

# Meadow Bay Capital to Acquire Desert Hawk Resources With Interest in the Atlanta Mine in Nevada and Launches US\$10 Million Equity Financing

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VANCOUVER, Jan. 20, 2011 - [Meadow Bay Capital Corporation](#) ("Meadow Bay") (TSX VENTURE: MAY) is pleased to announce that it has entered into a Letter of Intent to acquire all of the issued and outstanding common stock of [Desert Hawk Resources Inc.](#) ("Desert Hawk"), a private Delaware corporation. Desert Hawk is a mining and exploration company with three gold projects in Nevada including an option on the former producing Atlanta Gold and Silver Mine, the Colorback Gold Project and the Spruce Mountain Molybdenum, Copper, Silver Project. On closing and subject to a definitive agreement and other customary conditions, including but not limited to, TSX Venture Exchange ("TSXV") approval, Meadow Bay will issue 7.5 million common shares to the shareholders of Desert Hawk. Meadow Bay will pay a US\$100,000 non-refundable deposit to Desert Hawk and upon closing make a further US\$237,500 payment.

Meadow Bay has engaged Casimir Capital Ltd. as a placement agent in connection with a US\$10 million brokered equity financing to be priced in the context of the market. US\$6 million of the proceeds of the financing will be used to exercise the purchase of the Atlanta Mine and the balance retained for working capital to fund ongoing exploration and mine development. The business plan will include the reinstatement of production at the Atlanta Mine. The Atlanta Mine produced 1.5 million tons of ore containing 0.09 ounces gold/ton and 1.25 ounces silver/ton and recovered 121,000 ounces of gold and 800,000 ounces of silver during the period 1975 to 1985 based on historical records. The remaining indicated and inferred resource of 464,000 ounces of gold has been estimated by previous workers which is not compliant with standards as set out in National Instrument 43-101. The mine development plan will include substantial pit expansion and capital expenditures to refurbish the mining equipment and near term production potential. In addition to the excellent near-term development aspect of the project, Meadow Bay considers the Atlanta Mine to offer excellent exploration and development upside by drilling extensions to the known mineralization and larger scale production than previous mining through both pit-extension and possibly underground mining. Closing of the equity financing is subject to, among other things, TSXV approval.

The Colorback Gold Project is on the Battle Mountain trend 12 miles north of Pipeline. The property is host to both surface gold targets and a lower-plate Carlin-Style gold system. Previous surface sampling contains gold values as high as 1 ounce per ton and near surface intercepts in upper plate chart considered leakage from the deeper system.

Tim Master is the qualified person under National Instrument 43-101 and has reviewed the contents of this news release. Mr. Master is not independent of Meadow Bay as he is the President and Chief Operating Officer of Desert Hawk.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Meadow Bay or any other entity, nor shall there be any sale of these securities in any state or jurisdiction of the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. person absent an exemption from the registration requirements of such Act.

This press release includes certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward looking information" within the meaning of Canadian securities laws. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual events and results to differ materially from Meadow Bay's expectations include the need to satisfy the conditions set forth in any agreement entered into in connection with the Desert Hawk transaction and the equity financing; the need to satisfy regulatory and legal requirements with respect to the Desert Hawk transaction and the equity financing; risks related to the exploration stage of Meadow Bay's projects; market fluctuations in prices for securities of exploration stage companies; and

uncertainties about the availability of additional financing. Trading in the securities of Meadow Bay should be considered highly speculative. Meadow Bay does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law.

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

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

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