The following Management Discussion and Analysis ("MD&A") is prepared as at July 6, 2016 and is intended to help the reader understand the accompanying 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, 2016.

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 audited consolidated financial statements and this MD&A, is complete and reliable.

The financial statements of the Company for the year ended March 31, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company is incorporated in British Columbia and is involved in the acquisition and evaluation of mineral resource projects. The Company is seeking monazite processing partnerships by which to extract and produce rare-earths from monazite.

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.

OPERATIONS

The Company's operations have historically consisted 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 more recently focused primarily on a rare-earth business strategy involving the mineral monazite, which is available as a by-product mineral from large heavy-mineral-sands mining operations, and it is seeking monazite processing partnerships by which to process and produce rare-earth products from monazite. Medallion is testing a variety of samples, which have been submitted by heavy-mineral-sands producers, to locate suitable quantities and qualities of monazite feed. This testing could lead to monazite purchase agreements and potentially provide feedstock for a planned rare-earth processing plant. Since no monazite purchase contracts or processing plant financing and development agreements are in place at this time, all expenses associated with this strategy are being written off in the Company's consolidated statements of loss and comprehensive loss.

The Company has no commercial production at this time and accordingly the Company has no revenue from operations.

RESULTS OF OPERATIONS FOR THE YEAR

Results of operations for the year ended March 31, 2016 compared to the year ended March 31, 2015

The Company's loss for the year ended March 31, 2016 was $727,706 (loss per share – $0.01) compared to a loss of $1,063,867 (loss per share – $0.02) for the year ended March 31, 2015.

The significant factors that contributed to the decrease in the loss during the year ended March 31, 2016 compared with the corresponding period in 2015 were:

- Management fees for the year ended March 31, 2016 were $223,199 compared with $303,704 for the corresponding period in the prior year. This is due to the decrease in compensation paid to the Company's Chief Technical Advisor.

- Office and General expenses for the year ended March 31, 2016 were $50,182 compared with $107,867 for same period in 2015. This is due to conference and travel costs incurred in the prior year that were not incurred in the current year.

- Project Investigation expenses for the year ended March 31, 2016 were $22,074 compared with $160,783 for the prior year. This reflects significantly reduced consultant fees and travel expenses incurred by consultants to the Company during the current year in connection with project investigation activities compared to those incurred in the prior year.

- Share-based Compensation expenses for the year ended March 31, 2016 were $8,793 compared with $63,864 during the previous year. This reflects the fact that significantly fewer common share stock options were granted during the current year compared to last year.

Significant factors that offset the decrease in the loss during the year were:

- Consulting fees for the year ended March 31, 2016 were $187,009 compared with $143,510 for the year ended March 31, 2015. This is due primarily to an increase in the fees paid to a consultant during the current year for marketing services.

SELECTED ANNUAL INFORMATION

	March 31, 2016	March 31, 2015	March 31, 2014
Revenues	Nil	Nil	Nil
Net Loss	$ (727,706)	$ (1,063,867)	$ (1,616,767)
Net Loss per Share – Basic and Diluted	$ (0.01)	$ (0.02)	$ (0.03)
Total Assets	$ 31,655	$ 40,287	$ 59,504
Total Long-term Financial Liabilities	Nil	Nil	Nil
Cash Dividend Declared per Share	Nil	Nil	Nil

MINERAL PROPERTIES

	Red Wine Property
Balance at March 31, 2014	$ -
Property-acquisition costs	15,500
Impairment	(15,500)
Balance at March 31, 2015	-
Claims maintenance costs	3,623
Impairment	(3,623)
Balance at March 31, 2016	$ -

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 rare-earth exploration project, which consisted of four Labrador mineral licenses covering an area of 3,325 hectares. These licenses lie approximately 90 kilometres northeast of Churchill Falls, Labrador. 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 (the "Property").

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 were 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, which was completed, the Vendor subscribed to a $55,000 private placement of 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. On May 20, 2011, the Company issued 50,000 common shares at a value of $14,000 to the Vendor under the Amending Letter Agreement. To maintain the option, the Company was required to pay an aggregate of $475,000 in cash, issue an aggregate of 1,750,000 common shares, (including the 50,000 shares issued to that date) and conduct $550,000 in exploration work over a period of five years. In the first year on or before March 16, 2012 the Company was required to pay $50,000, issue 250,000 common shares and complete $200,000 of exploration expenditures. During the year ended March 31, 2012 $81,570 in exploration expenditures were incurred by the Company on the Property.

On May 8, 2012, the Company and the Vendor signed an additional Amending Letter Agreement in which the Company elected to maintain its option to acquire a 100% interest in the Property. To maintain the option, the Company agreed to pay an aggregate of $475,000 in cash, issue an aggregate of 1,600,000 common shares in addition to the 50,000 shares issued on May 20, 2011 and conduct an additional $350,000 in exploration work over a period of five years. On May 9, 2012, the Company issued a further 50,000 common shares at a value of $11,250 to the Vendor under the additional Amending Letter Agreement. To maintain the option, on or before March 16, 2013 the Company was now required to pay $50,000, issue 100,000 common shares and complete $50,000 of exploration expenditures.

On March 31, 2013, the Company and the Vendor signed an additional Amending Letter Agreement in which the Company elected to maintain its option to acquire a 100% interest in the Property. To maintain the option, the Company agreed to pay an aggregate of $480,000 in cash, issue an aggregate of 1,600,000 common shares in addition to the 100,000 shares issued previously and conduct an additional $350,000 in exploration work over a period of five years. On May 13, 2013, the Company issued a further 50,000 common shares at a value of $9,500 to the Vendor and subsequent to that date the Company paid $5,000 to the Vendor, as required under the agreement.

On March 31, 2014, the Company and the Vendor signed an additional Amending Letter Agreement in which the Company elected to maintain its option to acquire a 100% interest in the Property. To maintain the option, the Company must now pay an aggregate of $478,000 in cash, issue an aggregate of 1,600,000 common shares in addition to the 150,000 shares issued previously and conduct an additional $350,000 in exploration work over a period of five years. On May 9, 2014 the Company paid $1,500 to the Vendor. On May 12, 2014, the Company issued a further 50,000 common shares at a value of $8,500 to the Vendor. On December 9, 2014 the Company paid an additional $1,500 to the Vendor.

On February 26, 2015, the Company and the Vendor signed an additional Amending Letter Agreement in which the Company elected to maintain its option to acquire a 100% interest in the Property. To maintain the option, the Company must now pay an aggregate of $478,000 in cash, issue an aggregate of 1,600,000 common shares in addition to the 200,000 shares issued previously and conduct an additional $350,000 in exploration work over a period of five years. On March 25, 2015, the Company issued a further 50,000 common shares at a value of $2,500. On April 30 and October 21, 2015, the Company paid an additional $1,500 to the Vendor for a total of $3,000 as required under the Amending Letter Agreement.

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.

Exploration work has been carried out on the seven licenses, which comprise the four separate blocks (an additional license was added by the Company for a total Property area of 4,650 hectares).

The main rare-earth target on the Property was a large exposed body of previously mapped Red Wine peralkaline intrusive rock, which is known to contain the rare-earth-bearing mineral, eudialyte. While significant eudialyte was identified during the field work and all assayed samples showed elevated levels of rare-earths, the overall average assays for the eudialyte-bearing rock were lower than expected. Laboratory examination determined a Red Wine eudialyte total-rare-earth content of approximately 2.5%, which is low for eudialyte and explains the lower-than-expected rare-earth assays reported for the samples of peralkaline rock.

The initial exploration work encountered at least three types of rare-earth mineralization and, historically, other types have been reported, as well; however, there is no conclusive or compelling information that sets apart any particular Red Wine-property target area. The Company will maintain the property as it assesses further exploration plans.

Of the total of seven mineral claims originally acquired, five were subsequently abandoned by the Company which then had two claims covering a total of 525 hectares.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. As of September 30, 2012, the Company determined that the carrying amount of the Red Wine Property exceeded its recoverable amount. For the year ended March 31, 2013 the Company recorded an impairment of $281,089 and for the year ended March 31, 2014, an additional $14,500 was written off to the consolidated statements of loss and comprehensive loss. During the year ended March 31, 2015, $15,500, reflecting shares issued and cash paid to maintain the Company’s option rights, was written off to the consolidated statements of loss and comprehensive loss.

During the year ended March 31, 2016, $3,623, reflecting cash paid and claims costs to maintain the Company’s option rights, was written off to the consolidated statements of loss and comprehensive loss.

Prior to February 26, 2016, the date by which the Company was required to make a cash payment of $50,000 and issue 100,000 common shares to the vendor and to incur expenditures of $50,000 on the property, the Company decided to abandon the final two claims in which it had an interest and thereby gave up its contractual rights in respect of the Red Wine Property.

PROJECT INVESTIGATION

To support the Company's current strategy of focusing on the purchase of the mineral monazite and the search for monazite processing partnerships by which to process and produce rare-earth products, consulting, travel, legal and other expenses have been incurred by the Company. The Company expects to continue to incur such expenses during the current year. Since no monazite purchase contracts or process-plant financing and development agreements are in place at this time, all expenses associated with this strategy are being written off in the Company's consolidated statements of loss and comprehensive loss.

For further details relating to project investigation expenses, please refer to Note 5 of the accompanying audited consolidated financial statements for the year ended March 31, 2016.

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 $	Other Income $	Expenses $	Net Loss $	Loss Per Share $
March 31, 2016	Nil	Nil	120,541	120,541	0.00
December 31, 2015	Nil	Nil	198,483	198,483	0.00
September 30, 2015	Nil	Nil	173,455	173,955	0.00
June 30, 2015	Nil	Nil	232,604	234,727	0.00
March 31, 2015	Nil	Nil	259,663	263,663	0.00
December 31, 2014	Nil	Nil	216,235	216,235	0.00
September 30, 2014	Nil	Nil	233,644	235,144	0.00
June 30, 2014	Nil	Nil	338,825	348,825	0.01

RESULTS OF OPERATIONS FOR THE PERIOD

Results of operations for the three months ended March 31, 2016 compared to the three months ended March 31, 2015

The Company's loss for the three months ended March 31, 2016 was $120,541 (loss per share – $0.00) compared to a loss of $263,663 (loss per share – $0.00) for the three months ended March 31, 2015.

The significant factors that contributed to the decrease in the loss during the three months ended March 31, 2016 compared with the corresponding period in 2015 were:

- Management fees for the three months ended March 31, 2016 were $43,821 compared with $95,165 for the corresponding period in the prior year. This is due to the decrease in compensation paid to the Company's Chief Technical Advisor.

- Project Investigation expenses for the three months ended March 31, 2016 were $Nil compared with $24,994 for the same period in 2015. This is due to the decrease in current activity in reviewing and investigating new projects.

- Office and General expenses for the three months ended March 31, 2016 were $8,982 compared with $28,812 for same period in 2014. This is due to conference and travel costs incurred in the prior year that were not incurred in the current year.

- Share based Compensation expenses for the three months ended March 31, 2016 were $4,759 compared with $52,350 in the corresponding period in 2015. This reflects the fact that significantly fewer common share stock options were granted during the current period compared to the same period last year.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, the Company had a working capital deficiency of $394,808 (March 31, 2015 – deficiency of $215,900) an increase in the working capital deficiency of $178,908 due to operating expenses offset by an increase in cash as a result of two equity private placement that grossed the Company proceeds totaling $550,000, as detailed below.
Cash is made up of $1,777 (March 31, 2015 - $8,185) in cash available in the bank accounts of the Company at March 31, 2016.

On April 30, 2015 the Company completed a private placement financing consisting of 6,500,000 units at $0.05 per unit for gross proceeds of $325,000. Each unit consisted of one common share and one half of one common share purchase warrant, with each whole warrant exercisable to acquire one common share at a price of $0.20 for a period of 3 years from the closing date. The Company paid a total of $1,452 in cash finders' fees, issued a total of 40,000 finders' units having the same terms as the placement units and issued 69,040 finders' warrants each exercisable to acquire a common share at a price of $0.05 per share for a period of 2 years from closing.

On October 15, 2015 the Company completed a private placement financing consisting of 7,500,000 units at $0.03 per unit for gross proceeds of $225,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to acquire one common share at a price of $0.20 with an expiry date of May 1, 2018. The Company paid a total of $360 in cash finders' fees.

Contributed surplus totaled $2,439,629 as at March 31, 2016 (March 31, 2015 - $2,430,836). The increase is due to share-based compensation expense of $8,793 as a result of vesting of stock options.

The Company has in the past 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. Mineral processing is a capital-intensive business with lengthy periods elapsing from initial investigation to any prospect of revenues. The nature of the mineral processing business increases risks of insufficient capital resources above that of many other businesses.

The Company requires additional working capital and is in discussions with parties with respect to private placements for working capital financing.

COMMITMENTS

The Company has entered into a sub-lease with a company owned by a director for office premises which has been renewed for an additional nine months to March 31, 2017 with monthly rent of $1,155. The following is a summary of the future lease commitments:

Fiscal 2017	$ 13,860

The Company had entered into a consulting agreement whereby should the consultant assist with sourcing, negotiating, and entering into an agreement for financing the construction and operation of a monazite-based rare-earth processing facility in the Middle East, a fee of 2.0% of any financing of $10,000,000 or more will be payable. The agreement also provides for the payment of a standby success fee of 0.5% should the consultant arrange financing that the Company does not proceed with as a result of entering into an alternative financing arrangement.

The Company had entered into a consulting agreement whereby should the Company enter into an agreement with any party to invest in the construction and operation of a monazite-based rare-earth processing facility in Oman a fee of 2.0% of any equity funds contributed by the party and 1% of any debt financing provided by a specified bank will be payable.

Both of the above noted consulting agreements have been terminated, however, the provisions with respect to financing fees that will be become payable should certain financing arrangements take place will remain in effect for a period of two years from the date of the termination of the respective agreements, expiring in January, 2017.

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 as follows:

Related party transactions not disclosed elsewhere in this document are as follows:

a) During the year ended March 31, 2016, $144,000 (2015 - $138,104) was charged by a private company controlled by the Chief Executive Officer, Donald Lay, (the “CEO”) of the Company for management fees and professional fees. At March 31, 2016, $178,552 (March 31, 2015 - $60,600) was owed to this company.

b) During the year ended March 31, 2016, the Company incurred $53,134 (2015 - $61,715) of legal fees to a law firm in which a director of the Company, Rod McKeen, is a principal. At March 31, 2016, $33,698 (March 31, 2015 - $38,706) was owed to this firm.

c) During the year ended March 31, 2016, $72,000 (2015 - $165,500) was charged by a private company controlled by the former Chief Technical Advisor of the Company, William Bird, for management fees. At March 31, 2016, $79,380 (March 31, 2015 - $73,080) was owed to this company.

d) During the year ended March 31, 2016, the Company paid $13,860 (2015 – $16,761) in rent in connection with an office sub-lease the Company entered into with a company owned by a director, David Haber (see “Commitments” above). At March 31, 2016, $11,007 (March 31, 2015 - $6,937) was owed to this company.

e) During the year ended March 31, 2016, the Company incurred $50,100 (2015 - $61,995) of consulting fees to the Chief Financial Officer, Thomas Arnould (the “CFO”) of the Company. At March 31, 2016, $23,126 (March 31, 2015 - $12,524) was owed to the CFO.

f) During the year ended March 31, 2016, the Company recognized $nil (2015 – $49,308) of share-based compensation related to stock options granted to directors and officers.

g) During the year ended March 31, 2016, the Company borrowed a total of $110,000 in separate amounts of $40,000, $30,000 and $40,000 from a company owned by a director, David Haber, at an interest rate of prime plus 3.00%. Interest in the amount of $246 has been paid as at March 31, 2016, and as at that date $40,000 plus accrued interest of $750 (included in accounts payable and accrued liabilities) was outstanding.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

Authorized share capital consists of an unlimited number of common shares without par value.

As at March 31, 2016 and July 6, 2016 there were 73,905,266 common shares outstanding.

For further details relating to the issuance of shares, please refer to Note 8 of the accompanying audited consolidated financial statements of the Company for the year ended March 31, 2016.

Stock Options

As at March 31, 2016 there were 3,460,000 stock options outstanding.

On June 14, 2016, 75,000 stock options with an exercise price of $0.23 expired.

As at July 6, 2016 there were 3,385,000 stock options outstanding.

For further details relating to outstanding stock options, please refer to Note 8 of the accompanying audited consolidated financial statements of the Company for the year ended March 31, 2016.

Warrants

As at March 31, 2016 there were 16,133,245 share purchase warrants outstanding.

On June 3, 2016, 262,805 share purchase warrants and 2,451,401 share purchase warrants with exercise prices of $0.15 and $0.30 respectively, expired.

As at July 6, 2016 there were 13,419,040 share purchase warrants outstanding.

For further details relating to outstanding warrants, please refer to Note 8 of the accompanying audited consolidated financial statements of the Company for the year ended March 31, 2016.

Other Share Information

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.

CRITICAL ACCOUNTING ESTIMATES

Mineral Properties

Pre-exploration costs

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as material used, geological and geophysical surveying costs, drilling costs and payments made to contractors during exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

The Company may occasionally enter into mineral property farm-out or option agreements, whereby the Company will transfer part of a mineral interest, as consideration for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee or optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Impairment of Non-Financial Assets

At each reporting period the carrying amounts of the Company's non-financial assets, other than exploration and evaluation assets, are reviewed for indicators of impairment. If indicators exist, the recoverable amount of the asset is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property and equipment and if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For purposes of assessing impairment, exploration and evaluation assets and property and equipment are grouped into cash generating units ("CGU") defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in net loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in net loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

Share-based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with no vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

CHANGES IN ACCOUNTING POLICIES

New Accounting Standards

On April 1, 2015 the Company adopted IAS 32, Financial Instruments: Presentation (“IAS 32”) which was amended to clarify requirements for offsetting of financial assets and financial liabilities. The Company has adopted the amendments to IAS 1 Presentation of Financial Statements (“IAS 1”). These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to the Company’s consolidated financial statements.

Future Accounting Pronouncements

IFRS 9, Financial Instruments (“IFRS 9”), addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. The new standard states that an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity’s own credit risk in the other comprehensive income or loss section of the entity’s statement of comprehensive loss, rather than within profit or loss. Additionally, IFRS 9 includes revised guidance related to derecognition of financial instruments. IFRS 9 applies to financial statements for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15") supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 Leases ("IFRS 16") specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less, or the underlying asset has an insignificant value. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact of all the new standards on its consolidated financial statements.

FINANCIAL INSTRUMENTS

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance, March 31, 2016
Cash	$ 1,777	-	-	$ 1,777

The fair value of the Company's accounts payables and accrued liabilities and amounts due to related parties approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk
The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

c) Commodity price risk
The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis
The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. As at March 31, 2016, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk, foreign currency risk and price risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources. As of March 31, 2016, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

MANAGEMENT OF CAPITAL RISK

The Company manages its cash, common shares, stock options, and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank.

There has been no change in the Company's management of capital risk structure during the year ended March 31, 2016.

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 March 31, 2016. 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 March 31, 2016 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 March 31, 2016. Based on this evaluation, the CEO and CFO have concluded that as at March 31, 2016, the Company's internal control over financial reporting continues 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 and the directors of the Company review quarterly and year-end financial statements on a regular basis.

There was no change in the Company's internal control over financial reporting during the period ended March 31, 2016 that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

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: access to necessary financing on an ongoing basis, volatility of prices of publicly traded securities, current and future political environment in areas being explored or where projects are being pursued, uncertainty regarding current and future environmental regulations that may affect existing and future properties or projects, uncertainty regarding the rare-earth market in the future, risk that the title to properties being explored are free of defect, competition from other companies undertaking similar exploration or strategies, requirements to acquire licenses and permits to explore and or develop properties and loss of key members of management of the Company.

OUTLOOK

Medallion's current business plan targets those rare-earth potential-production opportunities that offer a reasonable solution, in Medallion's view, to the non-Chinese world's most critical rare-earth element supply problems:

1. a shortage of rare-earth element materials produced from sources outside of China, and
2. a lack of low-production-cost projects that can deliver long-term sustainable rare-earth supplies.

To address these critical rare-earth supply issues, Medallion has developed a business plan that involves the purchase of the mineral monazite, a rare-earth phosphate, to extract and produce rare-earth concentrate products.

Monazite is the world's original source for rare-earths. According to the US Geological Survey, the minerals monazite and bastnaesite account for about 95% of the world's rare-earth resources (approximately evenly split between these two minerals). These are the only two minerals that have ever produced significant quantities of rare earths.

New rare-earth production from by-product monazite, in Medallion's view, could potentially be developed relatively quickly and inexpensively, because monazite is available in large quantities as a by-product from heavy-mineral-sands mines. These mines excavate and process the bulk of world's titanium and zirconium feedstocks. Many of these heavy mineral sand mines reported total reserves in excess of one billion tonnes, which typically translates into 20 to 40 years of production life per mine. As a result there are potential long-term by-product supplies of monazite that could be exploited to produce a steady supply of rare earths for many years into the future.

Importantly, as monazite is produced as a by-product by these existing mines, there is no requirement for exploration, proving of mineral reserves, mining or most milling processes. The metallurgy necessary to produce rare earths from monazite is relatively well understood when compared to that of many other rare-earth minerals, and industry-standard metallurgical processes have successfully produced commercial rare-earths for over 100 years, albeit at a small number of sites. These are significant cost-saving and time-saving attributes.

Safe environmental procedures are an important part of rare-earth production. In January 2012, Medallion received a report from SENES Consultants Limited, internationally recognized specialists in mining, nuclear and environmental sciences, which reviewed the health and safety aspects of Medallion's proposed monazite processing plant plans. The report supported the Company's view that, with the proper operational controls and the use of modern handling and waste disposal systems, a large-scale monazite processing plant can be operated safely and effectively, while complying with all major national and international mining and environmental safety standards. This is an important step, since the safe handling and disposal of the various resulting wastes, including the naturally-occurring radioactive elements thorium and uranium, is a concern with processing minerals from any natural rare-earth occurrence.

The Company has produced preliminary processing technical plans, including flow sheets and initial internal capital and operating cost estimates for a monazite based rare-earth processing facility. The currently proposed facility is based on assumed annual rare-earth-oxide production of approximately 3,000 tonnes per year. Discussions are underway to acquire monazite, to feed the proposed plant, from major heavy-mineral-sands mining operations.

On January 29, 2015 the Company announced it was evaluating North American jurisdictions to expedite the approval, construction, and operation of a proposed monazite-based rare-earth processing facility. The Company also reported that it expects to be able to purchase near-pure monazite feedstock in order to extract and market a mixed rare-earth concentrate product, instead of refined oxides. A near-pure monazite feed would reduce transportation costs and the capital costs associated with the front-end monazite tailings upgrading component of the processing facility as had been expected previously.

On May 20, 2015, Medallion reported that its lab-scale extraction testing had confirmed Medallion's caustic-route metallurgical process flow-sheet; and a subsequent release reported that the tests recovered an average of 91% of ten rare-earth elements and yielded a mixed rare-earth chemical concentrate. The tests indicated that the economically important magnet-related elements (Nd, Pr, Dy, Tb) represent 86% of the value of the resulting concentrate, using current standard Chinese FOB prices (source: Asian Metal August 2015).

On August 25, 2015 Medallion further announced that follow-on work from these lab-scale tests also produced a calcium phosphate by-product, a commonly-used animal feed supplement that sells in North America currently at about $400 per tonne. Medallion believes that calcium phosphate, once its proposed plant is production, could represent an additional revenue stream for the Company.

Medallion reported on December 8, 2015 that it had received positive feedback that its high-purity rare-earth concentrate samples were suitable, once capable of being produced in commercial quantities, as input material to standard commercial rare-earth refineries. These refineries, or separation plants, separate the concentrate into individual rare-earth oxides and other rare-earth products. Earlier that quarter the Company had provided product specification sheets and concentrate product samples from its bench-level metallurgical tests to refineries and other interested parties under confidentiality agreements.

On January 28, 2016 Medallion, following 2015's positive bench-level metallurgical tests and feedback from prospective customers, outlined its priorities for calendar 2016 in moving towards rare-earth production in the following areas:

Pilot Plant – Medallion intends to request proposals from qualified mineral labs to scale up its confirmed processing flow-sheet in order to further optimize the flow-sheet, produce larger sample volumes of products and by-products, and implement re-cycling processes.

Customer Engagement – The Company looks to devote additional attention in 2016 to building relationships with both established solvent extraction-based refiners and new groups working to commercialize alternative rare-earth separation technologies. The technical nature of the fine chemical business demands close collaboration with rare-earth refiners to meet their precise input specifications as well as the timing and volume of shipments.

Monazite Feedstock – Over the last three years the Company has invested considerable time establishing business and technical relationships with a number of heavy-mineral sands mining operators in order to assess and source monazite-sand concentrate as feedstock for our proposed rare-earth processing plant. Based on information provided by this industry, Medallion is confident that there are suitable feedstocks available from operations in Australia, south-east Asia and Africa where commercial contracts could be successfully negotiated for these monazite supplies. However, finalized arrangements will require additional progress towards production, such as the completion of a pilot plant and customer agreements for the concentrate product.

Financing – The Company will devote significant efforts in 2016 on capital-raising to proceed with upscaling work (pilot-plant), establishing plant site selection and business-development activities. Medallion is open to equity investment, strategic partners or alternative financial approaches that may provide minimally dilutive capital to further develop the business. In addition, various non-dilutive government programs are being evaluated as a possible source of funds for particular projects.

Board and Advisors – As Medallion aims to become a value-added mineral processor focused on providing rare-earth feedstock, it also aims to exploit efficient processing approaches and by-product production opportunities within this selected niche. This path has led to the decision to make both board and advisory board adjustments over the coming year to reflect these changes and seize the opportunities.

On February 23, 2016 the Company announced that Dr. Bill Bird had resigned from his duties on the Board of Directors after many years of service. The Company is planning to appoint a new director -- ideally one providing experience and expertise in line with its corporate direction of becoming a significant value-added mineral processor.

On April 10, 2016 the Company announced that it was prepared, with sufficient funding, to undertake pilot-scale tests of its rare-earth extraction process. These pilot tests are anticipated to be the last set of technical tests required prior to undertaking feasibility study work related to a specific site.

On July 6, 2016 the Company announced a non-brokered private placement of up to 10,000,000 units at a price of $0.03 per unit for gross proceeds of up to $300,000. Each unit will consist of one common share and one transferable common share purchase warrant with a five-year term. Each warrant will be exercisable to acquire one additional common share at an exercise price of $0.05 for thirty months from issuance and at an exercise price of $0.10 thereafter until expiry. The proceeds of the Offering will be used for a pilot-scale metallurgical test program including locked cycle tests, cerium removal and phosphate by-product development, customer development work, jurisdiction and site analysis for the Company's proposed rare-earth extraction plant, and working capital.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "believes", "may", "expects", "should", "could", "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 the Company's 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, the entering into of monazite purchase agreements and the ability of the Company to finance and advance a monazite processing facility, and other statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, including the risks of price fluctuations of rare-earths, risks of obtaining required financing on suitable terms, or at all, risks of competition from larger, financially stronger competitors, and other mineral resource industry risks 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, the Company's 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 Company documents filed 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

"*David Haber*"

DAVID HABER