

MEADOW BAY GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 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

March 10, 2020

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 second quarter of fiscal 2020 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.

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 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.

On June 28, 2019, the Company entered into an amalgamation agreement with Mountain Valley MD Inc. ("MVMD") which constitutes a fundamental change of Meadow Bay pursuant to the policies of the CSE. MVMD 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.

Once the transaction is completed and subject to CSE approval, MVMD with its cannabis operation will become the operating segment of Meadow Bay. On February 6, 2020, Meadow Bay received conditional acceptance by the CSE.

In anticipation of this change, on November 18, 2019, Meadow Bay closed the sale of all the shares of Desert Hawk (and thereby the Atlanta Gold and Silver Mine) to Casino Gold Corp., ("Casino") a Toronto-based private gold exploration company that holds gold exploration projects in the Battle Mountain Trend in Nevada as well as holding 46.29% of the issued and outstanding shares of Victory Metals Inc. (TSX-V: ECC), which owns a 100% interest in the Iron Point Vanadium Project located 22 miles east of Winnemucca, Nevada. Meadow Bay received

10,000,000 common shares of Casino, which currently represents approximately 5.8% of Casino's Gold's issued and outstanding shares.

As a result of these agreements, Meadow Bay currently does not have an operating segment as it awaits approval and final closing of its agreement with MVMD. Accordingly, all references to the previous operations of Desert Hawk will not be part of this discussion and analysis. Desert Hawk's assets and liabilities have been grouped on the statement of financial position under the caption *Held for Sale*. Expense items on the statement of operations have been grouped under the caption *Loss from discontinued operations*.

OVERALL PERFORMANCE

During the nine months ended December 31, 2019, the Company incurred a net loss from continuing operations of \$467,025, (2018 - \$334,648). During the quarter ended December 31, 2019, the Company incurred a net loss from continuing operations of \$171,934 (2018 - \$75,395).

SELECTED ANNUAL INFORMATION – FROM CONTINUING OPERATIONS ONLY

	Year ended March 31, 2019 \$	Year ended March 31, 2018 \$	Year ended March 31, 2017 \$
Total revenues	-	-	-
Net loss for the year	(449,041)	(768,846)	(541,628)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.02)
Total assets	96,215	547,393	201,450
Total working capital (deficit)	(264,574)	363,472)	(384,591)
Shareholder's equity	27,091,096	27,539,101	26,638,535

RESULTS OF OPERATIONS

For the three months ended December 31, 2019 (“2019”) compared to the same quarter for the previous year – three months ending December 31, 2018 (“2018”):

Total operating expenses from continuing operations amounted to \$160,386 in 2019 compared to \$75,395 in 2018. In both years, there was no revenue or other items. The expenses were \$84,991 more in 2019, which represents an increase of more than 113% from 2018.

The account representing the majority of the difference was *Professional fees*, which was \$38,055 more in 2019 than in 2018 (\$42,385 v \$4,330). The increase arose from the legal services required to complete the share transaction with MVMD. *Consulting expenses*, representing management fees paid or accrued to the CEO and CFO were slightly higher, \$31,500 in 2019 compared to \$26,500 in 2018. *Depreciation* was unchanged, representing the depreciation on the capitalized lease. As a result of new debenture financing there was *interest on convertible debentures* of \$31,838 in 2019 v \$0 in 2018. *Interest on lease payments* were \$321 in 2019 compared to \$707 in 2018. *Office and administration services* increase by \$5,569 in 2019

(\$23,790 v \$18,221). *Trade shows and investor relations* were \$7,755 in 2019 compared to \$9,500 in 2018. *Transfer agent and filing fees* were \$15,794 in 2019 compared to \$3,498 in 2018. Travel was \$nil in 2019 and \$5,363 in 2018.

For the nine months ended December 31, 2019 (“2019”) compared to the same period for the previous year – nine months ending December 31, 2018 (“2018”):

Total operating expenses from continuing operations amounted to \$455,477 in 2019 compared to \$334,648 in 2018. In both years, there was no revenue or other items. The expenses were \$120,829 more in 2019, which represents an increase of more than 36% from 2018.

The nine-month results mirror the three-month results. In 2019, there were significant legal fees incurred of \$172,589 compared to \$99,973 in 2018. In 2019, interest on convertible debentures were \$42,151 compared to \$nil in 2018. Together, these two expenditures accounted for almost all the difference between the two years.

SUMMARY OF QUARTERLY RESULTS:

Effective April 1, 2019, the Company adopted *IFRS 16, Leases*, the effect of which was to capitalize the lease on premises as a right to use asset and recognize future lease payments as a liability. A retroactive adoption was required and the following quarterly results for the past eight quarters have been adjusted for the change in accounting for leases.

	31-Dec 2019 \$	Sept 30 2019 \$	June 30 2019 \$	March 31 2019 \$
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(160,386)	(223,421)	(71,670)	(23,340,403)
Net income (loss)	(828,076)	(328,457)	(89,971)	(23,379,961)
Loss per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.00)	(0.47)	(0.00)
Net income (loss) per share	(0.00)	(0.00)	(0.47)	(0.00)

	Dec 31 2018	Sept 30 2018	June 30 2018	March 31 2018
	\$	\$	\$	\$
Income Statement Data				
Total Revenues	Nil	Nil	Nil	Nil
Income (loss) before discontinued operations and extraordinary items	(78,395)	(169,612)	(145,947)	(447,694)
Net income (loss)	(94,944)	(189,868)	(185,270)	(184,622)
Loss per common share outstanding				
Income (loss) per share before discontinued operations and extraordinary items	(0.00)	(0.00)	(0.01)	(0.01)
Net income (loss) per share	(0.00)	(0.00)	(0.01)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES – CONTINUING OPERATIONS

At December 31, 2019, the Company had cash of \$30,759 compared to \$37,718 as at March 31, 2019. The Company had a working capital deficit of \$120,181 at December 31, 2019 compared to a working capital deficit of \$328,218 as at March 31, 2019.

There were no share transactions that occurred during the nine-month period ending December 31, 2019. However, On July 12, 2019, the Company closed the first tranche of a bridge loan financing, raising \$350,000 by way of the sale of 350 convertible debenture units (the “Convertible Debenture Units”) to Mountain Valley MD Inc. (“MVMD”). On October 8, 2019, the Company closed the second tranche of bridge loan financing, raising a further \$350,000 through the sale of another 350 convertible debenture units. 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 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.

The Company paid MVMD a 7% loan administration fee in cash in the amount of \$24,500 in connection with the first tranche of 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 the Company's professional fees and working capital expenditures.

The convertible debentures were accounted for as having a financial liability and an equity instrument. The financial liability, which represents the obligation to pay coupon interest in the future is initially measured at fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance. Costs incurred were capitalized and allocated based on the relative value of the liability and equity.

The value of the warrants was determined using the Black Scholes valuation model with the following assumptions: Risk free interest rate – 1.10%; Expected life of warrants – 5 years; Annualized volatility – 72.67%; Dividend rate – 0%.

During the year ending March 31, 2019, the Company did not have any share transactions:

As at December 31, 2019 the Company's debt consists of current liabilities of \$130,734 and convertible debenture units of \$652,611. (Principal debt of the convertible units is actually \$700,000).

Even with the proceeds from the second debenture tranche, management believes it will require Management believes further financing is required in order to continue operation and transition into the cannabis operation as envisioned with the agreement with MVMD. 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 nine months ended December 31, 2019 as compared to the nine months ending December 31, 2018:

- a) Consulting fees paid or accrued to the President/CEO of the Company of \$67,500 v. \$62,500 for 2018;
- b) Consulting fees paid or accrued to the CFO of \$27,000 v. \$26,500 for 2018;

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

	December 31, 2019	March 31, 2019
Robert Dinning, CEO	\$ Nil	\$ 34,600
Keith Margetson, CFO	\$ Nil	\$ 15,750

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 as loans and receivables and is carried at amortized costs. 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 June 30, 2019, no amount of cash was 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 December 31, 2019, the Company had current assets of \$250,915 to settle current liabilities of \$130,734. All of the Company's accounts payable 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 is 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. At December 31, were denominated in US dollars.

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	4,949,772
	<hr/>
	58,599,751

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.

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.

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, 2019. 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 610 – 475 West Georgia Street, Vancouver, BC V6B 4M9; phone 647-725-9755.