MEADOW BAY GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2012

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts, constitute forward looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward looking statements. The Company disclaims any intention or obligation to update or revise such forward looking statements, as a result of new information, future events or otherwise.

MANAGEMENTS DISCUSSION AND ANALYSIS

June 28, 2012

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Meadow Bay Gold Corporation ("Meadow Bay") consolidated financial statements. The statements are provided for the purpose of reviewing the fourth quarter of fiscal 2012, as well as the fiscal year, and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending March 31, 2012 and 2011.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of Meadow Bay is responsible for the preparation and integrity of the consolidated 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 consolidated financial statements and MD&A, is complete and reliable. The board of directors of Meadow Bay follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The audit committee of Meadow Bay meets with management quarterly to review the consolidated financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

Meadow Bay was incorporated in British Columbia under the laws of the Business Corporations Act on March 8, 2005. The Company was listed for trading on the TSX Venture Exchange (TSX.V) as a Capital Pool Company on September 18, 2006. The Company currently trades on the TSX as a tier 1 Company under the symbol "MAY."

In August, 2008, the Company completed its Qualifying Transaction by acquiring the Molybdenite Creek property from In-Dex Minerals Corp. In December 2009, the Company entered into an option agreement to acquire a 30% interest in the Mag property. During the year ended March 31, 2010, the Company returned both the Molybdenite Creek and Mag properties back to the optionors and thus, wrote off acquisition and deferred exploration costs of $1,221,215.

In March 2010, the Company completed a share consolidation on the basis of one new common share for every three old common shares. All share and per share amounts have been retroactively restated to reflect the share consolidation.

On January 21, 2011 the Company entered into a Letter of Intent ("LOI") to acquire all of the issued and outstanding common stock of Desert Hawk Resources Inc. ("Desert Hawk"), a private Delaware corporation. The Company also launched a private placement financing that closed March 1, 2011 with the sale of 11,313,750 common shares at $1.00US. A portion of the financing, $6,000,000US, was used to complete the payment to the previous owner of the Atlanta Mine. The purchase of Desert Hawk Resources Inc. was completed on March 1, 2011.

OVERALL PERFORMANCE

During the year ended March 31, 2012, the Company incurred a net loss of $4,064,753 (2011 - $4,278,897).

Desert Hawk is a mining and exploration company with three gold projects in Nevada including an option on the former producing Atlanta Gold and Silver Mine, the Colorback Gold Project and the Spruce Mountain Molybdenum, Copper, Silver Project. The Atlanta Mine produced 1.5 million tons of ore containing 0.09 ounces gold/ton and 1.25 ounces silver/ton and recovered 121,000 ounces of gold and 800,000 ounces of silver during the period 1975 to 1985 based on historical records. The remaining indicated and inferred resource of 464,000 ounces of gold has been estimated by previous workers which is not compliant with standards as set out in National Instrument 43-101. The mine development plan will include substantial pit expansion and capital expenditures to refurbish the mining equipment and near term production potential. In addition to the excellent near-term development aspect of the project, the Company considers the Atlanta Mine to offer excellent exploration and development upside by drilling extensions to the known mineralization and larger scale production than previous mining through both pit-extension and possibly underground mining.

The Colorback Gold Project is on the Battle Mountain trend 12 miles north of Pipeline. The property is host to both surface gold targets and a lower-plate Carlin-Style gold system.

Previous surface sampling contains gold values as high as 1 ounce per ton and near surface intercepts in upper plate chart considered leakage from the deeper system. For accounting purposes, as the Company has no immediate plans to explore further on this property, the property has been written off to operations as impaired.

The Spruce Mountain Gold and Silver Project is located in Elko County, Nevada and is comprised of 63 unpatented lode claims adjacent and overlapping with a 100 million ton copper-molybdenum resource. The property is a porphyry mily deposit with a silver skarn on the west side and a porphyry copper deposit in the centre of the project. The silver skarn and the copper deposit are untested to date.

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2012 $	Year ended March 31, 2011 $	Year ended March 31, 2010 $
Total revenues	-	-	-
Net loss for the year	(4,064,753)	(4,278,897)	(1,333,584)
Net loss per share, basic and diluted	(0.10)	(0.29)	(0.29)
Total assets	23,576,559	21,474,523	64,997
Total working capital	1,000,939	4,404,315	40,893
Shareholder's equity	23,196,310	21,066,536	40,893

RESULT OF OPERATIONS

Total operating expenses for the year amounted to $3,991,210 compared to $4,288,810 for the year ended March 31, 2011. While the comparative expenses are fairly close in total, there are significant differences in the makeup of each total. The fiscal year ending March 31, 2012 represents the first full year of operation since the acquisition of the Atlanta mine on March 1, 2011. While expenses in the current year are about 5% lower than the previous year, expenditures in the fiscal year ending March 31, 2011 which totalled $4,278,897 included a stock based compensation charge of $3,060,492, which represented about 75% of expenses incurred in the year. In the current year, stock based compensation amounted to $1,241,393.

Office and administrative services in the current year amounted to $468,628 compared to $27,460 which reflects a full year of operation in the past year compared to only 2 months of activity in the year ending March 31, 2011. Wages and benefits amounted to $508,209 in the year ending March 31, 2012 compared to nil in the previous year.

Trade show and investor relations in the past year amounted to $557,518 compared to $202,438 in the year ending March 31, 2011 and Professional fees were down significantly in the current year to $224,738 compared to $501,958 at March 31, 2011. The previous year included various onetime legal acquisition costs.

The cost of annual lease payments during the past year amounted to $247,946 vs nil the previous year.

The Company has carried out a drilling program during the past year in excess of 30,000 feet and plans to increase drilling in the coming year. This will result in a general increase in expenses at the mine site.

SUMMARY OF QUARTERLY RESULTS:

	Mar 31 2012	**Dec 31 2011**	**Sept 30 2011**	**Jun 30 2011**	**Mar. 31 2011**	**Dec. 31 2010**	**Sept. 30 2010**	**Jun. 30 2010**
	$	**$**	**$**	**$**	**($)**	**($)**	**($)**	**($)**
Income Statement Data								
Total Revenues	-	-	-	-	-	-	-	-
Income (loss) before discontinued operations and extraordinary items	(1,169,214)	(1,571,580)	(844,955)	(479,004)	(4,162,19 8)	(28,126)	(54,993)	(33,580)
Net income (loss)	(1,169,214)	(1,571,580)	(844,955)	(479,004)	(4,157,503)	(28,126)	(54,993)	(33,580)
Income (loss) per common share outstanding – basic and diluted								
Income (loss) before discontinued operations and extraordinary items	(0.03)	(0.04)	(0.02)	(0.01)	(0.29)	(0.00)	(0.00)	(0.00)
Net income (loss) per share	(0.03)	(0.04)	(0.02)	(0.01)	(0.29)	(0.00)	(0.00)	(0.00)

Three month period ended March 31, 2012

For the three months ended March 31, 2012, the Company incurred a comprehensive loss of $1,169,214 compared to a comprehensive loss of $4,162,198 incurred in the three months ended March 31, 2011.

The loss in the current three month period is primarily made up of stock based compensation expense of $317,480 compared to $3,060,492 in the year ending March 31, 2011, a currency translation adjustment of $201,085, wages, fees and benefits of $146,320, office administration of $112,787, trade shows and investor relations of $189,797, and the write-off of exploration assets of $100,000.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2012, the Company had a cash and cash equivalents of $1,224,142 compared to $4,724,196 as at March 31, 2011. The Company had working capital of $1,000,939 as at March 31, 2012 compared to working capital of $4,404,315 as at March 31, 2011.

During the year, the Company completed two financings, closing the first one on September 24, 2011 for $2,057,460 being 2,286,066 shares at $0.90 per share. The second financing closed on November 15, 2011 for $2,366,000 shares at $1.00 per share. Subsequent to the year end, on June 19, 2012, the Company closed the first tranche of a financing in the amount of $900,000 representing 1,500,000 units at one share at $0.60 per share plus a full 2 year warrant at $0.75 per share. In all cases, the proceeds were used to continue the drilling program which was started in June 2011, and the first phase completed December 20, 2011. It is anticipated that drilling will start up again in July 2012.

Drilling in the first year was completed on December 20, 2011 and drill results were released early in 2012 on a total of 39 holes completed. This testing of the Atlanta Fault zone mineralization during the drill program discovered porphyry hosted gold mineralization to the west of the historic Atlanta open pit. This porphyry hosted mineralization is distinctly different than the gold-silver mineralization within the jasperoid breccias of the Atlanta fault. A subsequent IP survey was conducted recently and the result was an indication that the porphyry is larger than previously interpreted and it extends further to the north. The Company will be pursuing these developments in the coming year as it becomes clearer that there are more exploration targets than originally anticipated.

The Company has no debt other than current accounts payable of $380,249 at March 31, 2012 and management believes that the Company has sufficient capital resources to meet its initial capital requirements for the current year.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended March 31, 2012:

a) Consulting fees paid or accrued to CEO of Company $135,000 vs. $25,000 at March 31, 2011

b) Consulting fees paid to CFO of $36,500 vs. $11,781 at March 31, 2011.

c) Rent paid to secretary of $6,750 vs. $9,000 at March 31, 2011.

d) Consulting fees paid to secretary of $5,000 vs. nil for the year ended. March 31, 2011.

e) Geological fees paid to a director of $66,000 vs. nil for the year ended March 31, 2011.

f) Consulting fees paid to a director of $6,780 vs. nil for the year ended March 31, 2011.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to determination of stock-based compensation, impairment of assets, and future income taxes. Actual results could differ from these estimates.

FUTURE ACCOUNTING CHANGES

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

FINANCIAL INSTRUMENTS

The Company classified its cash and cash equivalents and prepaid expenses and advances as loans and receivables and are carried at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The carrying values of the Company's financial assets and liabilities approximate their fair value due to the relatively short periods to maturity of these investments.

The Company's financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash and cash equivalents is minimal as they are held with a high-credit quality financial institution. As at March 31, 2012, the Company had funds on hand of $1,224,142 while the federally insured limit is $100,000.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, the Company had a cash balance of $1,224,142 to settle current liabilities of $380,249. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The interest rate risks on cash and cash equivalents are not considered significant.

(b) Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have material transactions designated in a foreign currency and therefore management considers the foreign exchange risk to be minimal.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	44,086,094
Stock option	4,365,000
Warrants	857,113
	49,308,207

CHANGEOVER PLAN TO INTERNATIONAL FINANCIAL REPORTING STANDARDS "IFRS")

In February 2008, the AcSB confirmed that publicly accountable enterprises are required to adopt IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Accordingly, these consolidated financial statements represent the first annual financial statements of the Company prepared in accordance with IFRS. In order to disclose the comparative figures for the previous year, the Company adopted April 1, 2010 as the first date at which IFRS was implemented. Changes in statements previously released under Canadian GAAP to statements issued under IFRS sly required adjustments in two areas:

a) Deferred (future) income taxes

The Company previously recognized a deferred tax liability upon the acquisition of Desert Hawk, which was, in substance, an asset acquisition. It did so as the carrying value of the assets, as determined by the cost of acquisition, was greater than the tax value. Under IAS 12, "Income Taxes", no such recognition of a deferred tax asset or liability is permitted. The result was that the carrying value of the following balance sheet items was changed. Deferred tax liability of $5,481,776 was eliminated, resource property was reduced by $5,334,446, property plant and equipment was reduced by $151,025 and deficit was increased by $4,695. On the statement of operations, deferred income tax recovery of $4,695 was eliminated.

b) Translation of foreign subsidiaries

Assets and liabilities of foreign entities are to be translated at the closing rate at the date of the statement of financial position. Income and expenses are to be translated at the rates at the dates of the transaction. Resulting exchange differences are recognized as other accumulated income. As the Company had recorded non monetary assets at the transaction date, an adjustment was required to translate the amounts using the statement of financial position date. As a result, resource properties were reduced by $28,800 and other comprehensive loss of that amount was recognized.

RISK AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural mineral properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral property, which is at very early stages of exploration, the following risk factors, amongst others, apply:

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow. The Company has incurred losses since its inception. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Properties and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

Mining Industry

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

Equity Market Risk

The Company raises money in the equity markets which can fluctuate significantly. If the appetite for equity financing is curtailed it may be difficult or impossible to raise additional equity. This could have a negative effect on the Company and its ability to operate. These factors are beyond the control of management.

Reliance on Management

The Company relies on its management to execute its business plan. If members of the management team should become unavailable for any reason the Company could experience difficulties in executing its plans.

Title

There is no guarantee that title to properties in which Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Before a number of claims under option can be recorded in Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

SUBSEQUENT EVENTS

Subsequent to March 31, 2012, the Company:

On June 19, 2012, the Company announced the completion of a non-brokered private placement of 1,500,000 units consisting of one common share at US$0.60 plus one warrant to purchase one share at US$0.75 per share for a period of two years.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company’s disclosure controls as of March 31, 2012. They have concluded that the Company’s disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com. Additional financial information concerning the Company is provided in its audited comparative financial statements and management’s discussion and analysis for the Company’s most recently completed financial year. Copies of this information are available by contacting the Company at its offices located at Suite 300 - 905 West Pender Street, Vancouver, BC, V6C 1L6; phone 604-641-4450 or 604-682-2928; fax 1-855-557-4622 or 604-685-6905.