

MEADOW BAY GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED DECEMBER 31, 2017

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

February 23, 2018

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 nine months of 2018 and comparing results to the same period for the previous fiscal year. 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, 2017 and 2016.

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. On January 16, 2012, the Company then traded on the TSX as a tier 1 Company. The Company recently delisted its shares on the TSX and re-listed on the TSX-V, trading under the symbol "MAY.V".

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.

Desert Hawk 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.

OVERALL PERFORMANCE

During the quarter ended December 31, 2017, the Company incurred a net loss of \$453,065 (2017 - \$110,582). After consideration for a favourable currency translation adjustment of \$90,523 (2017 - \$301,389), the Company posted a comprehensive loss of \$362,542 compared to a comprehensive income of \$190,807 for the quarter ended December 31, 2017.

During the nine months ended December 31, 2017, the Company incurred a net loss of \$777,193 (2016 - \$484,50). After consideration for an unfavourable currency translation adjustment of \$1,101,226 (2016 - \$471,936 positive adjustment), the Company posted comprehensive loss of \$1,788,419 compared to a comprehensive loss of \$12,569 for the nine months ended December 31, 2016.

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2017 \$	Year ended March 31, 2016 \$	Year ended March 31, 2015 \$
Total revenues	-	-	-
Net loss for the year	(795,361)	(1,432,177)	(1,568,381)
Net loss per share, basic and diluted	(0.01)	(0.02)	(0.03)
Total assets	28,443,012	27,847,545	27,070,658
Total working capital (deficit)	(223,601)	(213,545)	3,685
Shareholder's equity	28,012,665	27,502,697	26,775,092

RESULTS OF OPERATIONS

For the quarter ended December 31, 2017 compared to the same quarter for the previous year (three months ending December 31, 2016)

Total operating expenses for the current period amounted to \$453,065 compared to \$110,769 for the same period for the previous year. Included in these expenses were \$359,284 (2016 - \$Nil) for share-based compensation. When that non-cash expense is eliminated, the costs for fiscal 2017 were only \$93,781, representing a decrease of \$16,988 from 2016.

A major change in other operating expenses was in transfer agent and filing where, where a reversal of an earlier invoice produced a recovery of \$4,346 compared to an expense of \$11,313.

Exploration and evaluation expenditures capitalized during the current quarter were \$100,956 as compared to \$37,593 in the same quarter of the previous year. As there were no exploration and evaluation expenditures in the previous quarters for the current year, the large expenditure represents a catch-up and overall is consistent with the previous year.

For the nine-month period ended December 31, 2017 compared to the same period for the previous year (nine months ended December 31, 2016)

Total operating expenses for the current period, after eliminating share-based compensation of \$359,284 amounted to \$418,798 compared to \$484,718 for the same period for the previous year. This represents a decrease of \$65,920, a 14% decrease. The decrease arose across almost all accounts and represents a timing difference for the most part, as the Company was not very active in either years. The takeaway from the results of operation is that except for an option grant, representing a \$359,284 expense, there has been little change in operations between the current year and the previous year.

SUMMARY OF QUARTERLY RESULTS FOR THE PAST 8 QUARTERS:

	Dec 31 2017 \$	Sept 30 2017 \$	June 30 2017 \$	Mar 31 2017 \$
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(453,065)	(228,597)	(95,531)	(310,846)
Net income (loss)	(453,065)	(228,597)	(95,531)	(310,846)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.01)	(0.01)	(0.00)	(0.01)
Net income (loss) per share	(0.01)	(0.01)	(0.00)	(0.01)

	Dec 31 2016 \$	Sept 30 2016 \$	June 30 2016 \$	Mar 31 2016 \$
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(110,582)	(194,973)	(178,867)	(82,885)
Net income (loss)	(110,582)	(194,973)	(178,867)	(82,885)
Income (loss) per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.01)	(0.00)	(0.01)
Net income (loss) per share	(0.00)	(0.01)	(0.00)	(0.01)

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 has an exploration budget of approximately \$300,000 or a further \$200,000 and plans to explore in the following areas: discovery drilling in Western Knolls and Gold Creek, geochemical sampling at Gold Creek and Long Knoll and finally, Gravity Survey in Silver Park.

LIQUIDITY AND CAPITAL RESOURCES

The Company had the following share transaction during the nine months ending December 31, 2017.

- a) On November 10, 2017, the Company completed the first tranche of a non-brokered private placement by issuing 16,330,000 units at \$0.05 each for gross proceeds of \$816,500. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of \$0.10 per share. The Company paid finders' fees of \$43,050 cash and issued 861,000 broker's 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 \$43,471 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 – 1.21%, expected life – 2 years, dividend nil and annualized volatility – 113.61%.

- b) On November 16, 2017, the Company completed the second and final tranche of a non-brokered private placement by issuing 9,680,000 units at \$0.05 each for gross proceeds of \$484,000. Each unit comprised one share and one-half share warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 2 years from the date of closing at a price of \$0.10 per share.

During the year ended March 31, 2017, the Company had the following share transactions:

- c) On April 28, 2016, the Company completed the first tranche of a non-brokered private placement by issuing 1,019,167 units at \$0.24 each for gross proceeds of \$244,600. 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 \$0.28 per share. The Company paid finders' fees of \$4,158 cash and issued 17,235 broker's 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 \$6,770 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 – 0.75%, expected life – 5 years, dividend nil and annualized volatility – 102.34%.
- d) On July 27, 2016, the Company completed the second tranche of a non-brokered private placement by issuing 1,487,462 units at \$0.24 each for gross proceeds of \$356,991. 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 \$0.28 per share. The Company paid finders' fees of \$10,149 cash and issued 42,289 broker's 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 broker's warrants were valued at \$13,046 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 – 0.65%, expected life – 5 years, dividend nil and annualized volatility – 104.02%.
- e) On December 16, 2016, the Company completed a non-brokered private placement by issuing 1,113,100 units at \$0.20 each for gross proceeds of \$205,655. 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 \$0.24 per share. The Company paid finders' fees of \$14,396, incurred legal costs of \$16,380 and issued 71,979 broker's 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 broker's warrants were valued at \$8,216 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 – 1.21%, expected life – 5 years, dividend nil and annualized volatility – 104.49%.

As at December 31, 2017, the Company had cash and cash equivalents of \$697,490 to settle accounts payable of \$158,603 that fall due for payment within twelve months of the balance sheet date. The Company has sufficient funds to carry out the proposed exploration program. All of the Company's contractual obligations are current and due within one 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.

The following is a summary of the use of financing during the year ended March 31, 2017:

Private placements	Cash Proceeds	Proposed Usage		Actual Usage	
		Working Capital	Ongoing Exploration Activities	Ongoing Exploration Activities	Working Capital
April 29, 2016	\$ 240,442	\$ -	\$ 240,442	\$ 51,545	\$ 188,897
July 27, 2016	\$ 316,517	\$ 147,012	\$ 169,505	\$ -	\$ 316,517
December 16, 2016	\$ 174,879	\$ 174,879	-	\$ -	\$ 174,879
	<u>\$ 731,838</u>	<u>\$ 321,891</u>	<u>\$ 409,947</u>	<u>\$ 51,545</u>	<u>\$ 680,293</u>

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 nine-month periods ended December 31, 2017 and 2016:

- a) Consulting fees paid or accrued to the previous CEO of the Company of \$7,500 for the current nine-month period ending December 31 and \$15,000 for the previous year's nine-month period ending December 31.
- b) Consulting fees paid to the Chairman of the Board and current CEO of \$15,000 vs. \$15,000 for both the nine-month periods ending December 31.

- c) Consulting fees paid or accrued to the CFO of \$15,000 for the current nine-month period ending December 31 and \$24,000 for the previous year's nine-month period ending December 31.

The Company owed the following amounts to related parties as at December 31, 2017:

	December 31, 2017	March 31, 2017
Robert Dinning, Chairman, current CEO	\$ -	\$ 62,100
Chris Crupi, previous CEO	\$ 34,319	\$ 27,500
Keith Margetson, CFO	\$ -	\$ 23,025

Mr. Crupi's debt was extinguished through debt settlement, on January 19, 2018.

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 financial asset at fair value through profit or loss and valued at fair value as a level 1 financial instrument. 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 that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash and cash equivalents are exposed to credit risk. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated Canadian financial institutions. As at

December 31, 2017 \$596,261 cash and cash equivalents were over the federally insured limit (December 31, 2016 – \$168,392).

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 by maintaining adequate cash balances and by raising equity financing. The Company has no assurance that such financing will be available on favourable terms. The Company believes it is subject to liquidity risk through its working capital. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares. As at December 31, 2017, the Company had cash and cash equivalents of \$697,490 to settle accounts payable of \$158,603 which fall due for payment within twelve months of the balance sheet date. All of the Company's contractual obligations are current and due within one year.

Foreign exchange 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 has material transactions designated in a foreign currency. However, the foreign currency has been very stable when compared to the Canadian dollar and therefore management considers the foreign exchange risk to be minimal.

At December 31, 2017, approximately \$143,000 in cash and cash equivalents and \$98,000 in accounts payable and accrued charges were denominated in U.S. dollars. A 10% variation in the U.S. dollar would result in an impact of approximately \$4,500 on net income.

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 Company's cash and cash equivalents are currently held in cash and therefore management considers the interest rate risk to be minimal.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

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	50,056,228
Stock options	3,987,500
Warrants	<u>20,389,613</u>
Total outstanding	<u><u>74,433,341</u></u>

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.

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.