MATERIAL CHANGE REPORT

PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

ITEM 1 - REPORTING ISSUER

King's Bay Gold Corporation
145-99 Scurfield Boulevard
Winnipeg, Manitoba
R3Y 1Y1

ITEM 2 - DATE OF MATERIAL CHANGE

December 22, 2011.

ITEM 3 - PRESS RELEASE

The Issuer issued a news release on December 23, 2011.

ITEM 4 - SUMMARY OF MATERIAL CHANGE

On December 22, 2011, the Issuer completed a non-brokered private placement offering of a total of 3,570,000 Class A Units at a purchase price of $0.05 per Unit and a total of 3,290,000 Class B Units at a purchase price of $0.05 per Unit. Each Class A Unit consisted of one Class "A" common share of the Issuer (a "Common Share") issued as a "flow-through share" for the purpose of The Income Tax Act (Canada) and one whole Common Share purchase warrant (a "Warrant"). Each Class B Unit consisted of one Common Share and one Warrant. Each whole Warrant entitles the holder thereof to purchase one Common Share of the Issuer at an exercise price of $0.10 per Warrant for a period of twenty four months following the date of issuance. In addition to the Class A and Class B Units, the Issuer also offered compensation by way of an 8% finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering, and by way of issuing finders warrants equivalent to 8% of the number of Class A and Class B units subscribed for through this non-brokered private placement offering (the "Finders Warrants"). Each Finders Warrant entitles the holder to purchase one Common Share for an exercise price of $0.10 for a period of 24 months following the date of issuance.

ITEM 5 - FULL DESCRIPTION OF MATERIAL CHANGE

Attached Schedule "A"

ITEM 6 - RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not applicable

ITEM 7 - OMITTED INFORMATION

Not applicable

ITEM 8 - SENIOR OFFICER

Raymond Préfontaine
Chief Financial Officer
204-253-4653

DATED at Winnipeg, Manitoba this 22nd day of December, 2011.

KING'S BAY GOLD CORPORATION

Per: *"Raymond Prefontaine"*
Raymond Préfontaine
Chief Financial Officer

Schedule "A"

King's Bay Gold Corporation announces closing of Non – Brokered Financing

December 22, 2011 – **Winnipeg, MB** – King's Bay Gold Corporation (TSX-V: KBG) (the “Issuer”) is pleased to announce that it has closed the non-brokered private placement that was initially announced on November 14th, 2011 (as amended and clarified as described in press releases dated December 2nd, 2011 and December 20th, 2011). A total of 3,570,000 Class A Units and 3,290,000 Class B Units (as described below) were sold to subscribers resident in the Provinces of British Columbia, Ontario, Quebec, New Brunswick and Newfoundland at a purchase price of $0.05 per Class A Unit and $0.05 per Class B Unit for gross proceeds of $343,000.00.

Each Class "A" Unit was comprised of one Class "A" Common Share of the Issuer (a "Common Share"), issued as a "flow through" share for the purposes of *The Income Tax Act* (Canada) (a "Flow Through Share") and one whole Common Share purchase warrant (a "Warrant") of the Issuer. Each Class "B" Unit was comprised of one Common Share and one whole Warrant. Each whole Warrant may be exercised to purchase one Common Share upon payment of $0.10 per Common Share for a period of 24 months following the date of issuance.

A finder’s fee of $8,240.00 was paid to one registered dealer for services rendered in introducing certain subscribers to the offering. In addition, the Issuer issued 164,800 finders warrants (equivalent to 8% of the number of Class A and Class B units subscribed for through this non-brokered private placement offering (the "Finders Warrants")). Each Finders Warrant entitles the holder to purchase one Common Share for an exercise price of $0.10 for a period of 24 months following the date of issuance.

The closing of this non-brokered private placement is subject to the approval of the TSX Venture Exchange Inc. The shares issued in connection with this non-brokered private placement will be subject to a hold period of four months plus one day.

The Issuer intends to make use of the proceeds from the sale of the Class "A" Units of this Offering for exploration and drilling initiatives on its various property claims for fiscal 2012, notably the Menary Gold Project located in the Townships of Menary, Claxton, McClarty and Senn and in the Kenora Mining Division of north-western Ontario. The Issuer intends to use the proceeds from the sale of the Class "B" Units for general working capital, corporate purposes and for the maintenance of its property claims.

About King’s Bay Gold Corporation

King’s Bay Gold Corporation is a very active Canadian mineral exploration and development company with mineral projects located in two of Canada’s main gold camps – the Red Lake, ON and Rainy River, ON gold camps.

KBG Shares Outstanding: 97,101,913

King’s Bay Gold Corporation

Kyle Picard
President & CEO and Corporate Secretary

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This news release includes certain forward-looking statements concerning the future performance of King's Bay Gold Corporation's business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements are frequently identified by such words as "may", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. These forward-looking statements represent management's best judgment based on current facts and assumptions that management considers reasonable. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and the availability of financing and as described in more detail in the Company's recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward looking statements and readers are cautioned against placing undue reliance thereon.