitions, renegotiation of the acquisition terms on an existing property, and closing of two equity financings. Administrative expenses in the year ended March 31, 2009, increased by $186,483 and totaled $492,019. The major increases were in professional fees of $91,926, office and general $52,456, investor relations $29,884, and consulting fees of $21,863.

The interest income earned for the year ended March 31, 2009 totaled $2,687compared with interest income of $4,517in 2008. The loss per share was $0.15 in fiscal 2009 and $0.01 in 2008.

During fiscal 2009, 132,000 shares of American Bonanza Gold Corp. were sold and a gain on sale of marketable securities of $3,975 was recognized.

SUMMARY OF QUARTERLY RESULTS

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

Quarter Ending	**Revenue $**	**Expenses $**	**Net Loss (Income) $**	**Loss Per Share $**
March 31, 2009	**30**	**1,104,648**	**987,932**	**0.07**
December 31, 2008	172	561,106	560,934	0.05
September 30, 2008	546	170,834	170,288	0.02
June 30, 2008	2,059	56,225	54,166	0.01
March 31, 2008	3,235	83,236	(97,568)	(0.02)
December 31, 2007	316	51,253	50,937	0.01
September 30, 2007	386	127,007	126,621	0.02
June 30, 2007	580	44,041	43,461	0.01

Results of operations for the three months ended March 31, 2009 compared to the three months ended December 31, 2007.
The Company's loss for the three months ended March 31, 2009 totaled $987,932 compared to net income of $97,568 in 2008. The negative variance of $1,085,500 resulting primarily from the write off of $941,455 of exploration expenditures on the Amazing Grace and Romaine properties in the fourth quarter of 2009. The $97,568 of income in the fourth quarter of 2008 was due to an income tax recovery recorded in that quarter on the renunciation of flow-through expenditures.

Administrative expenses (net of write-off of mineral property) in the fourth quarter of 2009 totaled $163,193 compared to $83,236 in the comparable period.

The interest income earned in the three months ended March 31, 2009, totaled $30 compared to interest income of $3,235 in the same period of 2008. The earnings per share were $0.02 in the three months ended March 31, 2008 as compared to a loss per share of $0.07 in 2009.

MARKETABLE SECURITIES

At March 31, 2009, the Company owned 468,000 (2008 – 600,000) shares of American Bonanza Gold Corp. ("Bonanza"). The investment represents less than a 1% equity interest in Bonanza and is carried at a market value of $37,440 (March 31, 2008 **–** $90,000).

During fiscal 2009, 132,000 Bonanza shares were sold and a gain on sale of marketable securities of $3,975 recognized.

Subsequent to the 2009 fiscal year the Company sold the remaining 468,000 shares of Bonanza for gross proceeds of $36,690 resulting in a gain of $5,843.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2009, the Company's working capital deficiency was $214,102 (March 31, 2008 - working capital $579,978). The deficiency includes $110,875 owing under promissory notes issued to a director of the Company and $125,728 of management fees and legal fees owed to companies in which two other directors are principals. Cash and cash equivalents at March 31, 2009 totaled $61,284, a decrease of $595,244 from $656,528 as at March 31, 2008.

During the year ended March 31, 2009, the Company closed two equity financings for aggregate gross proceeds of $737,633. The cash portion of share issue costs incurred on these private placements totaled $78,875. The net proceeds of the private placements were used to fund an ongoing evaluation program on the Romaine Iron-Titanium Project and general corporate purposes.

During the year ended March 31, 2009, $911,525 was spent on the acquisition of and due diligence exploration work on the Romaine Property, exploration programs on the Amazing Grace property and an option payment on Ocelot property, $1,554 on purchase of computer equipment, and $318,101 were used in operating activities (see "Summary of Quarterly Results").

Contributed surplus totaled $451,387 as of March 31, 2009 and $334,041 as of March 31, 2008. The increase was due to the allocation of fair values of securities issued in the October 2008 private placement, stock options granted during the year, and the re-pricing of stock options during the year.

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 equity financing will always be available to the Company in any amount. 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 has obligations pursuant to option agreements it has entered into. While the Company has no absolute contractual commitment to satisfy these obligations, it could forfeit any property interest it may have earned to that date. Detailed terms of those agreements and the obligations are included in the accompanying Financial Statements.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Related party transactions not disclosed elsewhere in this Management Discussion and Analysis are as follows:

a) During the year ended March 31, 2009, $86,760 (2008 - $70,168) was charged by a private company controlled by the President of the Company for management fees and $23,400 (2008 - $7,580) for geological consulting fees. At March 31, 2009, $37,705 (March 31, 2008 - $Nil) was owed to this company.

b) During the year ended March 31, 2008, a company owned by a director loaned to the Company an aggregate of $100,000. The loans were evidenced by way of promissory notes, bear interest at the rate of prime plus 4% per annum and matured on February 12, 2008 ($50,000) and on June 18, 2008 ($50,000). As the notes were not repaid on maturity, they became due on demand and any unpaid principal and accrued interest continue to bear interest at the rate of prime plus 3% per annum. As of March 31, 2009, the principal amount owing on the notes and the accrued interest totaled $110,875 (March 31, 2008 - $103,708). The interest accrued in fiscal 2009 totaled $7,168 (2008 - $3,708).

c) During the year ended March 31, 2009, the Company incurred $102,236 (2008 - $87,104) of legal fees and $61,521 of share issue costs to a law firm in which a director of the Company is a principal. At March 31, 2009, $88,023 (March 31, 2008 - 23,082) was owed to this firm.

d) During the year ended March 31, 2009, $5,483 (2008 - $Nil) of consulting fees were incurred to a private company controlled by a director of the Company. At March 31, 2009, $3,402 (March 31, 2008 - $Nil) was owed to this company.

e) During the year ended March 31, 2009, $28,350 (2008 - $Nil) of consulting fees were incurred to a company controlled by former director of the Company. At March 31, 2009, $Nil (March 31, 2008 - $Nil) was owed to this company.

CRITICAL ACCOUNTING ESTIMATES

There were no changes to the critical accounting estimates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized share capital consists of an unlimited number of common shares without par value. As at March 31, 2009 and July 28, 2009, the Company had 15,222,153 (March 31, 2008 – 10,774,018) issued and outstanding common shares.

During the year ended March 31, 2009, the Company issued 50,000 common shares for a value of $10,000 as a property payment towards acquiring an interest in the Amazing Grace property.

On October 27, 2008, the Company completed a non-brokered private placement of 1,700,000 units at a price of $0.20 per unit for gross proceeds of $340,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of $0.25 per share until October 27, 2010. A fair value of $57,064 was allocated to these warrants. 47,250 finder's units were issued in connection with this private placement. Each finder's unit comprised one common share and one-half of a common share purchase warrant with the warrants having the same terms as the private placement warrants. A fair value of $1,586 was allocated to these finder's warrants.

On December 30, 2008, the Company completed a non-brokered flow-through private placement of 2,650,885 flow-through common shares a price of $0.15 per share for gross proceeds of $397,633. The Company paid cash finder's fees of $25,179.

During the year ended March 31, 2009, 540,000 stock options were re-priced to an exercise price of $0.15 per share, of which the re-pricing of 390,000 stock options are subject to shareholder approval, 40,000 options at a price of $0.24 per share expired, and 610,000 stock options at an exercise price of $0.15 per share were granted to directors, officers and consultants of the Company for a period of five years.

As of March 31, and July 28, 2009, the following stock options were outstanding:

Expiry Date	Number of Options Outstanding & Exercisable	Exercise Price
April 21, 2010	100,000	$0.10
September 18, 2011	100,000	$0.30
October 4, 2011	100,000	$0.15
March 15, 2012	50,000	$0.15
August 15, 2012	290,000	$0.25
January 07, 2009	480,000	$0.15
January 19, 2009	130,000	$0.15
	1,250,000	

During the year ended March 31, 2009, 873,625 warrants were issued and 1,773,002 warrants expired leaving a balance of 3,894,125 warrants outstanding as at March 31, 2009 and up to July 28, 2009.

Expiry Date	Number of warrants outstanding	Exercise Price
August 14, 2009	1,458,000	$0.50
December 28, 2009	1,562,500	$0.75
October 27, 2010	873,625	$0.25
	3,894,125	

As of March 31, 2009 and up to July 28, 2009, 78,125 finder's options were outstanding, exercisable to acquire 78,125 finder units at a price of $0.32 per unit. Each finder unit consists of one common share and one common-share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.75 per share until December 28, 2009.

There are no shares subject to escrow or pooling agreements.

ACCOUNTING POLICIES INCLUDING SUBSIDIARIES AND INITIAL ADOPTION

Financial Instruments
The Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, and promissory notes are classified as other financial liabilities. Marketable securities are classified as available-for-sale, which are measured at fair value with changes in

fair value recorded in other comprehensive income until the investment is derecognized or impaired, at which time the amounts would be recorded in net income.

Changes in Accounting Policies Including Initial Adoption

On April 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

(a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories.

(b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

(c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard, the Company will be required to disclose the following:

- qualitative information about its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital;
- whether during the period it complied with any externally imposed capital requirement to which it is subject; and
- when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

Goodwill and Intangible Assets

The new Section 3064 - Goodwill and Intangible Assets ensures that intangible assets meet the definition of an asset, and eliminates the "matching" principle, whereby certain costs were being deferred and expensed to match with revenue earned. The new standard applies for interim and annual financial statements for fiscal years beginning on or after October 1, 2008. The standard is not expected to have a significant impact on the Company's financial statements.

Income statement presentation of a tax loss carryforward recognized following an unrealized gain recorded in other comprehensive income – EIC 172

EIC 172 requires that the tax benefit from the recognition of tax loss carryforwards, consequent to the recording of unrealized gains in other comprehensive income, be recognized in net income. The accounting treatment is required to be applied retrospectively, with restatement of prior periods from the date of adoption of Section 3855, for all interim and annual reporting period ending on or after September 30, 2008. The Company recorded $6,579 of provision for future income tax in the current year upon adoption of EIC 172. The effect on the comparative financial statements is summarized in Note 14.

Convergence with International Financial-Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

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. The reader should also refer to the discussion of risks contained in the Company's Management Discussion & Analysis for the year ended March 31, 2008.

OUTLOOK

Medallion management believes that the recently acquired Everett iron-titanium property is of sufficient magnitude and promise to require the entire focus of the Company. The Company continues its efforts to evaluate additional property acquisitions in North America; however, new acquisitions are not a priority at this time.

The equity financings of October 2008 and December 2008 provided adequate funding for the Company's Everett Property due diligence and initial surface exploration. The next phase of work on the Everett Property calls for a core-drilling program and laboratory metallurgical tests. To complete this work, the Company requires additional financing.

In February 2009, Jordan Capital Markets Inc ("Jordan") was commissioned to raise financing for the $2 million resource-estimate drill program.

Subsequent to the March 31, 2009, year end, due to the state of the financial markets, the financing was not successful.

Revised terms for the Everett property acquisition agreement and a funding plan to advance the property are presently being negotiated with the property vendor and potential investors. Medallion hopes to conclude these negotiations satisfactorily and meet its obligations to maintain and advance the Everett Property; however, there is no assurance that it will be able to do so.

Due to this uncertainty, the Company has written down exploration costs of $423,576, which were expended on the Everett property.

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