

**MEADOW BAY GOLD CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**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 27, 2016**

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 fourth quarter of fiscal 2016, as well as the 2016 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, 2016 and 2015.

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](http://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."

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, 2016, the Company incurred a net loss of \$1,432,177 (2015 - \$1,568,381). After consideration for a favourable currency translation adjustment of \$411,198, the Company posted comprehensive loss of \$1,020,979. In fiscal 2015 the translation adjustment was also favourable at \$2,026,459 and put the Company into a comprehensive income of \$458,078.

Desert Hawk Resources Inc., a wholly owned subsidiary of Meadow Bay Gold Corporation, is a mining and exploration company with a gold project in Nevada called the Atlanta Gold and Silver Mine, a former producing gold and silver 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 historical records. A National Instrument 43-01 resource estimation was prepared by Gustavson LLC and subsequently filed on SEDAR.

## SELECTED ANNUAL INFORMATION

	Year ended March 31, 2016 \$	Year ended March 31, 2015 \$	Year ended March 31, 2014 \$
Total revenues	-	-	-
Net loss for the year	(1,432,177)	(1,568,381)	(1,539,488)
Net loss per share, basic and diluted	(0.02)	(0.03)	(0.03)
Total assets	27,847,545	27,070,658	25,064,598
Total working capital (deficit)	(213,545)	3,685	535,115
Shareholder's equity	27,502,697	26,775,092	24,922,173

## RESULTS OF OPERATIONS

### For the year ended March 31, 2016 compared to the previous year ending March 31, 2015

Total operating expenses for the current year amounted to \$1,433,977 compared to \$1,568,785 for the year ended March 31, 2014, representing a 9% expense reduction. However, share-based compensation was \$497,345 in fiscal 2015 compared to only \$235,135 in fiscal 2016. When this non-cash expense is excluded, operating expenses for fiscal 2016 were \$1,198,842 compared to \$1,071,440 in fiscal 2015. The difference represents a 12% increase in operating expenses from 2015. One reason for the increase was an increase in wages and benefits required to support additional exploration activity in fiscal 2016. Wages and benefits in fiscal 2016 amounted to \$125,345 compared to \$82,870 in fiscal 2015. Capitalized exploration costs amounted to \$580,578 in 2016 compared to \$300,333 in 2015.

One of the accounts with a significant change was travel, which was \$51,220 in fiscal 2016 compared to \$15,036 in fiscal 2015. General and administrative consulting services in the current year amounted to \$284,500 compared to \$251,000 in the previous year. Trade shows and investor relations amounted to \$195,614 in fiscal 2016 vs. \$220,508 in fiscal 2015. The cost of maintaining claims was \$132,126 in fiscal 2016 compared to \$98,708 in 2015. Office and administrative services were \$216,819 in fiscal 2016 compared to \$214,598 in fiscal 2015. Depreciation was up marginally to \$47,996 in 2016 from \$41,167 in 2015. Professional fees increased to \$79,849 in fiscal 2016 compared to \$54,300 in fiscal 2015. Finally, transfer agent and filing fees decreased \$27,880 to \$65,373 2015 in fiscal 2016.

### SUMMARY OF QUARTERLY RESULTS:

	<b>March 31 2016 \$</b>	<b>Dec 31 2015 \$</b>	<b>Sept 30 2015 \$</b>	<b>June 30 2015 \$</b>
<b>Income Statement Data</b>				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(88,985)	(453,157)	(617,357)	(272,678)
Net income (loss)	(88,985)	(453,157)	(617,357)	(272,678)
<b>Income (loss) per common share outstanding</b>				
Income (loss) per share before discontinued operations and extraordinary items	(0.01)	(0.00)	(0.01)	(0.00)
Net income (loss) per share	(0.01)	(0.00)	(0.01)	(0.00)

	<b>March 31 2015 \$</b>	<b>Dec 31 2015 \$</b>	<b>Sept 30 2014 \$</b>	<b>June 30 2014 \$</b>
<b>Income Statement Data</b>				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(769,695)	(169,193)	(415,714)	(213,779)
Net income (loss)	(769,695)	(169,193)	(415,714)	(213,779)
<b>Income (loss) per common share outstanding</b>				
Income (loss) per share before discontinued operations and extraordinary items	(0.01)	(0.00)	(0.01)	(0.00)
Net income (loss) per share	(0.01)	(0.00)	(0.01)	(0.00)

**A comparison of the three month period ended March 31, 2016 with the three month period ended March 31, 2015 -**

For the three months ended March 31, 2016, the Company incurred a net loss of \$88,985 compared to a net loss of \$769,695 incurred in the three months ended March 31, 2015. There were three main areas which accounted for this decrease. Share-based compensation was \$56,250 in the current period compared to \$323,275 in fiscal 2015. Investor relations were \$24,649 in fiscal 2016 compared to \$161,409 in 2015. Finally, general consulting was \$15,000 in fiscal 2016 compared to \$134,000 in 2015.

A comparison between the other expenses incurred in the three months ended March 31, 2016 to the expenses incurred in three months ended March 31, 2015 were as follows: depreciation was \$11,836 in 2016 compared to \$11,543 in 2015; claim maintenance was \$Nil in both years; office and administrative services were \$42,050 in 2016 compared to \$46,891 in 2015; professional fees were \$14,599 in 2016 compared to \$19,192 in 2015; transfer agent and filing fees were \$20,842 in 2016 vs. \$39,800 in 2015; travel was 2,391 in 2016 compared to \$11,230 in 2015; and, wages and benefits were \$14,760 in 2016 compared to \$22,265 in 2015.

**EXPLORATION PROGRAM**

During the 2016 fiscal year, the Company commenced an exploration program at its Atlanta Mine in Nevada. The program consists of an exploration budget of US\$500,000 with a two part work program. The first part was a drill program in the current resource area designed to upgrade (confidence level) and expand the existing resource at the Atlanta Porphyry and Shear Zone.

The second part of the program was designed to test new targets at the Western Knolls area of the Atlanta Mine Gold Project. Two holes were drilled, prior to the onset of winter weather. The results of this drilling were released on February 1, 2016 and may be found on the Company's website. It confirmed that this is a conducive environment for precious metal mineralization. The Company plans to complete the drill program in the summer of 2016.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, the Company had a cash and cash equivalents of \$90,053 compared to \$218,175 as at March 31, 2015. The Company had a working capital deficit of \$213,545 as at March 31, 2016 compared to working capital of \$3,685 as at March 31, 2015.

During the year ending March 31, 2016, the Company completed the following share transactions:

- a) On April 4, 2015, a shareholder exercised options to purchase 30,000 common shares at \$0.15 for proceeds of \$4,500.
- b) On April 8, 2015, 600,000 warrants were exercised; 400,000 at \$0.25 and 200,000 at \$0.15 for total proceeds of \$130,000.
- c) On July 10, 2015, the Company completed the first tranche of a non-brokered private placement by issuing 3,360,500 units at \$0.20 each for gross proceeds of \$672,100. 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 \$0.25 per share. The Company paid finders' fees of \$15,806 cash and 79,030 brokers' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company under the same conditions as the warrants issued with the unit. The warrants were valued at \$6,995 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 0.46%, expected life – 2 years, dividend nil and annualized volatility – 101.86%.

Certain officers of the Company participated in this private placement in the amount of \$189,000, of which \$89,000 was for services rendered and applied against amounts owing to related parties. Another \$157,300 was issued to third parties for services.

- d) On August 27, 2015, the Company completed the second and final tranche of the non-brokered private placement issuing 2,360,000 units for gross proceeds of \$472,000. The Company paid finders' fees of \$27,090 cash and 135,450 brokers' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company under the same conditions as the warrants issued with the unit. The warrants were valued at \$13,324 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 0.39%, expected life – 2 years, dividend nil and annualized volatility – 104.84%.  
\$20,000 was issued to third party for services.
- e) On September 29, 2015, at the shareholders' annual meeting, directors were awarded a total of 1,250,000 shares at \$0.135 per share. The shares issued to directors were recorded in the statement of operations as stock-based compensation valued at \$168,750.

- f) On March 7, 2016, the Company completed the first tranche of a non-brokered private placement by issuing 5,080,000 units at \$0.05 each for gross proceeds of \$254,000. Each unit comprised one share and one share warrant, entitling the holder to purchase one additional share for a period of 5 years from the date of closing at a price of \$0.06 per share. The Company paid finders' fees of \$6,555 cash and 128,100 brokers' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company for a period of 5 years from the date of closing at a price of \$0.065 per share. The warrants were valued at \$6,761 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 0.66%, expected life – 5 years, dividend nil and annualized volatility – 100.95%.

An officer of the Company participated in this private placement in the amount of \$87,500, of which \$62,500 was for services rendered and applied against amounts owing to related parties.

- g) As at March 31, 2016, the Company had received subscriptions of \$30,300 for a non-brokered private placement -that was completed subsequent to the year-end. On April 29, 2016, the Company completed the closing of this financing which consisted of 4,076,668 units at a price of \$0.06 per unit raising gross proceeds of \$244,600. Each unit consists of one common share of the Company and one warrant exercisable to purchase an additional common share of the Company at a price of \$0.07 per share for a period of 5 years. The Company paid a cash finder's fee in the amount of \$4,158 and issued 69,300 finder's warrants. The finder's warrants have the same term as the investor warrants.

During the year ending March 31, 2015, the Company completed the following share transactions:

- a) On February 11, 2015, the Company completed a non-brokered private placement by issuing 1,700,000 units issued for \$0.10 for gross proceeds of \$170,000. 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 \$0.15 per share.
- b) On December 19, 2014, the Company completed a non-brokered private placement by issuing 5,500,000 units issued for \$0.10 for gross proceeds of \$550,000. 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 \$0.15 per share. The Company paid finders' fees of \$31,549 cash and 312,200 finders' warrants, with each finder's warrant entitling the holder to purchase one common share of the Company under the same conditions as the unit holders. The warrants were valued at \$20,586 using a Black Scholes option pricing model, as the value of the services performed was not readily verifiable. The assumptions used for in the model were as follows: risk free interest rate – 1.01%, expected life – 2 years, dividend nil and annualized volatility 103.54%.

Certain officers of the Company participated in this private placement in the amount of \$55,000, which was applied against amounts owing to related parties.

- c) Shareholders exercised the following warrants:
- 500,000 warrants were exercised on February 24, 2015 at \$0.15 per share
  - 350,000 warrants were exercised on March 10, 2015 at \$0.15 per share

The Company has no debt other than current accounts payable of \$344,848 at March 31, 2016 (\$295,566 as at March 31, 2015). Management believes that the Company has sufficient capital resources to meet its initial capital requirements for the current year. A private placement providing \$244,600 was completed subsequent to the year end and another financing is anticipated.

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.

**The following is a summary of the use of financing during the past year**

Private placements	Cash Proceeds	Proposed Usage	Actual Usage	
		Ongoing Exploration Activities	Ongoing Exploration Activities	Working Capital
July 10, 2015	\$ 425,800	\$ 425,800		
August 27, 2015	452,000	452,000		
March 7, 2016	191,500	191,500		
	\$ 1,069,300	\$ 1,069,300	\$ 555,561	\$ 513,739

**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, 2016:

- a) Consulting fees paid or accrued to the current and past CEO of the Company of \$153,500 vs. \$180,000 for the year ended March 31, 2015.
- b) Investor relation fees paid to the current CEO of \$59,000 vs. \$Nil for the previous year.
- c) Consulting fees paid or accrued to the CFO of \$36,000 for both the 2016 and 2015 fiscal years.
- d) Geological fees paid to Doug Oliver, a former officer, in the amount of \$Nil vs. \$61,703 for the year ended March 31, 2015.
- e) Consulting fees paid to Alex Khutorsky, a former director, of \$Nil vs. \$5,000 for the previous year.
- f) Share-based payments made to key management of \$224,930 vs. \$286,338 for the year ended March 31, 2015.
- f) 250,000 shares valued at \$0.135 per share were issued to all five directors of the Company.

The Company owed the following related parties as at March 31, 2016:

	March 31, 2016	March 31, 2015
Robert Dinning	\$ 77,100	\$ 75,475
Chris Crupi	-	56,471
Keith Margetson	12,600	

## 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 as loans and receivables and are carried at amortized cost. Receivables Accounts payable and accrued liabilities and accounts payable to related parties 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, 2016, the Company had funds on hand of \$90,053 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, 2016, the Company had current assets of \$131,303 to settle current liabilities of \$344,848. 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	84,146,963
Stock options	5,111,000
Warrants	33,399,120
	<hr/> 122,657,083 <hr/>

## 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**

On April 29, 2016, the Company completed the closing of a non-brokered private placement financing consisting of 4,076,668 units at a price of \$0.06 per unit raising gross proceeds of \$244,600. Each unit consists of one common share of the Company and one warrant exercisable to purchase an additional common share of the Company at a price of \$0.07 per share for a period of 5 years. The Company paid a cash finder's fee in the amount of \$4,158 and issued 69,300 finder's warrants. The finder's warrants have the same term as the investor warrants.

The Company also has received subscriptions for a second tranche under the same terms for which it must seek shareholder approval at the annual shareholders' meeting on July 20, 2016. Gross proceeds are \$359,991, representing 5,999,849 units.

## **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, 2016. 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](http://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.