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Meadow Bay Acquires Atlanta Gold Mine in Nevada, Appoints Bill Reed to Board and Closes on US\$9.25M Equity Financing

VANCOUVER, BRITISH COLUMBIA--(Marketwire - March 2, 2011) - Meadow Bay Capital Corporation (the "Company") (TSX VENTURE:MAY)(FRANKFURT:20M)(WKN:A1C3DN) is pleased to announce that further to its news release of January 21, 2011, it has acquired all of the issued and outstanding common stock of Desert Hawk Resources Inc. ("Desert Hawk") and the former producing Atlanta Gold and Silver Mine (the "Atlanta Mine") in Nevada, USA.

The Company also announces the closing of the first tranche of its brokered private placement (the "Offering") with a syndicate of agents led by Casimir Capital Ltd. (the "Agent") for gross proceeds of US\$9,253,750 and the appointment of Charles (Bill) Reed to its board of directors.

Acquisition of Desert Hawk and the Atlanta Gold Mine

Desert Hawk, a private Delaware corporation, is a mining and exploration company with three gold projects in Nevada including the former producing Atlanta Mine, the Colorback gold project and the Spruce Mountain molybdenum, copper, silver Project. For further details see the company website at www.deserthawk.ca. The Company acquired all of the issued and outstanding common stock of Desert Hawk by issuing 7.5 million common shares of the Company. US\$5 million of the proceeds of the Offering was used by the Company to exercise the purchase of the Atlanta Mine. On February 9, 2011 the Company advanced Desert Hawk, the sum of US\$700,000 to secure an extension by which Desert Hawk could exercise the option on the Atlanta Mine, such advance reducing the exercise price on the Atlanta Mine to US\$5M.

The Company intends to reinstate production at the Atlanta Mine. 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 historic production records from the Bobcat Properties Inc.-Standard Slag Production Joint Venture. The remaining indicated resource of 338,520 ounces gold (6.21 million tons grading 0.054 oz/ton Au) and inferred resource of 125,960 ounces of gold (3.07 million tons grading 0.041 oz/ton Au) and indicated resource of 3.1 ounces of silver (6.21 million tons grading 0.506 oz/ton Ag) and an inferred resource of 0.7 million ounces of silver (3.07 million tons grading 0.236 oz/ton Ag) has been estimated by previous workers which is not compliant with standards as set out in National Instrument 43-101. This historical resource is based upon an internal study completed by Kinross Gold U.S.A. Inc. during the period of 1997-1998. Kinross performed extensive field mapping and sampling plus along with drilling of approximately 80 RC holes for a total of 54,255 feet. This drilling combined with the prior drilling by Gold Fields with 11 core holes (9,286 feet) and 71 reverse circulation holes (46,735 feet) and the drill program by Standard Slag provides the database for the internal resource estimate. Block models were prepared and resources calculated based upon various cut-off grades. The reported historical resources were calculated at a cut-off grade of 0.2 oz/ton Au.

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. As a feasibility study has not been completed there is no certainty the proposed operation will be economically viable.

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. The Company intends to prepare and file a NI 43-101 Technical Report on the Colorback Gold Project as soon as possible.

Readers are cautioned that the historical estimates are not NI 43-101 compliant and should not be relied upon. A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Consequently, their reliability and relevance should be regarded as suspect. The Company is not treating the historical estimate as current mineral resources or mineral reserves as defined by NI 43-101. The Company's technical report with respect to the Atlanta Mine project may be viewed on the Company's profile on www.sedar.com. Meadow Bay Capital Corporation intends to change its name to Desert Hawk Gold at the next practicably possible opportunity subject to approval.

The Offering

The Offering involved the issuance of 9,253,750 shares at a price of US\$1.00 per share. In consideration of the Agent's services, the Company paid the Agent a cash commission of 7% of the gross proceeds of the Offering. The Agent was also issued broker warrants (the "Broker Warrants") equal to 7% of the shares sold pursuant to the Offering. Each Broker Warrant entitles the holder to acquire one common share of the Company at a price of \$1.00 until December 31, 2012.

In addition to the purchase of the Atlanta Mine, the net proceeds from the Offering will be used for ongoing exploration and mine development, retirement of debt obligations of Desert Hawk and the balance retained for working capital purposes. The securities issued in the Offering are subject to a four month hold period. The Company expects to close the remainder of the Offering in March 2011.

Appointment of Charles (Bill) Reed to the Board of Directors

The Company is pleased to announce that Bill Reed has been appointed as a director of the Company. Mr. Reed is a professional geologist with 40 years in the business and was the Chief Geologist and Co-founder of Paramount Gold and Silver Corp. (TSX:PZG)(NYSE:PZG) and is credited with discovering the San Miguel project in Mexico amongst others. Mr. Reed was previously the chief geologist for Hecla Mining. Mr. Reed has also worked extensively in the United States.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of U.S. Persons unless an exemption from such registration is available.

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This press release includes certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward looking information” within the meaning of Canadian securities laws. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual events and results to differ materially from Meadow Bay’s expectations include the Company’s plans to reinstate production at the Atlanta Mine and the use of proceeds from the Offering; risks related to the exploration stage of the Company’s projects; market fluctuations in prices for securities of exploration stage companies; and uncertainties about the availability of additional financing. Trading in the securities of the Company should be considered highly speculative. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law.

The press release makes reference to historical estimates. The historical estimates are by definition herein not NI 43-101 compliant and are included herein in for historic context and completeness. There can be no assurances that any of the historical estimates will be able to be categorized as a NI 43-101 compliant resource or reserve category or demonstrate any economic viability. Investors are cautioned not to rely on the historical estimates when making their investment decisions.