MEADOW BAY GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED JUNE 30, 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

August 13, 2012

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Meadow Bay Gold Corporation ("Meadow Bay") financial statements. The statements are provided for the purpose of reviewing the first quarter of the fiscal year ending March 31, 2013, 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 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 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 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 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

Meadow Bay Gold Corporation is a Canadian-based mineral exploration Company that owns through its wholly owned subsidiary Desert Hawk Resources Inc, the Atlanta Gold Mine located in eastern Nevada. The Atlanta mine is an advanced stage exploration project that was acquired March 1, 2011 for a cash consideration of $6 million. Meadow Bay's strategy is to carry out an extensive drill program to enhance the existing resource base well beyond existing levels. The minesite already has infrastructure on site – with power, water, road access, and accommodation which can house approximately 20 people. The Company has added significantly to the land base since acquiring the mine site with current acreage in excess of 12,000 acres compared to about 1,000 acres at time of acquisition.

Desert Hawk also has two other gold projects in Nevada, the Colorback Gold Project and the Spruce Mountain Molybdenum, Copper, Silver Project.

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	(3,884,579	(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 before other items in the quarter ending June 30, 2012 amounted to $509,045 vs. $489,157 in the quarter ending June 30, 2011. After sundry adjustments, including a translation income adjustment of $216,681 (Loss of $51,808 - June 30, 2011), in the quarter ending June 30, 2012, comprehensive loss for the period ending June 30, 2012 amounted to $289,620 vs $530,812 in the quarter ending June 30, 2011. While the comparative expenses are fairly close in total in the reporting period, there are significant differences in the makeup of each total. Promotion and investor relations are significantly higher this year at $136,318 vs. $49,766. Part of this difference is that the quarter ending June 30, 2011 was the startup quarter for the Atlanta mine and a full investor relations program had not been fully implemented. These costs will continue to decrease in the current year as the Company focuses on its exploration program for the balance of the fiscal year.

Consulting fees were down to $84,126 vs. $146,092, wages and benefits were down to $64,835 vs. $90,692 at June 30, 2011 as the Company focused on cost reduction.

Transfer agent and filing fees are $68,558 vs. $9,424 at June 30, 2011 as the Company incurred additional costs in moving to the TSX board from the Venture Exchange. Travel costs are down in the current period to $16,255 vs. $37,031 at June 30, 2011

Administration costs in the current period were down to $48,051 vs. $66,764 at June 30, 2011 as the Company continues to streamline its non-exploration costs. Professional fees increased in the current quarter to $74,129 vs. $37,194 at June 30, 2011 as the Company incurred a number of one-time legal costs related to gravitating to the TSX from the TSX Venture Exchange.

The Company incurred no maintenance of claims costs in the current period compared to $49,317 for the period ending June 30, 2011.

SUMMARY OF QUARTERLY RESULTS:

	June 30 2012	Mar 31 2012	Dec 31 2011	Sept 30 2011	Jun 30 2011	Mar. 31 2011	Dec. 31 2010	Sept. 30 2010
	$	$	$	$	$	($)	($)	($)
Income Statement Data								
Total Revenues	-	-	-	-	-	-	-	-
Income (loss) before discontinued operations and extraordinary items	(506,301)	(1,381,699)	(1,571,580)	(844,955)	(479,004)	(4,157,503)	(28,126)	(54,993)
Net income (loss)	(506,301)	(1,381,699)	(1,571,580)	(844,955)	(479,004)	(4,157,503)	(28,126)	(54,993)
Income (loss) per common share outstanding – basic and diluted								
Income (loss) before discontinued operations and extraordinary items	(0.01)	(0.03)	(0.04)	(0.02)	(0.01)	(0.29)	(0.00)	(0.00)
Net income (loss) per share	(0.01)	(0.03)	(0.04)	(0.02)	(0.01)	(0.29)	(0.00)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2012, the Company had a cash and cash equivalents of $809,845 compared to $1,224,142 at March 31, 2012, and $3,403,115 as at June 30, 2011. The Company had working capital of $418,176 as at June 30, 2012 compared to working capital of $1,000,939 as at March 31, 2012 and $3,127,142.

In June 2012, the Company completed the first tranche of a non-brokered private placement of 415,000 units at a price of US$0.60 per unit for gross proceeds of US$249,000. Each unit is comprised of one common share and one share purchase warrant; each share purchase warrant entitles the holder to acquire one additional common share at a price of US$0.75 until June 19, 2014. The Company paid finders' fees of US$14,940 cash and 24,900 finders' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company for a period of 2 year at an exercise price of US$0.75 per share. The warrants were valued at $8,387 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable.

During the year ended March 31, 2012, the Company completed two financings, closing the first one on September 24, 2011 for $2,025,000 being 2,250,000 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 of operations 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.

During the quarter ending June 30, 2012, the Company completed an IP/resistivity survey covering both the Atlanta Porphyry and the Western Knolls area. The results are quite encouraging and several chargeability anomalies showed up in the Western Knolls, and in some cases – right at surface. While initial drilling will be in the Atlanta Porphyry, the Company intends to carry out some drilling in the Western Knolls area.

The Company has no debt other than current accounts payable of $424,768 at June 30, 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 quarter ending June 30, 2012:

a) Consulting fees paid or accrued to CEO of Company $45,000 vs. $30,000 at June 30, 2011

b) Consulting fees paid to CFO of $11,000 vs. $4,000 at June 30, 2011.

c) Geological fees paid to a director of $5,400 vs. $12,600 at June 30, 2011.

d) Rent paid to secretary of $nil vs. $2,750 for the quarter ended June 30, 2011.

e) Consulting fees paid to a director of $nil vs. $1,000 for the quarter ended June 30, 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.,. Receivables 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 approximates 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 June 30, 2012, the Company had funds on hand of $809,845 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 June 30, 2012, the Company had a cash balance of

$809,845 to settle current liabilities of $424,768. 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	44,501,094
Stock option	4,365,000
Warrants	1,297,013
	50,163,107

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:

<u>Negative Operating Cash Flow</u>

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 June 30, 2012, a director and officer exercised 200,000 options at $0.15 for total proceeds of $30,000.

The Company received a further $251,000US of gross proceeds on its private placement representing 418,333 units at $0.60US per unit. Each unit comprised one share and one share warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of $0.75US per share.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of June 30, 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 210 - 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.