

J Taylor's Gold, Energy & Tech Stocks newsletter as of September 9, 2011.

New Buy Recommendation

Meadow Bay Gold Corporation

Business: Exploration and development of the Atlanta Gold

Mining Project in east central Nevada.

Traded TSX-V: MAY

US OTCQX: MAYGF

Price 9/9/11: \$1.084

Shares Outstanding: 39,176,928

Market Cap: 42.5 million

Fully Diluted Shares: 39,948,959

Gold Resource (Non 43-101): 464,500 oz. Au.

3,865,000 oz. Ag

Progress Rating: A3

Telephone Number: 604-682-2928

Web Site: www.meadowbaygold.com

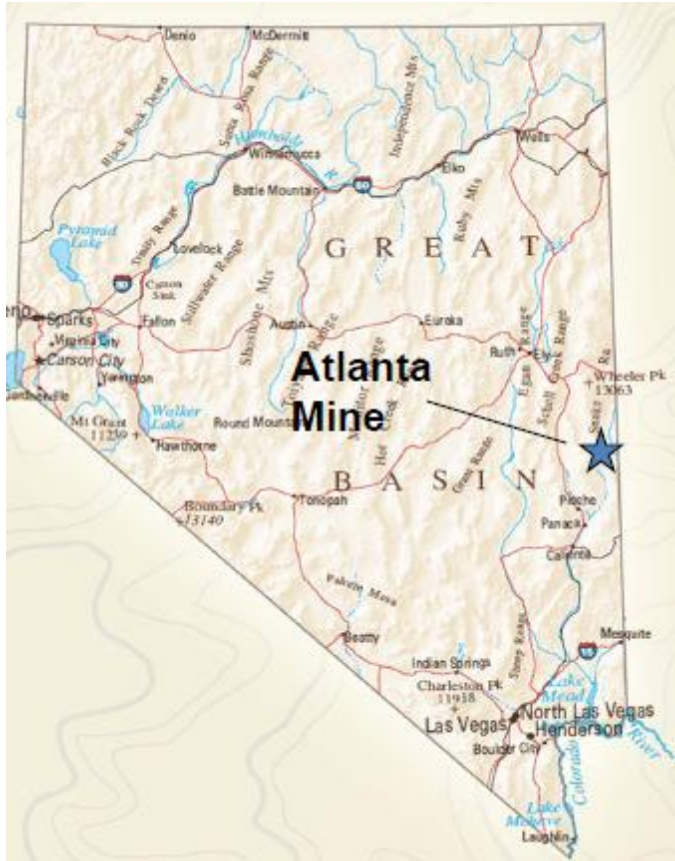


You may be tired of hearing it. But it's true, so I will say it again:
the best place to build a mine is next to an existing one. Meadow
Bay Gold Corporation is in the process of exploring in and around
the Atlanta Mine, which has a historical resource based on work of
Kinross in the past, measuring 464,500 ounces of gold and
3,865,000 ounces of silver.

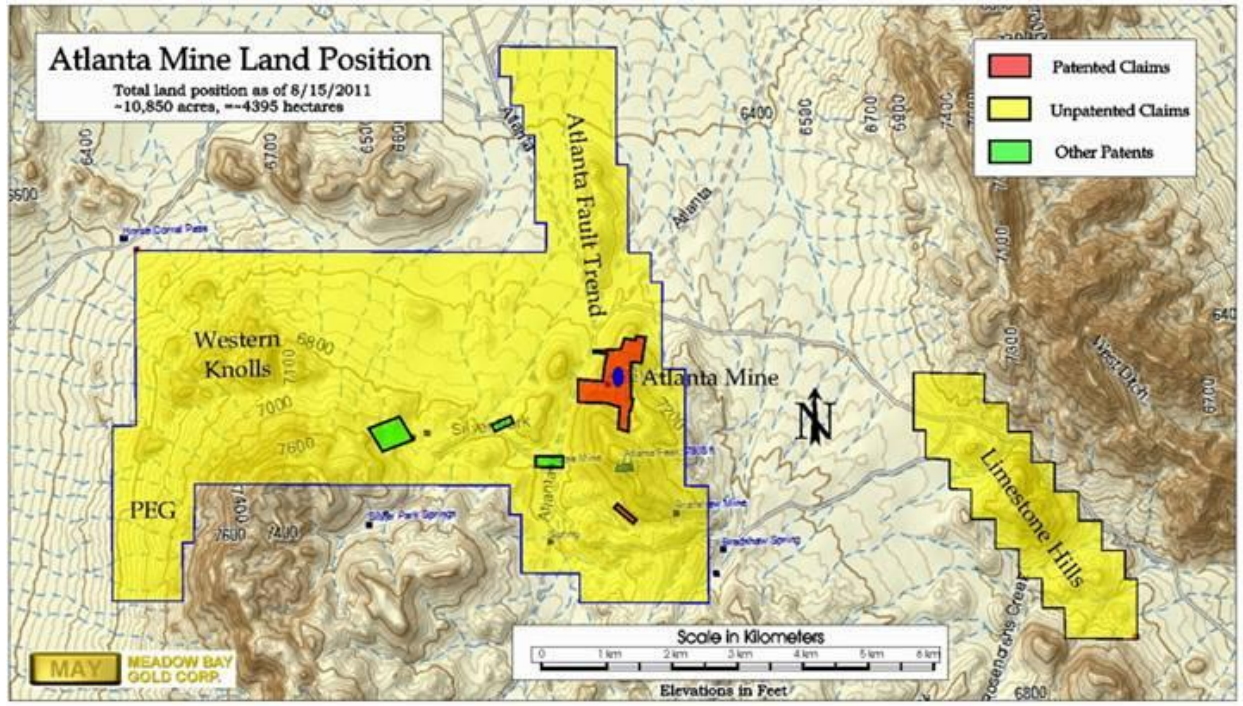
The history is as follows:

- Gold is discovered in the Atlanta Mining District in the 1860s.
- Intermittent exploration is conducted over the next 100 years.
- Standard Slag/Bobcat JV puts Atlanta in production from 1975 to 1985. An 800-ton-per-day mill produces 121,000 ounces of gold and 800,000 ounces of silver during that timeframe.
- Gold Fields Resources options the project from 1990 to 1991, during which time it conducts geochemical sampling and carries out geophysics. It also drills 56,021 feet in 82 core and RC holes.
- From 1997 to 1998, Kinross Gold options the project, during which time it drills 54,225 ft. in 80 reverse circulation holes.

It was on the basis of its work as well as prior work that it estimated the above-noted historical resource of 464,500 ounces of gold and 3,865,000 ounces of silver.



In March 2011, Meadow Bay acquired the project, which initially included 13 patented and 49 unpatented claims. The property size was increased in June of this year through the purchase of 135 NBI claims from Atna Resources, subject to a 3% NSR. The purchase price was \$250,000 cash and 400,000 shares of Meadow Bay. In addition, Meadow Bay has staked more than 370 claims within the Atlanta District and in the adjacent Limestone Hills. At present, Meadow Bay controls the entire Atlanta District with over 10,000 acres. With gold prices where they are at this time, it is possible that a small mining operation could be revised. However, Meadow Bay's mission in life is not to become either a small or large producer. Its mission in life and its managerial skill set are geared to proving up a gold deposit of sufficient size that will attract a buyer. **Based on what I know about this property at this time, outlining a resource of upward to 1 million ounces is a high probability event.**



The existing resource of 464,500 ounces of gold and 3,865,000 ounces of silver is from the existing pit area of the Atlanta Mine, illustrated by the small blue area within the patented claim area on the map above. These ounces were contained in 1.5 million tonnes, grading 3 grams/tonne gold and 39 grams/tonne silver. (At current metals prices this is a gold equivalent of approximately 550,000 ounces.) Some of the first drilling effort by the company is being focused on confirmation of that existing resource by Kinross. It is my understanding that evidence thus far is tending to confirm similar grades and tonnage.

But this should only be viewed as the start of many more ounces to come, because the Athena Fault Trend has been drill confirmed to extend some 3,000 ft. to the north. Beyond that, additional exploration work suggests a likely extension some 7,000 ft. beyond the northernmost drill hole into the structure. So gold and silver mineralization along this Athena Fault Trend is not only open to the north but it is also open at depth. With widths of this structure averaging around 100 ft., the potential may exist to mine at depth. At this stage it looks as if open-pit mining could take place to a depth of about 400 ft. Drilling to date had been to a depth of 1,000ft., where mineralization remained open. It is my understanding that Meadow Bay is drilling a 1,300-ft. hole now to test mineralization at depth, to explore the potential for an underground mining scenario.

Exciting as the Atlanta Fault Trend is for gold and silver exploration, the company has just recently discovered a gold porphyry immediately southwest of the pit (blue spot in the map

above). Several factors make this new discovery exceptionally exciting. First, as with most porphyries, it has the potential to be enormous in size. But what makes this more exciting than many porphyries are some very high grades along the contact zone of this structure as well as some darn good grades encountered in the porphyry itself. For example, a 308-ft. intersection in the porphyry graded between 0.07 and 0.08 oz. gold/ton. At \$1,900 gold, that provides a rock value of between \$133 and \$152 per ton. That's rich for a porphyry. But along the contact zones, grades have run as high as 0.338 oz. gold/ton and 2.76 oz. silver per ton over a 165-ft. intercept.

We don't know very much yet about the geometry and the extent of this intrusive. But numbers like these fire up the imagination of a potential for an elephant-sized discovery. However, with the company drilling both the fault structure as well as the porphyry discovery now, months if not weeks from now, we should know a little more about the size and grades of this potential giant.

Other Targets

The above two main targets are what we will be watching closely. But there could be more. In fact, much of the yellow areas shown on the map above were staked based on early but promising geology. Geophysics have identified another potential porphyry structure to the northwest that will be looked at more closely in near future.

Then there is the Western Knolls area, which is a large area of silicified volcanic rocks to the west of the Atlanta Mine. Initial rock-chip samples contained anomalous gold and pathfinder elements. Current exploration work includes geologic mapping, soil sampling, and geophysics. Also the Limestone Hills Target contains an area of altered sedimentary rocks that look favorable, based on alteration.

With the immediate focus on the fault zone and porphyry targets discussed above, targets for drilling are not expected to be established until 2012. Obviously the main interests for this company in the immediate future are those more advanced targets.

MANAGEMENT

Robert Dinning, CEO is a Chartered Accountant and a lifetime member of the Alberta Institute of Chartered Accountants. Mr. Dinning, amongst other accomplishments, is also the Chairman of Paramount Gold and Silver Corp and CFO of ATAC Resources Ltd.

Charles (Bill) Reed – Director of Exploration & Chief Geologist

Bill is a professional geologist with 40 years in the mining business. He was the Chief Geologist and co-founder of Paramount Gold and Silver and is credited with discovering the San Miguel project in Mexico. Mr. Reed was previously the Chief Geologist for Hecla Mining.

Dr. Douglas Oliver, Atlanta Project Manager

is a career geologist with 30 years experience in mineral exploration. He is president and founder of OliverGeoservices, which specializes in exploration management, economic evaluations and

independent reviews. He received his Bachelor's degree in Geology from Rutgers University and has an MBA from the University of Texas at Austin and a PhD in Tectonics from Southern Methodist University. Doug is responsible for implementing the exploration program at the Atlanta Mine.

Adrian Robertson – Director and Engineer

Mr. Robertson graduated with a degree in mining engineering from Queen's University in 2002. He worked for a major operator in the Sudbury basin gaining experience in technical services, geology, mine planning and design, and supervision, before moving into a role with a global ground engineering consulting firm in Vancouver.

SUMMARY

I believe it is highly likely this company will not only confirm historical numbers calculated by Kinross but also that it may double the resource to around 1 million ounces this year. That

would no doubt be sufficient for a small, 50,000-ounce-per-year gold mining operation. But the folks who entered into this deal are now thinking

in much bigger terms, given (a) strike length of the gold-bearing fault structure (3,000 ft.) plus another 7,000 ft. of undrilled structure; and (b) the discovery of a porphyry that shows signs of containing extraordinarily high grades, especially along the contact zones. We want to caution folks not well grounded in investing in exploration stocks that much more work needs to be done before you should count on anything in terms of grades or ounces, especially in the porphyry. There have simply not been enough drill holes extracted from the property to be able to discuss with confidence grades or size of this gold-bearing porphyry.

But this is a company with a market cap of just \$40 million, which means if there is a major discovery in the offing, there is room for this stock to become a 10 or 20 bagger for those who buy in at these levels. Regarding future appreciation, I have considerable respect for the folks behind this story. They have a significant holding themselves and they are very conscious about undue dilution. It is my belief that if this project begins to see some success along the lines I envision, there will be additional deep pockets entering this story.

Much as I am excited about this stock, as always we want to underscore the fact that all exploration stocks are risky propositions. Therefore I once again remind you of my general rule to cap your allocation at time of purchase of shares in this one company to no more than 5% of your overall portfolio. If you are in the investing game long term, it pays to roll the dice but when doing so, roll them in different games and limit your potential losses. Because no matter how much you might like a stock for its magnificent potential, exploration companies are not self-sustaining entities. By definition they need to raise more capital until they generate so much wealth that they are taken out. I like the chances of success for this company. But there are never any guarantees.

Direct link to Jay Taylor coverage but the original can be viewed at the following link.

<http://miningstocks.com/archive/hotlines/48832245/hotline-2011-09-09.pdf>