

**MEADOW BAY GOLD CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**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**

**July 29, 2019**

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 2019, as well as the 2019 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, 2019 and 2018.

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 Canadian Securities Exchange (CSE) under the symbol "MAY.CN"

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. The purchase of Desert Hawk was completed on March 1, 2011.

Desert Hawk Resources Inc., 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 43-101 resource estimation was prepared by Gustavson LLC in March 2013 and subsequently filed on SEDAR. The Company also received an initial in-pit resource estimate prepared by Gustavson LLC. The in-pit resource incorporated additional drilling in 2015.

## OVERALL PERFORMANCE

During the year ended March 31, 2019, the Company incurred a net loss of \$22,846,007 (2018 - \$961,815). After consideration for a favourable currency translation adjustment of \$623,037, the Company posted a comprehensive loss of \$22,222,970. In fiscal 2018, the translation adjustment was unfavourable at \$549,708, creating a comprehensive loss for that year of \$1,511,523.

## SELECTED ANNUAL INFORMATION

	Year ended March 31, 2019 \$	Year ended March 31, 2018 \$	Year ended March 31, 2017 \$
Total revenues	-	-	-
Net loss for the year	(22,846,007)	(961,815)	(795,361)
Net loss per share, basic and diluted	(0.03)	(0.04)	(0.04)
Total assets	6,348,559	28,293,889	28,443,012
Total working capital (deficit)	(333,377)	428,719	(223,601)
Shareholder's equity	5,947,584	28,170,554	28,012,665

## RESULTS OF OPERATIONS

### For the year ended March 31, 2019 compared to the previous year ending March 31, 2018:

The major change in the two years is the one-time charge for impairment of \$22,221,722 in 2019, which management determined was appropriate given the current plans for the property. Once this charge is eliminated, the results show little variation in cash expenses from one year to the next.

Total operating expenses for the current year amounted to \$624,235 compared to \$962,704 for the year ended March 31, 2018, representing a 35% decrease in expenses. Eliminating non-cash items of depreciation (\$32,679 in 2019 and \$39,700 in 2018) and share-based compensation of \$336,447 in 2018 the results for total cash operating expenses are \$591,556 in 2019 and \$586,557 in 2018. This represents an increase of less than 1% in cash expenses. Capitalized exploration costs amounted to \$167,747 in 2019 compared to \$97,224 in 2018.

Accounts involving cash expenditures which showed the most changes were General consulting, Claim maintenance, Office and administration, Trade shows and investor relations and Travel. The increase in Consulting fees of \$56,500 reflects management's decision to receive full fees as per management contracts. In 2018, management voluntarily took less in order to preserve cash. Similarly, office and administration costs in 2019 are reflective of the more usual expenditures, with 2018 being an anomaly whereby certain costs were deferred until 2019. In fiscal 2019, management decided let some claims lapse as they no longer felt those claims would produce an economic recovery. The decrease in Trade shows and investor relations of \$32,793 and Travel of \$28,646 reflect the cost of raising funds in 2019 whereas there were no fund-raising activities in 2019. In both years, expenditures were watched very closely.

### SUMMARY OF QUARTERLY RESULTS:

The following are the results for the last 8 quarters.

	<b>March 31 2019 \$</b>	<b>Dec 31 2018 \$</b>	<b>Sept 30 2018 \$</b>	<b>June 30 2018 \$</b>
<b>Income Statement Data</b>				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(22,379,853)	(91,734)	(189,558)	(184,862)
Net income (loss)	(22,379,853)	(91,734)	(189,558)	(184,862)
<b>Income (loss) per common share outstanding</b>				
Income (loss) per share before discontinued operations and extraordinary items	(0.45)	(0.00)	(0.00)	(0.00)
Net income (loss) per share	(0.45)	(0.00)	(0.00)	(0.00)

	<b>March 31 2018 \$</b>	<b>Dec 31 2017 \$</b>	<b>Sept 30 2017 \$</b>	<b>June 30 2017 \$</b>
<b>Income Statement Data</b>				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(184,922)	(453,065)	(228,297)	(95,531)
Net income (loss)	(184,922)	(453,065)	(228,297)	(95,531)
<b>Income (loss) per common share outstanding</b>				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.01)	(0.01)	(0.00)
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.00)

**A comparison of the three-month period ended March 31, 2019 with the three-month period ended March 31, 2018:**

For the three months ended March 31, 2019, the Company incurred a net loss of \$22,379,853 compared to a net loss of \$184,922 incurred in the three months ended March 31, 2018. Once the one-time charge for impairment is eliminated, the loss for the three-month period ended March 31, 2019 was \$158,081. The results in 2018 were skewed by a one-time adjustment for share-based compensation of \$22,838. Eliminating that credit, increases the 2018 expenses to \$207,760. The net difference for comparative purposes between 2019 and 2018 is now \$52,780, and of that amount, the change in three categories accounts for \$41,989 of the change. Those three accounts are Professional fees (\$14,287 difference), Trade shows and investor relations (\$14,268 difference) and Travel (\$13,434 difference). The larger expenditures in these areas 2018 reflect the increase activities arising from fund raising in that period, while no fund raising took place in 2019. Other accounts were virtually unchanged from period to the next.

**EXPLORATION PROGRAM**

During the 2018-2019 fiscal period, the Company worked with Gustavson to produce an updated in-pit resource estimate. This in-pit resource is part of the larger global resource at the Atlanta Project with the bulk of the resource along the intersection of the Atlanta fault. It also includes much of the Atlanta Porphyry, which is in the hanging-wall of the Atlanta Fault. In 2018–2019, most of the expenses were incurred in geological consulting reviewing those results and determining the best approach to develop the property moving forward.

The Company objective is to initiate work to obtain a Preliminary Economic Assessment (PEA) of the Atlanta Porphyry to determine if it can be put into production at current gold prices. This will include metallurgy on Porphyry, mine modelling, and completion of the PEA Report by Gustavson, which should be available early in 2020.

## **POTENTIAL NEW AREA OF FOCUS**

On June 28, 2019, the Company announced it has entered into an Amalgamation Agreement with Mountain Valley MD Inc. (“MVMD”) and 2700915 Ontario Inc. a newly incorporated wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the “Proposed Transaction”). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the “CSE”).

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world’s leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a licence to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2019, the Company had a cash and cash equivalents of \$39,617 compared to \$508,434 as at March 31, 2018. The Company had a working capital deficit of \$333,377 as at March 31, 2019 compared to working capital of \$428,719 as at March 31, 2018.

There were no share transactions that occurred during the year ending March 1, 2019. However, subsequent to the year end on July 12, 2019, the Company completed the first tranche of a bridge loan financing (the “Bridge Loan Financing”), raising gross proceeds of \$350,000 by way of the sale of 350 convertible debenture units (the “Convertible Debenture Units”) to MVMD. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a “Convertible Debenture”) in the principal amount of \$1,000 and 1,000 share purchase warrants of the Company (the “Convertible Debenture Warrants”). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a “Resulting Issuer Share”) of the resulting issuer upon completion of the Proposed Transaction (the “Resulting Issuer”) at a price of \$0.06 (\$0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer (“Conversion Units”) at a price of \$0.05 per Conversion Unit (\$0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a “Conversion Warrant”), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of \$0.06 (\$0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Company granted MVMD a right of first refusal to subscribe for up to an

additional 150 Convertible Debenture Units for an aggregate purchase price of up to \$150,000. Meadow Bay paid MVMD a 7% loan administration fee in cash in the amount of \$24,500 in connection with the Bridge Loan Financing. All securities issued or issuable pursuant to the Bridge Loan Financing are subject to a hold period of four months and a day in accordance with applicable securities legislation, expiring on November 12, 2019. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

During the year ending March 31, 2018, the Company completed the following share transactions:

- 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 \$34,528 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 – 1.44%, expected life – 2 years, dividend nil and annualized volatility – 105.85%.
- 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.
- c) On December 8, 2017, the Company completed a share for services and debt transaction, issuing 475,000 shares at \$0.20.
- d) On February 1, 2018, a warrant holder exercised the right to purchase 18,750 common shares at \$0.28 for gross proceeds of \$5,250.

The Company has no debt other than current liabilities of \$412,102 at March 31, 2019 (\$123,335 as at March 31, 2018). With the closing of bridge loan financing, 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, 2019;

- a) Consulting fees paid or accrued to the current President/CEO of the Company of \$90,000 vs. \$30,000 for the year ended March 31, 2018;
- b) Consulting fees paid or accrued to the CFO of \$36,000 vs. \$22,500 for the previous year;
- c) Consulting fees paid or accrued to the former CEO of \$Nil vs. \$15,000 for the previous year; and,
- e) Share-based payments made to key management of \$Nil vs. \$250,407 for the year ended March 31, 2018.

The Company owed the following amounts to related parties as at the year end of:

	March 31, 2019	March 31, 2018
Robert Dinning, CEO	\$ 34,600	\$ 2,075
Keith Margetson, CFO	\$ 15,750	\$ 2,650

## **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 amortized cost. Accounts payable and accrued liabilities and amounts 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, 2019, no amount of cash and cash equivalents were over the federally insured limit.

### *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, 2019, the Company had current assets of \$83,725 to settle current liabilities of \$412,102. 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 has material transactions designated in a foreign currency. However, the foreign currency has been fairly stable when compared to the Canadian dollar 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	50,056,229
Stock options	3,593,750
Warrants	18,815,722
	72,465,701

## 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.

## **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, 2018. 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.