

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

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VANCOUVER, Jan. 21, 2011 - [Meadow Bay Capital Corporation](#) ("Meadow Bay") (TSX VENTURE: MAY) announced on January 20, 2011 that it has entered into an arm's length Letter of Intent dated January 20, 2011 to acquire all of the issued and outstanding common stock of [Desert Hawk Resources Inc.](#) ("Desert Hawk"), a private Delaware corporation. The purpose of this news release is to provide additional facts which were not disclosed in the January 20th news release and for this purpose the additional information has been included hereunder. 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 historic production records from the Bobcat Properties Inc.-Standard Slag Production Joint Venture. The remaining indicated resource of 338,520 ounces gold (6.21 million tons grading 0.054 oz/ton Au) and inferred resource of 125,960 ounces of gold (3.07 million tons grading 0.041 oz/ton Au) and indicated resource of 3.1 ounces of silver (6.21 million tons grading 0.506 oz/ton Ag) and an inferred resource of 0.7 million ounces of silver (3.07 million tons grading 0.236 oz/ton Ag) has been estimated by previous workers which is not compliant with standards as set out in National Instrument 43-101. This historical resource is based upon an internal study completed by Kinross Gold U.S.A. Inc. during the period of 1997-1998. Kinross performed extensive field mapping and sampling plus along with drilling of approximately 80 RC holes for a total of 54,255 feet. This drilling combined with the prior drilling by Gold Fields with 11 core holes (9,286 feet) and 71 reverse circulation holes (46,735 feet) and the drill program by Standard Slag provides the database for the internal resource estimate. Block models were prepared and resources calculated based upon various cut-off grades. The reported historical resources were calculated at a cut-off grade of 0.2 oz/ton Au.

As above is a pre-2001 historical resource estimate, readers are cautioned that a Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources and the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

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. As a feasibility study has not been completed there is no certainty the proposed operation will be economically viable. 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.*

#### **For more information, please contact**

Meadow Bay Capital Corporation  
Robert Dinning, Chairman and CEO  
604-682-2928  
604-685-6905 (FAX) or

Launch IR  
Matthew Harrington  
613-882-7467  
[www.meadowbaycapital.com](http://www.meadowbaycapital.com)

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