



KING'S BAY GOLD
CORPORATION

ANNUAL INFORMATION FORM
for the YEAR ENDED December 31st, 2011

June 12th, 2012

REGISTERED OFFICE ADDRESS:

Taylor McCaffrey LLP, Suite 900 – 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5

MAILING & EXECUTIVE OFFICE ADDRESS:

#145 – 99 Scurfield Boulevard, Winnipeg, Manitoba, R3Y 1Y1

TELEPHONE: (204) 253-4653

FAX: (204) 489-8033

EMAIL: info@kingsbaygold.com

WEBSITE: www.kingsbaygold.com

ANNUAL INFORMATION FORM

The following Annual Information Form, as prepared by management, reviews King's Bay Gold Corporation's ("King's Bay Gold" or "King's Bay" or the "Corporation" or the "Company" or "KBG" – the trading symbol assigned to the Corporation's common shares by the TSX Venture Exchange Inc. upon commencement of trading on that Exchange in April 2002) financial condition and results of operations for the year ended December 31st, 2011 compared to the four previous years ended December 31st, 2010, 2009, 2008, and 2007 and covers the subsequent period to June 12th, 2012. Selected annual and quarterly financial information is included in order to assist the reader in better understanding the financial condition, results and evolution of the operations of the Corporation. The Annual Information Form ("AIF") for 2011 of June 12th, 2012 should be read in conjunction with the audited financial statements for the years ended December 31st, 2011, 2010, 2009, 2008, and 2007, the Management Discussion and Analysis for the fiscal year and fourth quarter ended December 31st, 2011, and the Management Discussion & Analysis for the first quarter ended March 31st, 2012. The most recent Annual Information Form as prepared by management prior to this one is dated June 28th, 2011 for the year ended December 31st, 2010 and was filed on www.sedar.com on June 29th, 2011.

The financial statements up to and including December 31st, 2010 were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The condensed interim financial report as prepared by management for the first quarter ended March 31st, 2012, the audited comparative financial statements for the years ended December 31st, 2011 and December 31st, 2010 as prepared by Corporation's external auditors, and the three condensed interim financial reports as prepared by management during fiscal 2011, were all prepared in accordance with the relatively recently adopted International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1st, 2011 represents a change due to the implementation of these new accounting standards. In 2010, the Corporation initiated an IFRS conversion plan to address the impact of the changes for its accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. As discussed in this 2011 Annual Information Form dated June 12th, 2012, these new accounting standards have affected the Corporation's reported financial position and results of operations.

This discussion provides management's analysis of the Corporation's historical financial and operating results and provides estimates of the Corporation's future financial and operating performance based on information that is currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

Additional information on the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.kingsbaygold.com.

FORWARD LOOKING STATEMENT

Certain information set forth in this Annual Information Form ("AIF"), including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Corporation will derive there from. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

KING'S BAY GOLD CORPORATION

Annual Information Form Year Ended December 31st, 2011

June 12th, 2012

TABLE OF CONTENTS

GLOSSARY of MINERAL & OTHER TERMS	7
CORPORATE OVERVIEW	14
BUSINESS ENVIRONMENT and OUTLOOK	15
MINERAL RESOURCES and MINERAL RESERVES	16
MINING OPERATIONS	16
GENERAL DEVELOPMENT of the BUSINESS for the 4 year period prior to DECEMBER 31 st , 2010...	16
KEY DEVELOPMENTS from JANUARY 1 st , 2011 to DECEMBER 31 st , 2011	45
KEY DEVELOPMENTS from JANUARY 1 st , 2012 and prior to JUNE 12 th , 2012	58
DESCRIPTION of ONGOING BUSINESS OBJECTIVES and KEY PROPERTIES	61
Headway Group of Patented Claims Property, Dome and Balmer Townships, Red Lake Mining Division, Ontario	62
Cameron Lake Property, Rowan Lake Area, Kenora Mining Division, Ontario	64
Menary Gold Project, Menary and Claxton Townships, Kenora Mining Division, Ontario	67
Halkirk – Watten Diamond Project, Halkirk, Watten and Obikoba Townships, Rainy River Mining Division, Ontario	76
Raleigh Lake Group of Claims, Osaquan Township, Kenora Mining Division, Ontario	77
Brooks Lake (aka Hook Bay of Helena Lake), Kenora Mining Division, Ontario	78
Darkwater Gold Mine at Sturgeon Lake, Valora Area, Patricia Mining Division, Ontario	79
DISCONTINUED PROPERTIES and PROJECTS of the CORPORATION during the last 12 months.....	81
Berven Lake Property, La Ronge area, Saskatchewan.....	81

TABLE OF CONTENTS

(continued)

ANNUAL FINANCIAL INFORMATION for the Years Ended DECEMBER 31 st , 2011, 2010, 2009, 2008, and 2007	82
OPERATING RESULTS for the FIRST QUARTER ended MARCH 31 st , 2012.....	86
SUMMARY of QUARTERLY RESULTS.....	86
LIQUIDITY and CAPITAL RESOURCES	88
CASHFLOW BUDGET for fiscal 2012.....	89
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) CONVERSION PLAN	90
STATEMENT OF COMPLIANCE with IFRS	91
SUMMARY of SIGNIFICANT ACCOUNTING ESTIMATES and POLICIES	91
FUTURE CHANGES in ACCOUNTING POLICIES as at March 31 st , 2012 and as per recent accounting announcements	98
AUDIT COMMITTEE and its CHARTER	99
DIVIDEND POLICY	100
OFF-BALANCE SHEET ARRANGEMENTS.....	100
FINANCIAL INSTRUMENTS.....	100
INCOME TAXES.....	102
EMPLOYEES and CONSULTANTS as at JUNE 12 th , 2012	104
TRANSACTIONS with RELATED PARTIES for the YEAR ENDED DECEMBER 31 st , 2011 and for the First Quarter ended March 31 st , 2012.....	104
NAMED EXECUTIVE OFFICERS (NEO) – Compensation Discussion & Analysis for fiscal 2011	106
MATERIAL CONTRACTS – LAND OPTION AGREEMENTS, JOINT VENTURE OPERATIONS and COMMITMENTS as at JUNE 12 th , 2012	112
EXPLORATION and EVALUATION ASSETS – capitalized amounts to MINERAL PROPERTIES.....	115

TABLE OF CONTENTS
(continued)

RISKS and UNCERTAINTIES.....	116
DIRECTORS and OFFICERS – CORPORATE GOVERNANCE.....	119
INDEPENDENT DIRECTORS	121
CEASE TRADE ORDERS or BANKRUPTCIES	121
PENALTIES or SANCTIONS – DIRECTORS, OFFICERS and PROMOTERS	122
PERSONAL BANKRUPTCIES – DIRECTORS, OFFICERS and PROMOTERS	122
INDEBTEDNESS of DIRECTORS and OFFICERS.....	122
INTEREST of MANAGEMENT and OTHERS in MATERIAL TRANSACTIONS	122
PROMOTERS / INVESTOR RELATIONS	122
STOCK BASED COMPENSATION PLAN.....	123
PRINCIPAL SHAREHOLDERS	123
ESCROWED SECURITIES.....	124
MARKET for the SECURITIES of the CORPORATION.....	124
REPORTING JURISDICTIONS.....	124
CEASE TRADE ORDERS / HALTS IN TRADING.....	124
DISCLOSURE of OUTSTANDING SHARE DATA as at DECEMBER 31 st , 2011 and subsequent events relating to share data from JANUARY 1 st , 2012 to JUNE 12 th , 2012.	124
DISCLOSURE of OUTSTANDING SHARE DATA as at JUNE 12 th , 2012.....	125
HISTORICAL SHARE PRICE & TRADING VOLUME CHART for an approximately 5 year period from JUNE 13 th , 2007 to JUNE 12 th , 2012.....	126
LEGAL PROCEEDINGS.....	126
CONTINGENT LIABILITY	127
PROPOSED TRANSACTIONS	127
CAPITAL MANAGEMENT.....	128

TABLE OF CONTENTS
(continued)

OTHER MATERIAL FACTS	128
DISCLOSURE CONTROLS and PROCEDURES	128
MANAGEMENT'S REPORT on INTERNAL CONTROL of FINANCIAL REPORTING	128
CHANGES in INTERNAL CONTROL of FINANCIAL REPORTING.....	128
FORM 52-109F1 – CERTIFICATION of ANNUAL FILINGS in connection with a voluntarily filed ANNUAL INFORMATION FORM	129
DISCLOSURE of CONTROLS and PROCEDURES for the first quarter ended March 31 st , 2012 – NOTE TO READER	130
TRANSFER AGENT & REGISTRAR	130
AUDITORS.....	130
CORPORATE LEGAL COUNSEL	130
ADDITIONAL INFORMATION	131
CAUTIONARY NOTICES	131

(BLANK)

Glossary of Mineral & Other Terms

"**Aerial Survey**" refers to an airborne survey carried out by a helicopter or fixed-wing aircraft to obtain geophysical data and the subsequent interpretation of those results.

"**Alteration**" means chemical and mineralogical changes in a rock mass resulting from the passage of fluids or increases in pressure and temperature.

"**Agency Agreement**" means an agreement dated between the Company and an Agent pursuant to which the Agent agrees to conditionally offer the Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units, on a commercially reasonable best efforts basis, for sale on behalf of the Company.

"**Agent**" means a securities dealer.

"**Agent's Warrants**" (also may be known as "**Finders' Options**" or "**Finders' Fee Units**") means warrants to purchase Common Shares of the Company issued to an Agent as compensation pursuant to an Offering.

"**Archean**" is synonymous with Precambrian and is occasionally used to refer to older Precambrian rocks.

"**Archean Anorthosite**" means a plutonic igneous rock.

"**Arm's Length**" has the same meaning as in subsection 251 (1) of the Income Tax Act and amendments thereof.

"**Assay**" means an analysis of the contents of metals in mineralized rocks.

"**Assessment File**" is a detailed dossier kept by the Ontario Ministry of Northern Development and Mines (ON MND&M) of exploration data on specific claims outlining the required work that was performed on such claims to ensure compliance with the Ministry's rules and regulations for keeping such claims in good standing. Such dossiers will also typically contain technical reports, maps, drilling reports, assay results and other such documents.

"**Atomic Absorption Spectroscopy**" means the defining and identification of certain minerals using a light spectrum.

"**Au**" means gold.

"**Axial Planar Fabric**" means a foliation or schistosity direction developed in rocks, parallel to the axial plane of a fold and is perpendicular to the main deformational direction (or pressure).

"**Basaltic**" means a dark colored fine-grained extrusive igneous rock composed largely of plagioclase feldspar and pyroxene, similar in composition to gabbro. Basalt is thought to be one of the main components of the oceanic crust.

"**Calc-Alkaline**" means an igneous rock that contains calcium (ie. calcic plagioclase, calcic pyroxenite etc.) having an alkali-lime index of 55 to 61.

“Canadian Exploration Expense(s)” or **“CEE”** means Canadian exploration expense described in paragraph (f) in the definition of “Canadian exploration expense” in subsection 66.1(6) of the *Income Tax Act*, as amended from time-to-time, excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” under the *Income Tax Act*, the amount of any assistance described in paragraph 66(12.6)(a) of the *Income Tax Act*, and any expense described in paragraph 66(12.6)(b.1) of the *Income Tax Act*, and any assistance received by the Company of the type described in paragraph 66(12.6)(a) of the *Income Tax Act*.

“Chalcopryite” means a brassy yellow, metallic mineral composed of copper, iron and sulfur, and an important source of copper.

“Chlorite” means in geology, the general term for hydrated silicates of aluminum, iron and magnesium.

“Closing” means the procedure for the issuance of the Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units pursuant to a prospectus or an offering memorandum.

“Closing Date” means the date on which the Closing shall occur or such other date as the Company and the Agent may mutually agree.

“Common Share” means one common share of the Company.

“Cu” means copper.

“Deposit” means a mineralized body which has been physically delineated by drilling, trenching and / or underground work and may contain a sufficient grade of metal or metals to warrant further exploration and / or development expenditures. Such a deposit does not qualify as a commercially mineable ore body until final technical, legal and economic factors have been resolved.

“Diabase” means a dark colored intrusive rock, found as dykes and sills composed of mainly feldspar, pyroxene and / or olivine, it is the shallow intrusive equivalent of basalt and gabbro.

“Diabase Lamprephyre” means a dark, igneous dyke or rock group.

“Disseminated” means a mineral deposit in which minerals occur as scattered particles in the rock.

“Drill Hole” means a drilling method whereby rock is drilled with a diamond impregnated, hollow drilling bit which produces a continuous, in situ record of the rock mass intersected in the form of solid cylinders of rock which are referred to as core.

“Ductile Shear Zone” means a shear which is highly deformed and where minerals are stretched and oriented parallel to the main shear direction.

“Earn-In Agreement” means an agreement whereby one party (the “Grantor”) that owns or controls a mineral exploration property or resource (the “Subject Property”) grants an option or right to another party (the “Grantee”) that allows the Grantee to earn a predetermined interest, usually expressed as a percentage, in the Subject Property by spending a predetermined sum of money for exploration and development within a predetermined time frame, all in accordance with the terms and conditions of the particular Earn-In Agreement.

“EM” means electromagnetic.

"Epiclastic Sediments or Metasediments" means a rock formed from the fragments or particles broken away from pre-existing rocks to form an altogether new rock.

"Exchange" and **"TSX.V"** means the TSX Venture Exchange Inc.

"Feldspar" means one of a group of rock forming minerals which includes microcline, orthoclase, plagioclase and anorthoclase.

"Felsic" means light colored silicate minerals such as quartz, feldspar and feldspathoids.

"Felsic Pyroclastic" means a term used to describe an igneous rock that has a large percentage of light-colored minerals such as quartz, feldspar and muscovite. Also used in reference to magmas from which these rocks crystallize. Felsic rocks are generally rich in silicon and aluminum and contain only small amounts of magnesium and iron. Granite and rhyolite are examples of Felsic rocks. Pyroclastic rock is rock formed when small particles of magma are blown from the vent of a volcano by escaping gas.

"Fire Assay" means the assaying metallic ores, usually gold and silver, by methods requiring a furnace heat. It commonly involves the process of scorification, cupellation, etc.

"Fiscal Year" means the 12-month period of the Company ending on December 31st of each calendar year or such other date as the Company may determine for financial statement purposes.

"Flows" means a lava flow of usually Basaltic composition that is a product of a single volcanic eruption.

"Flow-Through Share" means a Common Share offered pursuant to a prospectus or offering memorandum that is a "flow-through share" within the meaning of the *Income Tax Act*, as amended from time-to-time.

"Foliation" means the banding or the lamination of metamorphic rocks as distinguished from the stratification of sedimentary rocks.

"Free Gold" means gold that is easily recoverable.

"ft" means foot.

"Gabbro" means a fine to coarse, dark colored crystalline igneous rock composed mainly of calcic plagioclase (labradorite or anorthite), clinopyroxene, and sometimes olivine.

"Gabbro Anorthosite" means a gabbro with anorthosite inclusions.

"Galena" means lead sulphide, blue in colour.

"gms" grams, also may be stated as **"g"**.

"G.R." Geological Report.

"Grab Sample" means a sample of selected rock chips from within an area of interest.

"Grade" means the amount of valuable mineral in each metric tonne of ore, or expressed as ounces per imperial ton or grams per metric tonne for precious metal and as a percentage by weight for other metals.

"**Granitic**" means a special type of metamorphism by which solutions of magmatic origin move through solid rock.

"**Granodioritic**" means coarse grain diorite.

"**Gravimetric Procedure**" means a technique for determining the potential recovery of minerals.

"**Greenschist Facies Metamorphism**" means a low grade of metamorphism in a particular igneous rock unit.

"**G.S.C.**" means Geological Survey of Canada.

"**Heli-Borne E.M. Surveys**" means a type of geophysical survey that utilizes flying with a helicopter close to the earth's surface in order to measure the electro-magnetic signatures of the rock units on and under the surface of the earth's crust (a number of companies utilize this method such as Dighem Surveys Ltd, Aerodat Surveys Ltd., Questor Surveys, and Geotech Surveys Ltd.)

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the Regulations thereto, all as amended from time-to-time.

"**Induced Polarization Surveys**" means a method used by geophysical companies in the field to induce a magnetic field in the underlying rocks and to measure its rate of decay and the resultant impedance for finding buried mineral deposits.

"**Initial Public Offering**" or "**IPO**" means a new issue of securities offered to the public for investment for the very first time. IPOs must adhere to strict securities commission and exchange regulations as to how the investments are sold to the public.

"**Kenoran Orogeny**" means a geological sub-period during the formation of Archean rock units in the Lake Superior region of Canada / U.S. dating to the early Pre-Cambrian period. This is a period of active volcanic activity which saw to the formation of the Uchi-Confederation Greenstone Belt.

"**King's Bay Gold**", "**King's Bay**", "**KBG**", the "**Corporation**", or the "**Company**" means King's Bay Gold Corporation.

"**km**" means kilometer.

"**Komatiitic**" means extrusive volcanic unit which is ultramafic in composition (rich in olivene and pyroxenites and referred to as olivene basalts).

"**Lamination**" means the stratification on a fine scale, each thin stratum, or lamina, being a small fraction of an inch in thickness.

"**Leucocratic Trondhjemite**" means a light colored white granitic rock.

"**Limonite-stained Vugs**" means iron oxide stained cavity.

"**Lode**" means a tabular or vein-like deposit of valuable minerals between well-defined walls of rock.

"**Mafic**" means a general term used to describe ferromagnesian minerals.

"**Magnetometer**" means an instrument that measures magnetic fields.

"**Mag**" refers to a geophysical Magnetometer survey used to map out magnetic-rich rock sequences in the earth's crust.

“Mainstream Minerals”, “Mainstream”, or “MJO” means Mainstream Minerals Corporation. Mainstream Minerals Corporation was a former joint-venture partner on some of the Corporation's properties.

“Manitoba Securities Act” means *The Securities Act (Manitoba)*, as amended from time-to-time.

"Max Min II EM" means a type of ground geophysics which was developed and utilized extensively from 1970-1990. This electromagnetic survey tool utilized the high and low frequencies of the electromagnetic responses in the earth's magnetism to detect different orebody types or mineral concentrations in the ground.

"Metamorphosed" means a rock mass which has been subjected to metamorphism. Metamorphism is a geological process whereby the original mineral composition of a rock is changed or metamorphosed in response to local or regional scale changes in temperature, pressure and the action of chemically active fluids.

“Metasediments” means metamorphosed sediments.

"Metavolcanic" means volcanic rock which has undergone metamorphism.

"Mineralization" means mineral bearing rock and generally refers to the presence of minerals established by widely spaced drilling.

“MMC” means the metic metaplutonic complex.

“MNDM” or “ON MND&M” means the Ministry of Northern Development and Mines of Ontario.

"MML Geochemical Soil Survey" means an exploration tool in the field used to collect geochemical soil samples in a defined area and utilizing the mobile ions given off by decaying or oxidizing rock units and certain minerals in order to map out the geochemical 'plumes' or 'signature characteristics' of those elements.

“Monzonitic” means an intermediate igneous intrusive rock composed of approximately equal amounts of sodic to intermediate plagioclase and orthoclase feldspars with minor amounts of hornblende, biotite and other minerals. Quartz is a minor constituent or is absent; with greater than 10% quartz, the rock is termed a quartz monzonite.

“Native Gold” means very rare gold in the purest state.

"Net Smelter Return" means the actual proceeds received by the Company from any mill, mint, smelter, refinery or purchase for the sale of ores, bullion, metals or refining by the Company, less insurance and the cost of transportation from the mineral dispositions to the applicable mill, mint, smelter, refinery or other purchaser.

"NI 43-101" means National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

“Offering” means a public offering by the Company and an Agent on a commercially reasonable best efforts basis of no less than the Minimum Offering and up to the Maximum Offering of Non-Flow-Through Common Shares, Flow-Through Common Shares and / or Units, as applicable.

"Ore" means rock that contains one or more minerals or metals, at least one of which has commercial value and which can be recovered at a profit.

“O.D.M.” means the Ministry of Northern Development and Mines of Ontario, formerly known as the Ontario Department of Mines.

“O.G.S.” means Ontario Geological Surveys.

"Polyphase Deformation" means Archean Supracrustal rocks.

“ppb” means parts per billion.

“Pyrrhotite” means iron sulphides that are the next most common magnetic mineral.

“Pyrite” means a common iron sulphide mineral commonly found in hydrothermal veins and systems and commonly associated with gold mineralization.

“Qualified Person” has the meaning ascribed to it in National Instrument 43-101.

"Quartz" means a common rock containing the mineral silicon dioxide.

"Quartz Feldspar Propphyry" means quartz crystals and feldspar in a fine-grained background mass.

"Quartz Monzonitic" means monolithic with an abundance of quartz.

“REE” or **“REEs”** means rare earth elements and rare metals

"Schist" means a metamorphic rock characterized by a well-developed parallel orientation of more than 50% of the minerals present.

"Sedimentary" means a formation of solid fragmented material that originates during the weathering of rocks and is transported from a source to a site of deposition.

"Shear Zones" means linear areas of weakness along which a failure occurred whereby the portion of mass on one side of the area slides past the portion on the opposite side and which often form conduits for mineralizing fluids.

"Silica" means silicon dioxide (SiO₂), which occurs in the crystalline forms as quartz, cristobalite, tridymite; ascryptocrystalline chalcedony; as amorphous opal; and as an essential constituent of the silicate groups of minerals.

"Sphalerite" means zinc iron sulfide, an important ore in zinc.

"Stratigraphy" means the part of the descriptive geology of an area or district which pertains to the discrimination, character, thickness, sequence, age and correlation of the rocks of the district.

"Strike" means geological measurement of the direction of a horizontal line on the surface of the bed.

“Stringer” means a mineral veinlet or filament, usually one of a number, occurring in discontinuous sub-parallel pattern in host rock.

"Sulphide" means mineral formed by direct union of element with sulphur.

“Superior Province” means the Superior Craton (also known as the Superior Province) forms the core of both the North American Continent and Canadian Shield. It extends from Québec in the east to eastern Manitoba in the west. The western margin extends from northern Minnesota through eastern Manitoba to northwestern Ontario.

"Supracrustal" means rocks of both early Proterozoic and late Archean age.

“Tectonic” means the surface of the earth is broken into large plates known as tectonic plates.

"Tholeiitic" means a type of basalt which is poor in olivene and contains orthopyroxene and / or pigeonite. The groundmass is generally glassy containing silica (quartz) and alkalic feldspar.

"Transfer Agent" means Computershare Trust Company of Canada.

"Tonalite-Trondhjemite" means a certain type of white granite.

"Tuffs" means a rock formed of compacted volcanic fragments generally smaller than 4 mm. in diameter.

"U" means uranium.

"Ultra Mafic" means an igneous rock with very low silica content and rich in minerals such as hypersthene, augite and olivine.

"Unit" means one Unit of the Company offered pursuant to a prospectus or an offering memorandum, each Unit consisting of any combination of Non-Flow-Through Common Shares, Flow-Through Common Shares and possibly, a fraction or whole Common Share Purchase Warrant.

"V.L.F." refers to a geophysical exploration method known as a very-low frequency electromagnetic survey whereby the conductivity of the underlying rock units is measured.

"VLF-EM Surveys" means very low radio frequency electromagnetic surveys.

"Vein" means a sheet-like body of minerals formed by fracture-filling or replacement of the host rock.

"Volcanic" means formed by volcanic activity.

"Warrant" means a Common Share Purchase Warrant of the Company that forms part of each Unit if offered, each whole Warrant entitles the holder thereof to purchase one Common Share for a set exercise price per Common Share for a determined period of months following the date of issuance.

"Zinc Blende" is also known as Sphalerite (ZnS) and is a mineral that is the chief ore of zinc. It consists largely of zinc sulphide in crystalline form but almost always contains variable iron.

(BLANK)

CORPORATE OVERVIEW

King's Bay Gold Corporation ("King's Bay Gold" or the "Corporation" or the "Company" or "KBG") was incorporated under the name King's Bay Gold Corporation pursuant to the Canada Business Corporations Act ("CBCA") on March 20th, 1998. The registered office of the Corporation is Taylor McCaffrey LLP, Suite 900 – 400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5 Attention: Corporate Records and the executive office / mailing address is #145 – 99 Scurfield Boulevard, Winnipeg, Manitoba, R3Y 1Y1. The Corporation has no subsidiaries.

The Corporation is an active mineral resource company, which is engaged in the acquisition of interests in, and the exploration of, mineral resource properties in northwest Ontario. The Corporation's mandate is to acquire, evaluate and bring significant gold and other precious metal properties to the development stage. During the last fourteen years, the Corporation has been assembling, exploring and rationalizing a portfolio of precious metal exploration prospects most notably in the Red Lake, Kenora, and Rainy River gold camps, the majority of which are or were located in close proximity to present and past producing mines. Certain properties retained by the Corporation exhibit high-grade gold values.

The Corporation became a publicly traded entity on the TSX Venture Exchange Inc. in April 2002 (TSX.V symbol: KBG). Since then, the Corporation has completed several prospective offerings and brokered and non-brokered private placement offerings with the net capital being raised mostly used to conduct exploration and development programs for the properties where it has land option and joint venture agreements. The Corporation remains debt free. The Corporation completed two non-brokered private placements during fiscal 2011, the \$251,500 that closed on June 27th, 2011 and the \$343,000 that closed on December 22nd, 2011. On May 14th, 2012, the Corporation announced a non-brokered private placement of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$200,000, and a maximum of 5,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$250,000, for aggregate maximum subscription proceeds of \$450,000. It is anticipated that the closing of offering will occur on or around June 29th, 2012 and is subject to the approval of the TSX Venture Exchange Inc. (see the section herein entitled *Proposed Transactions*).

Although the Corporation is the Operator on most of its projects, it has entered into a number of option agreements with other companies for the purposes of leveraging its capital resources. The most notable option agreement is with Mega Precious Metals Inc. (TSX.V: MGP) whereby that company has an option to acquire a 100% interest in the **Headway Project** in Red Lake, Ontario subject to a staged three year cash payment, share issuance and exploration expenditures obligation that began in October 2009 (Mega Precious Metals Inc. is the Operator for this project). The Headway Property has the distinction of being one of the best-positioned exploration land packages within the entire Red Lake gold camp. It is situated in close proximity to two high-grade world-class gold mines, the Campbell Mine (formerly Placer Dome Inc.) and the Red Lake Mine (both now Goldcorp Inc.). The other property that involves an option agreement is the **Cameron Lake Property (Meston & Sullivan prospects)** located in the Rowan Lake Area of the Kenora Mining Division of Ontario. That property was optioned to Cameron Lake JEX Corporation, a subsidiary of Coventry Resources Limited (a junior mineral resource company based and listed in Australia as ASX: CVY - see the news release of September 8th, 2010). Cameron Lake JEX is the operator of the project during the earn-in period. It can earn an 80% stake in the property by making certain cash and share issuances to Lasir Gold Inc. (the original vendor in a deal originally announced in a news release dated March 3rd, 2010), by making a \$15,000 cash payment to King's Bay Gold (paid on March 2nd, 2011), and by expending \$1,000,000 in exploration and development on the property on or before February 16th, 2014. Upon completion of the earn-in provisions, King's Bay Gold will retain a 20% interest in the property and both companies will then negotiate an agreement as per the terms that are customary for an 80 / 20 joint-venture.

Other properties controlled by the Corporation that were acquired either by staking or by option agreement over the past several years include: the **Halkirk-Watten Property** (acquired by staking in 2005, 2006 and 2010), the **Brooks Lake Property** (aka Hook Bay of Helena Lake acquired by staking in 2003 and 2010), the **Raleigh Lake Property** (acquired via option agreements as announced in news releases dated October 29th, 2009 and June 16th, 2010); the **Menary Gold Project** (acquired via an option agreement with Western Troy Capital Resources Inc. and William McNerney as the vendors for 1 patented and 3 unpatented claims as announced on January 20th, 2010; a second option agreement for 6 claims with Luc Gagnon as the vendor and as announced on August 26th, 2010; 6 additional claims that were acquired by staking in October 2011; and a third option agreement was announced on May 7th,

2012 for 2 claims with Perry English, acting on behalf of Rubicon Minerals Corporation, as the vendor), and finally, the **Darkwater Gold Mine at Sturgeon Lake Claims** (acquired via staking in 2010). For detailed property descriptions and proposed work programs, see the section herein entitled *Ongoing Business Objectives and Key Properties* or on the Corporation's website at www.kingsbaygold.com or in the public filings at www.sedar.com.

Unfortunately due to the ongoing volatility in the stock markets and the deepest and longest economic recession since the Second World War, the Corporation, like many others involved in mineral exploration, had some difficulty in raising new capital during 2008 and during the first 9 months of fiscal 2009. As such, the Corporation had to discontinue several promising projects during the 2008 and 2009 fiscal years that it had acquired earlier on between 2002 and 2008. These difficult decisions were made with the belief that the Corporation's efforts and limited capital at the time should best be focused on fewer and more promising properties.

The Corporation's goal will always be growth. The quality of the Corporation's projects, an aggressive acquisitions strategy based mostly on acquiring properties near present and past producers, and the proven background of the management team may allow the Corporation to become an emerging leader in the Canadian mining industry. Strengthening the Corporation's management team and Board of Directors, and by acquiring promising exploration projects, may provide shareholders with an opportunity to increase the value of their investments over the long term. Through the exploration and development of its properties, the Corporation's longer-term goals are to identify economically viable ore deposits and to advance its projects to the feasibility stage. At this time, the Corporation has no intentions or plans of becoming a small to medium tier minerals producer.

Key personnel of the Corporation: **Kyle Picard** – Director, President & Chief Executive Officer (interim appointment – see the news release of June 24th, 2011) and Corporate Secretary; and **Ray Préfontaine** B.A., B.Comm. (Hons.) – Chief Financial Officer. The Qualified Person as defined under National Instrument 43-101 for work performed at each property and / or project is subject to change from time-to-time on a go forward basis from the date of this document. At the present time, **Russell Crosby M.Sc., P.Geo** is the Qualified Person as defined under National Instrument 43-101 for the Brooks Lake Property (aka Hook Bay of Helena Lake), the Menary Gold Project, the Halkirk-Watten Property, the Raleigh Lake Property and the Darkwater Gold Mine at Sturgeon Lake Claims.

Although the Corporation has numerous properties, for the purposes of this 2011 Annual Information Form dated June 12th, 2012 and in reference to the major projects to be undertaken in the remainder of fiscal 2012, all dependent on the Corporation's financial situation, the principal properties that are active at this time are (i) the **Headway Project** optioned to and presently being operated by Mega Precious Metals Inc.; (ii) the **Cameron Lake Property (Meston & Sullivan prospects)** optioned to and presently operated by Cameron Lake JEX Corporation, a subsidiary of Coventry Resources Limited, and (iii) the **Menary Gold Project**, where plans call for more diamond drilling, logging, mapping, trenching, washing, channel sampling and geophysical interpretation by the Corporation in 2012.

BUSINESS ENVIRONMENT and OUTLOOK

Over the next several years, the Corporation expects to continue to acquire interests in additional properties. Whenever possible, the Corporation will expand its drilling, exploration and development activities to further support exploration both internally and in possible additional earn-in option agreements and joint ventures with other companies. Economic turmoil, stock market volatility and weak base metal commodity prices were hampering the levels of capital inflows into the mining and mineral exploration industries during late 2008 and into most of 2009. That situation began to slowly improve for the industry as a whole at the start of the 4th quarter of 2009 and through 2010. However, concern and uncertainty over the European sovereign debt crisis and the debt ceiling crisis in the United States has led to a challenging 2011 and 2012 year-to-date, as capital markets tightened once again. In spite of these macro-economic problems, and given the relative strength of the price gold and of other mineral commodities at this time, staking and drilling activity in and around the Corporation's properties is continuing to expand, notably in the Red Lake, Kenora, and Rainy River gold camps of northwestern Ontario. With a continued focus on exploration for gold, subject to the availability of equity financing, management believes that going forward into the remainder of fiscal 2012 and beyond, the long-term prospects for the Corporation remain positive.

MINERAL RESOURCES and MINERAL RESERVES

The Corporation has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

MINING OPERATIONS

The Corporation has no mining operations.

GENERAL DEVELOPMENT of the BUSINESS for the 4 YEAR period prior to DECEMBER 31st, 2010

The following is a brief description by date of the general development of the Corporation's business during a 4 year period from January 1st, 2007 up to and including December 31st, 2010:

January 3rd, 2007 – The Corporation announced that it had received \$588,500 from the exercise of warrants. The warrants had been exercised in December 2006 at different prices over a two-week period. They included the exercise of 707,788 warrants at \$0.31, 110,532 at \$0.35, 726,000 at \$0.40 and 80,000 at \$0.50. Management also stated that they were evaluating their financing options, talking to their joint-venture partners and making exploration plans for 2007.

January 10th, 2007 – Sentry Select Capital Corp. of Toronto, Ontario filed an Early Warning Report as at December 31st, 2006 (Alternative Monthly Report "AMR" under National Instrument No. 62-103). It reported that, as a result of recent transactions, one or more of its mutual funds or other managed client accounts held in the aggregate 3,798,500 shares of the Reporting Issuer at the end of the month of December 2006, representing, based on Sentry Select Capital Corp.'s understanding, approximately 11.23 % of the total shares outstanding. This represented a decrease of 10.45 % since the filing of the last AMR. The Early Warning Report stated that the securities were acquired for investment purposes only and not for the purposes of exercising control or direction over the Reporting Issuer. Sentry Select Corp. acts as an investment manager on behalf of its mutual funds and other managed client accounts and, in respect of the acquired shares, specifically disclaimed any beneficial ownership. Sentry Select Capital Corp. stated that its mutual funds or other managed client accounts may, from time to time, acquire additional shares, dispose of some or all of the existing shares or additional shares or may continue to hold the shares. The report was issued in reliance of the alternative reporting exemption described in National Instrument No. 62-103 respecting Early Warning Reporting. Neither Sentry Select Capital Corp. nor any of its accounts at the time intended to: (a) make a formal take-over bid for any of the securities of the Reporting Issuer; or (b) propose a reorganization, amalgamation, merger, arrangement or similar business combination with the Reporting Issuer which would result in Sentry Select Capital Corp.'s mutual funds or other managed client accounts controlling the issuer, alone or with others.

January 10th, 2007 – RAB Special Situations (Master) Fund Limited ("Special Situations") reported under Alternative Monthly Report under Part 4 of National Instrument 62-103 as at December 31st, 2006 that since the last report filed by Special Situations under Part 4 for the Issuer, there was a net decrease in Special Situation's holdings of 1,600,000 common shares and 2,000,000 warrants of the Issuer representing a net decrease of 18.02 % in Special Situation's security holdings percentage for that class of the Issuer's securities. As at December 31st, 2006, Special Situations held 400,000 shares and 0 warrants of the Issuer. The securities represented approximately 1.23 % of the issued and outstanding shares of the Issuer on a partially diluted basis (assuming exercise in full of all convertible securities of the Issuer held by Special Situations). Special Situations disposed of the securities for investment purposes only and not with the purpose of influencing the control or direction of the Issuer. Special Situations stated that it may in the future, subject to market conditions, make additional investments in or dispositions of the Issuer's securities. However, Special Situations does not intend to acquire 20 % or more of any class of the outstanding voting or equity securities of the Issuer.

February 6th, 2007 – Announced that it had commenced exploration at the high-grade Helena Lake claims by starting 25 kilometres of line-cutting. Upon completion of the line-cut grid, the Corporation would then proceed with a detailed geophysical program consisting of ground magnetics and a VLF-EM survey. It noted that access to this high-grade gold property was very limited in the past, but in 2006, lumber companies built numerous roads and trails right up to the claims to retrieve their timber and that all of this has opened up new opportunities to explore and develop the claims.

February 13th, 2007 – The Corporation announced that it had granted a total of 1,000,000 incentive stock options for the purchase of up to 1,000,000 common shares of the company at a price of \$0.55 per share to Directors / Officers / Employees, expiring February 12th, 2012.

February 20th, 2007 – The Corporation, along with and on behalf of Mainstream Minerals Corporation as 50 / 50 joint-venture partners, the acquisition by way of staking of 90 claim units (3,600 acres) near Woman Lake in Goodall Township, Red Lake Mining District, Ontario. This new property was staked on its geological merits after a thorough review of historical data on the area from the government assessment files. Many gold-bearing quartz veins, stringers and shear zones are known to exist on this prospect. The setting is deemed exceptionally favorable and has not been systematically explored using the new technologies. These claims are located about 3 kilometres north of the South Bay Mine which once produced approximately 1.6 million tons of 1.5 % copper and 10.0 % zinc. It is also located about 5 kilometres north of the Bobjo Mine project. Along with the Bobjo Mine project, the joint-venture partners now owned at that time a total of 185 claim units (7,400 acres) in the area. There are six past producing gold operations within a 12 kilometre radius of these claims as well as numerous gold occurrences that are documented in geological reports and government publications.

February 27th, 2007 – The Corporation announced that it completed its Phase 1 exploration program on Goldcorp Inc.'s (TSX:G) 117-claim Rowan Lake gold project, Red Lake, Ontario. Although the work undertaken during 2006 did yield some significant results, some good grades but over narrow widths, management felt that its exploration efforts and capital would be better spent at that time in the continued exploration at its more promising Bobjo Mine, Helena Lake and Pickle Lake projects. As a result of these developments, the Corporation announced on February 27th, 2007 its decision not to maintain its option agreement with Goldcorp Inc. to earn up to a 50 % interest in this Rowan Lake Gold Project.

February 27th, 2007 – The Corporation announced that it and its joint-venture partner Richview Resources Inc. were proceeding with a surface exploration program on their Pickle Lake gold property. Since the exchange of holdings announced earlier on October 30th, 2006, the joint venture was now 75 % Richview and 25 % King's Bay with Richview being the Operator. Richview informed King's Bay that the initial work would consist of establishing grid lines over the SW Powderhouse Zone and conducting a gradient magnetic survey to more accurately establish a strike continuity of the iron formation in the swampy areas to the east and west. A digitization of historical exploration and drilling was also underway and the results of this work would be incorporated into the final result. The initial budget for this program was estimated at \$120,000 and would provide additional information that would assist in the planning of a future drill program that would in turn be used to assess the zones at depth. In addition, Richview had undertaken a review of the previous drilling conducted on the property in 2004 and 2005. A total of 278 samples were taken during the re-logging process. These samples were to be taken above and below existing sampled intervals to ensure that the entire zone will be assayed. Other samples were to be taken over previously unsampled intervals that were deemed to have potential as host to gold mineralization due to similarities to other parts of the iron formation that returned some significant results in the initial sampling. A total of 35 holes were drilled in 2004 and 2005 at a cost of approximately \$1,000,000 and Accurassay Laboratories in Thunder Bay, Ontario, assayed all of the samples. The diamond drill holes intersected numerous gold bearing zones at near surface (0 to 500 feet) in a large heavily mineralized banded iron formation.

March 15th, 2007 – Announced that it had called for a National Instrument 43-101 Technical Report to be written on the Headway Project, located directly adjacent to one of the world's richest gold mines (Goldcorp's Red Lake Mine), Red Lake, Ontario. The patented claim group is located approximately 400 metres southwest of Goldcorp's southwest dipping high-grade zone at the Red Lake Mine. This joint venture property is 75 % King's Bay Gold, 15 % Richview Resources and 10 % Palomino Mining (a private company).

March 23rd, 2007 – The Corporation announced the acquisition by option (subject to regulatory approval) of a new uranium project comprised of some 226 claim units totaling 9,000 acres known as Pennock Lake, in the vicinity of Setting Net Lake, in the Favourable Lake area of northwestern Ontario. These new claims cover a large number of documented uranium occurrences. These surface occurrences are also correlated by a government Airborne Radiometric Survey that has identified many new uranium radiometric anomalies that the Corporation believes could be instrumental in assisting it in locating additional uranium showings. Two parallel faults also traverse the claims in a southeast / northwest direction. All of the uranium showings are located south of the main fault system traversing the property. The project also hosts many zinc, copper, silver and molybdenum showings. King's Bay could acquire a 100% interest in the property by making the following payments to the vendor: a) \$20,000 on signing and issue 40,000 common shares upon approval from the TSX Venture Exchange; b) \$10,000 and issue 40,000 shares upon the first anniversary; c) \$15,000 and issue 40,000 shares upon the second anniversary; d) \$20,000 upon the third anniversary and \$30,000 upon the fourth anniversary. The vendor would retain a 2% net smelter return royalty, which King's Bay has the right to purchase 1% for \$1,000,000 at any time. Given the recent and substantial increases in the value of this commodity at the time, the Corporation had been looking for a promising uranium project for some time. The Corporation believed that this new acquisition would bring with it a welcomed diversification to its portfolio of projects that are currently and mostly focused on gold.

June 18th, 2007 – Reported that the Corporation and its joint venture partner, Mainstream Minerals Corporation (TSX.V: MJO, a newly publicly listed company as at June 13th, 2007), received more high-grade gold results and completed a major geophysical program on their joint venture Bobjo Mine, located in Earnsey and Agnew Townships, Red Lake, Ontario. Recent sampling from mineralized quartz veins, stringers, shears, contact material between the veins and mafic volcanics returned more high-grade gold results. Highlights included 138.3 g/t Au, 67.9 g/t Au, 67.2 g/t Au, 53.0 g/t Au, 50.4 g/t Au, 36.5 g/t Au, 32.3 g/t Au, etc. The exploration program also consisted of 105.2 km's of line-cutting followed by ground magnetic and VLF-EM surveys. The surveys were conducted by Dan Patrie Exploration Ltd. for the purposes of establishing areas of magnetic elevations, magnetic lows and VLF cross-overs that help define structures and conductors. The readings were taken along lines that were spaced at 25 and 100 metres apart and at 25 metre station intervals. The surveys produced high and low areas of magnetic levels and VLF cross-overs which is typical for many gold properties in the Red Lake camp. The surveys proved very successful in finding 2 parallel high magnetic anomalies 200 to 2000 nT above the background running parallel to the base line and also to the west side of the grid and running north-south along the entire length of the grid and open to the north and south. These surveys can be seen at www.kingsbaygold.com. The samples were taken with the help and strict supervision of John Archibald B.Sc. (Hons.), P.Geo., Ron Rivet, King's Bay Gold's Exploration Coordinator and Gerald L. Colborne, B.Sc., M.Sc., P.Eng., P.Geo., F.G.A.C., M.C.I.M.. Mr. John Archibald was the Qualified Person under National Instrument 43-101 for this project. All of the samples reported were analyzed by Accurassay Laboratories of Thunder Bay, Ontario, using the standard fire assay method

June 26th, 2007 – The Corporation announced that it and its joint venture partner Mainstream Minerals Corporation (TSX.V: MJO) were proceeding with a first phase \$1,000,000 diamond drill program on their high-grade gold Bobjo Mine Project, Red Lake, Ontario.

June 26th, 2007 – Computershare Trust Company, the Corporation's transfer agent, filed the Notice of Meeting on www.sedar.com. The Annual General Meeting of Shareholders date and location were announced as August 21st, 2007 in Red Lake, ON. The Record Date for Voting the Class A common shares was set at July 17th, 2007.

June 28th, 2007 – The Annual Information Form for the year ended December 31st, 2006 and dated June 15th, 2007 was filed on www.sedar.com.

July 8th, 2007 – The Corporation announced the acquisition by option agreement (subject to regulatory approval) of a new gold and base metal property located in the Red Lake Mining District of northwestern Ontario. The Shabu Lake property was comprised of 16 claims totaling 230 units (9,200 acres) immediately adjacent and on strike to the past producing Bathurst Mine, Red Lake, Ontario. These new claims cover a number of documented gold, nickel and copper occurrences with significant historical drill intersections. This property was located approximately 30 kilometres northwest of the company's joint-ventured Bobjo Mine Property where drilling was ongoing at the time.

King's Bay could acquire a 100% interest in the Shabu Lake property by making the following payments to the vendor: a) \$22,000 on signing and the issuance of 30,000 common shares upon approval from the TSX Venture Exchange; b) \$12,000 and issue of 30,000 shares upon the 1st anniversary; c) \$16,000 and issue of 40,000 shares upon the 2nd anniversary; d) \$24,000 upon the 3rd anniversary and e) \$30,000 upon the 4th anniversary. The vendor retained a 2% net smelter return royalty, which King's Bay has the right to purchase 1% for \$1,000,000 at any time.

July 9th, 2007 – The National Instrument 43-101 Technical Report covering the Headway Property (NTS 52 N/4 SW – Dome and Balmer Townships – Red Lake District – Red Lake, ON) dated February 23, 2007 as prepared by John Archibald B.Sc., P.Geo., the Qualified Person under National Instrument 43-101 at the time, was filed on www.sedar.com. The covering letter in the 58 page report, also dated February 23rd, 2007, summarized the contents thereof as follows – “It is evident, after careful study of the available information on the Headway Property claims, that the group has the potential to host economic gold mineralization. The reference material used to prepare this report is available in the author's office and in the Ministry of Northern Development and Mines, Resident Geologist's Office in Red Lake, Ontario. A diligent effort and a recommended, comprehensive exploration program with a proposed \$2,911,425 (Cdn.) exploration budget, is required for a comprehensive evaluation of the potential of the Headway Property with regards to finding an economic gold deposit.”

July 16th, 2007 – Announced a non-brokered private placement of \$1,000,000 through the sale of 1,818,181 Flow-through Units at \$0.55 each to the MineralFields Group. The news release stated – “Each Flow-through Unit will consist of one flow-through common share, and one non-flow-through common share purchase warrant having a term of 24 months from date of issue and an exercise price of \$1.00 in year 1 and \$1.50 in year 2. In arranging this financing, First Canadian Securities®, a Division of Limited Market Dealer Inc. (“the Finder”), will receive a 5 % cash finder's fee and 24 month non-flow-through finder's fee common share purchase warrants equal to 10 % of the number of units subscribed for, at an exercise price of \$0.55 per unit. King's Bay Gold Corporation will also pay to the Finder a due diligence fee of \$20,000 equal to 2 % of the aggregate proceeds from the non-brokered private placement. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc. King's Bay Gold Corporation intends to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property, where drilling is presently ongoing, and at its other projects.”

July 18th, 2007 – The Corporation announced the closing of the non-brokered private placement of \$1,000,000 through the sale of 1,818,181 Flow-through Units at \$0.55 each to the MineralFields Group as first announced on July 16th, 2007.

August 2nd, 2007 – Computershare Trust of Canada filed on www.sedar.com the Form of Proxy for the Annual General and Special Meeting to be held on August 21st, 2007. It is noted therein that the Form of Proxy is being solicited by and behalf of Management.

August 2nd, 2007 – The Notice of Annual and Special General Meeting of Shareholders was filed on www.sedar.com. The covering page stated – “This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Annual and Special General Meeting of the Shareholders of the Company to be held at The Red Lake Inn, Red Lake, Ontario on August 21st, 2007 at 9:30 AM in the morning (Red Lake time) for the purposes set out in the accompanying notice of the Meeting. While it is expected the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers or employees of the Company. All costs of this solicitation will be borne by the Company.”

August 13th, 2007 – In a news release, the Corporation was deeply saddened to announce the recent passing of Gerald Colborne on July 28th, 2007. Mr. Colborne had been a director of King's Bay Gold since August 12th, 2003. He was a Director and President and CEO of the newly TSX.V-listed Mainstream Minerals Corporation. The entire Board and Management expressed their sympathies and condolences to his wife and family circle. Mr. Colborne had been nominated for re-election to the Board of Directors at the upcoming Annual General Meeting of Shareholders scheduled for 9:30 AM Tuesday August 21st, 2007 at the Red Lake Inn in Red Lake, Ontario. The news release reported that Board was currently in discussions with potential nominees to fill this vacancy for election to the Board at the Annual General Meeting of Shareholders. It was noted that Gerald's enthusiasm, commitment and dedication set him apart as one of the outstanding leaders in our industry. His service to the Corporation was unconditional and selfless. He will be remembered as a role model and friend that will be greatly missed.

August 21st, 2007 – The Annual General Meeting of Shareholders was held at The Red Lake Inn, Red Lake, Ontario on August 21st, 2007 at 9:30 AM in the morning (Red Lake time) for the purposes set out in the Notice of the Meeting and Information Circular.

August 24th, 2007 – The Corporation announced, subject to the approval of the TSX Venture Exchange Inc., the election of Lawrence Shewchuk to the Board of Directors at its recent Annual General Meeting of Shareholders held on August 21st, 2007 in Red Lake, Ontario. Mr. Shewchuk was nominated and elected by the shareholders present at the meeting. He replaced the vacancy left by the sudden passing of Mr. Gerald Colborne on July 28th, 2007. Mr. Colborne, a director since August 12th, 2003, had been nominated for re-election to the Board of Directors at this Annual General Meeting of Shareholders. All of the other directors nominated as a slate in the Notice of Annual and Special General Meeting and Information Circular of July 18th, 2007 were re-elected to the Board of Directors. Mr. Shewchuk is a businessman, community leader and longtime resident of Red Lake, Ontario.

August 29th, 2007 – Announced in a news release (subject to regulatory approval) the acquisition by option agreement of the Sakoose Gold Mine property located in Melgund Township near Dryden, Ontario. The property is comprised of 6 claims totaling 19 claim units (approximately 760 acres). The Sakoose Gold Mine produced gold from 1897 to 1902 until operations were suspended when the mill burned down in 1902. During that time, it was only mined to a depth of approximately 60 metres. Production totaled 3,669 ounces of gold from the 8,828 tons extracted (= 0.41 oz Au / ton). There is an estimated 50,000 tons remaining in the deposit. It is open along strike in both directions and at depth. *(The calculations and results shown in the news release were pre-National Instrument 43-101 and are therefore not compliant with National Instrument 43-101 requirements. The Company is not treating the historical estimates and results as accurate or current. Readers are cautioned not to place undue reliance on these historical estimates and results.)*

The property had seen limited exploration since 1902 and most of the past drill holes were at shallow depths. Other zones outside the original underground workings were discovered in 1988 but were not systematically followed-up. Some of these holes are indicating a possible down plunge extension of the main zone to the west and will need to be followed-up. Access to this property is excellent via a 6 km gravel road leading south from Borups Corners (54 kilometres east of Dryden) on the Trans Canada Highway. The Canadian Pacific Railway, a natural gas pipeline and a hydro-electric power grid all pass within 10 km of the property. At the time, King's Bay was compiling all the data for a future exploration program. The option agreement for the Sakoose Gold Mine property provided that King's Bay could acquire a 100% interest in the property by making the following payments to the vendor: a) \$10,000 on signing and the issuance of 40,000 common shares upon approval from the TSX Venture Exchange; b) \$15,000 and the issuance of 40,000 shares upon the first anniversary; c) \$20,000 and the issuance of 40,000 shares upon the second anniversary; d) \$25,000 upon the third anniversary and e) \$35,000 upon the fourth anniversary. The vendor will retain a 2% net smelter return royalty, which King's Bay has the right to purchase 1% for \$1,000,000 at any time.

August 29th, 2007 – In the same news release noted above, the Corporation reported that it had just been informed by Mainstream Minerals that the diamond drilling at the Bobjo Mine project was ongoing and progressing well. At that time, sixteen holes had been completed and samples from the first ten holes have been sent to the labs for assaying. The samples from the first five holes were sent to Accurassay Laboratories of Thunder Bay, Ontario.

September 18th, 2007 – At the request of the Corporation, the stock was halt-traded on the TSX Venture Exchange Inc. pending a news release. Trading resumed later in the morning of September 19th, 2007 after the following news dated that same day was released.

September 19th, 2007 –In a joint news release, the Corporation and its partner, Mainstream Minerals Corporation, were pleased to announce they had received the first results from their Phase 1 diamond drilling program on the Bobjo Mine Project. The news release was verified and approved by John Archibald B.Sc., P.Geo., the companies reported that the first nine initial exploratory diamond drill holes cut through numerous high-grade gold bearing structures at or near surface. Recent stripping and washing also exposed a large quartz vein system that is open in all directions and at depth. It was noted that all nine holes reported intersected gold mineralization at shallow depths that could be amenable to open pit mining. True widths are not known.

Highlights of this initial exploratory Phase 1 diamond drilling program include: 93.090 g/t Au (grams per tonne) over 0.20 metres; 32.950 g/t Au over 1.10 metres; 29.010 g/t Au over 0.30 metres; 20.030 g/t Au over 0.50 metres; 18.184 g/t Au over 0.50 metres; 15.659 g/t Au over 0.50 metres; 12.001 g/t Au over 0.50 metres; 11.301 g/t Au over 0.80 metres; 10.950 g/t Au over 1.40 metres; 8.701 g/t Au over 1.10 metres; 8.450 g/t Au over 3.40 metres; 6.847 g/t Au over 1.00 metres; 6.787 g/t Au over 0.50 metres; 6.290 g/t Au over 0.80 metres; 6.250 g/t Au over 1.50 metres. The samples from the first five holes were analyzed by Accurassay Laboratories of Thunder Bay, Ontario. The remainder, including all future samples, will be analyzed by SGS Canada Inc.'s laboratory in Red Lake, Ontario. John Archibald B.Sc. (Hons.), P.Geo. was the Qualified Person under National Instrument 43-101 for this project. Both companies reported that they were very encouraged with these initial high-grade gold results at very shallow depths and with the many gold intersections in the holes. They also reported that drilling is ongoing and would continue to test areas of this large quartz vein system that is open in all directions and at depth. At that time, the partners were also waiting for the assay results of Holes #10 through #15, which would be released immediately upon receipt and verification. The September 19th, 2007 news release also stated that a third larger diamond drill was moved to the property for deeper drilling once the majority of the veins seen on surface had been drill tested. The partners noted that they were fortunate to have two diamond drill rigs, a timberjack and bulldozer on the property belonging to King's Bay. This equipment gives the partners the ability to adjust and anticipate drilling other targets as they become available and possibly continue into a winter program. It was further noted that an existing power line passes through the southern part of the property and that the property is within trucking distance to the Placer Dome / Goldcorp Mill in Red Lake, Ontario.

October 10th, 2007 – Sentry Select Capital Corp. reported with an Alternative Monthly Reporting under National Instrument No. 62-103 re: Early Warning Reporting System on www.sedar.com, that as a result of recent transactions, one or more of its mutual funds or other managed client accounts held an aggregate 2,420,000 warrants of King's Bay Gold Corporation (the Reporting Issuer) as at September 30th, 2007 representing, based on Sentry Select Capital Corp.'s understanding, approximately 6.47 % of the total warrants outstanding. This represents a decrease of 1.07 % since the filing of the last Alternative Monthly Report. The securities were acquired for investment purposes only and not for the purposes of exercising control or direction over the Reporting Issuer. Sentry Select Capital Corp. acts as an investment manager on behalf of its mutual funds or other managed client accounts and, in respect of the acquired warrants, specifically disclaims any beneficial ownership. It was noted that Sentry Select Capital Corp. mutual funds or other managed client accounts may, from time to time, acquire additional warrants, dispose of some or all of the existing warrants or additional warrants or may continue to hold the warrants. Sentry Select Capital Corp. has not entered into any acquisition agreements with King's Bay Gold Corporation, or any other entity in respect to the common warrants. Except with respect to its investment management relationship with its clients, Sentry Select Capital Corp. is not a joint actor with anyone else in connection with this Alternative Monthly Report. This report had been issued in reliance of the alternative reporting exemption as described in National Instrument No. 62-103 respecting Early Warning Reporting. Neither Sentry Select Capital Corp. nor any of its accounts at the time intended to: (a) make a formal take-over bid for any securities of the Reporting Issuer; or (b) propose a reorganization, amalgamation, merger, arrangement or similar business combination with the Reporting Issuer which would result in Sentry Select Capital Corp.'s mutual funds or other managed client accounts controlling the issuer, alone or with others.

October 22nd, 2007 – At the request of the Corporation, the stock was halt-traded on the TSX Venture Exchange Inc. in the early afternoon of October 22nd, 2007 pending a news release. Trading resumed late in the morning of October 23rd, 2007 after the following news dated that same day was released.

October 23rd, 2007 – Along with its partner, Mainstream Minerals Corporation, the Corporation announced that it had received additional results from the Phase 1 diamond drilling program at the Bobjo Mine project for Holes #10 to #14. The partners noted that they were pleased to report that Hole #14 intersected a new gold zone returning 1.56 opt gold over 8 feet (53.61 g/t Au over 2.45 metres). Specks of gold were observed in this intersection. At that time, the partners were waiting for the results from a 40-foot heavily mineralized quartz carbonate zone that was intersected deeper in Hole #14. The mineralization therein was mainly comprised of pyrite, pyritite and some chalcopyrite. It was further noted that this 40-foot zone was sent to SGS Canada Inc.'s laboratory to be analyzed for gold and 32 elements using the ICP method. At that time, the partners were also awaiting the assay results of Holes #15 through #20. These would be released immediately upon receipt and verification.

October 25th, 2007 – In a news release, the Corporation along with its partner, Mainstream Minerals Corporation, were pleased to update their shareholders on a number of new developments at their high grade Bobjo Mine Project in Red Lake, ON. The partners were pleased to report the acquisition by way of staking of another 164 claim units totaling 6,560 acres to the north and south of, and immediately adjacent to, the existing land package. The Bobjo Mine Project was now comprised of 259 claim units totaling 10,360 acres which almost tripled the size of the land package for this high-grade gold project. King's Bay Gold and Mainstream Minerals also reported that an extra diamond drill rig was now on site and that a winter camp had been set up. The partners also reported that they were presently drilling Hole #27. Drilling is ongoing and will continue to test areas of this large quartz vein system that is open in all directions and at depth.

November 13th, 2007 – The Corporation along with its partner, Mainstream Minerals Corporation, were pleased to announce in a news release that they had received the final results of Hole #14 from their Phase 1 diamond drilling program on their Bobjo Mine Project. The partners were pleased to report that Hole #14 was very successful in intersecting a new high-grade gold zone at very shallow depths and a new Rare Metals and Rare Earth Elements discovery at a depth of 153 metres situated along a fault structure with an approximate ten-kilometre strike length.

Highlights of Hole #14 included (true widths are not known):

- (a) New 8 ft intersection with a grade of 1.56 opt gold (53.61 g/t Au over 2.45 metres) as reported in a news release dated October 23rd, 2007; and
- (b) New 40 ft intersection with a grade of 13.54 g/t Gallium (Ga), 21.50 g/t Scandium (Sc), 12.98 g/t Rubidium (Rb), 20.27 g/t Cerium (Ce), 8.25 g/t Lanthanum (La), 12.03 g/t Yttrium (Y), 1.83 g/t Ytterbium (Yb), 3.23 g/t Selenium (Se), 6.76 g/t Lithium (Li), 3.58 g/t Cadmium (Cd), 4.28 g/t Niobium (Nb), 2.25 g/t Hafnium (Hf), 38.57 g/t Cobalt (Co), 79.29 g/t Vanadium (V), 83.61 g/t Strontium (Sr), and 96.53 g/t Zirconium (Zr).

Although not actively traded, some of these metals and minerals listed in (b) above have economic and strategic value. The data found within the news release was collected from the United States Geological Survey (USGS) minerals information site. In addition, recent selling prices for rare metals and rare earth elements can be seen at <http://www.elementsales.com/>.

November 20th, 2007 – The partners were pleased to report in a news release dated that Hole #16 was very successful in intersecting more Rare Metals and Rare Earth Elements at depth. This Hole #16 intersected the zone at a depth of 258 metres right below Hole #14, which intersected the zone at a depth of 153 metres. This zone is situated along a fault structure with an approximate ten-kilometre strike length.

Highlights of Hole #16

True widths are not known

- 1.2 metre intersection grading 4.59 g/t Au at a depth of 0.5 metres to 1.7 metres
- 1.0 metre intersection grading 2.55 g/t Au at a depth of 7.0 metres to 8.0 metres, and
- 43.6 ft intersection with a grade of 11.01 g/t Gallium (Ga), 16.53 g/t Scandium (Sc), 25.85 g/t Rubidium (Rb), 15.36 g/t Cerium (Ce), 6.53 g/t Lanthanum (La), 9.30 g/t Yttrium (Y), 3.77 g/t Selenium (Se), 11.44g/t Lithium (Li), 1.00 g/t Cadmium (Cd), 1.35 g/t Thorium (Th), 2.94 g/t Niobium (Nb), 1.40 g/t Hafnium (Hf), 48.57 g/t Cobalt (Co), 86.55 g/t Vanadium (V), 70.51 g/t Strontium (Sr), and 52.15 g/t Zirconium (Zr) at a depth of 258 metres.

All of the above samples were analyzed by SGS Canada Inc.'s laboratory in Red Lake, Ontario. The November 20th, 2007 news release also noted that this new rare metals and rare earth element discovery had just brought a whole new dimension to this exploration project. The partners did not assay the entire mineralized zone, which was actually more than double in size than the section that was analyzed and reported in the news release. The remainder of the zone would, at the time, be sent for assay a little later and would be tested for all the rare earth elements. Hole #15 had no significant values and was drilled in a different area.

December 3rd, 2007 – The Corporation announced in a news release that it has granted a total of 440,000 incentive stock options for the purchase of up to 440,000 common shares of the Corporation at a price of \$0.39 per share to Directors / Officers / Consultants, expiring December 2nd, 2012.

December 17th, 2007 – Announced in a news release that the Corporation was arranging a non-brokered private placement of \$1,000,000 through the sale of 1,923,077 flow-through units at \$0.52 each to Stone Asset Management Limited of Toronto, Ontario. At that time, it was anticipated that the closing of this transaction would occur on or before December 21st, 2007. Each flow-through unit would consist of 1 flow-through common share and one-half (1/2) non-flow-through common share purchase warrant having a term of 18 months from the date of issue and an exercise price of \$0.65. The shares issued in connection with this offering would be subject to a four-month plus one-day hold period. The closing of this offering was also subject to the approval of the TSX Venture Exchange Inc. The Corporation announced that it intended to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property and at its other projects.

January 2nd, 2008 – Announced the closing on December 31st, 2007 of the non-brokered private placement of \$1,000,000 through the sale of 1,923,077 flow-through units at \$0.52 each to Stone Asset Management Limited of Toronto, ON as first announced on December 17th, 2007. The December 17th, 2007 news release stated that the Corporation was arranging a non-brokered private placement of \$1,000,000 through the sale of 1,923,077 flow-through units at \$0.52 each to Stone Asset Management Limited of Toronto, Ontario. At that time, it was anticipated that the closing of this transaction would occur on or before December 21st, 2007. Each flow-through unit would consist of 1 flow-through common share and one-half (1/2) non-flow-through common share purchase warrant having a term of 18 months from the date of issue and an exercise price of \$0.65. The shares issued in connection with this offering were to be subjected to a four-month plus one-day hold period. The closing of this offering was also subject to the approval of the TSX Venture Exchange Inc. The Corporation announced that it intended to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property and at its other projects.

January 3rd, 2008 – A Material Change Report pursuant to Section 7.1 of National Instrument 51-102 is filed on www.sedar.com in relation to the private placement offering of 1,923,077 Units as announced in the news releases of December 17th, 2007 and January 2nd, 2008.

January 8th, 2008 – The partners were pleased to announce in a news release that they had received the results of seven more holes (Holes #17 to #23 inclusive) from their Phase 1 diamond drilling program at the Bobjo Mine Project. The January 8th, 2007 news release also recapped all of the material results obtained to date within this Phase 1 program and commented on the following preliminary rare metals and rare earth elements results from Hole #20 and commented that Hole #23 was recently sent to the lab for analysis. It was noted that Holes #14, 16, 20 and 23 are situated along a fault structure with a possible ten-kilometre strike length. All of the samples found therein were analyzed by SGS Canada Inc.'s laboratory. The news release also stated that Holes #24 to 27 were to be sent to the lab very shortly, that all zones are open in all directions and at depth, and that crews were now on site preparing for the start of a Phase 2 \$1,000,000 exploration program (since increased to \$2,000,000). John Archibald B.Sc. (Hons.), P.Geo. is the Qualified Person under National Instrument 43-101. True widths are not known.

Hole #20 - This hole intersected a **126 ft** mineralized quartz carbonate zone. The partners only sent a few small sections for a quick test and plan on sending the entire zone to the lab very shortly. This zone was intersected from 194.8 metres to 233.0 metres. Sections sent included: From 194.8 to 197.4 metres, 203.8 to 204.1 metres, 216.5 to 217.0 metres, 220.0 to 221.0 metres, 224.0 to 224.4 metres, 226.4 to 227.0 metres and 232.7 to 233.0 metres. The average grades obtained from these sections include: 18.72 g/t Gallium (Ga), 21.42 g/t Scandium (Sc), 13.76 g/t Rubidium (Rb), 28.18 g/t Cerium (Ce), 11.85 g/t Lanthanum (La), 16.00 g/t Yttrium (Y), 5.00 g/t Selenium (Se), 11.09 g/t Lithium (Li), 3.42 g/t Cadmium (Cd), 1.48 g/t Thorium (Th), 6.19 g/t Niobium (Nb), 3.33 g/t Hafnium (Hf), 2.04 g/t Ytterbium (Yb), 42.37 g/t Cobalt (Co), 62.63 g/t Vanadium (V), 44.86 g/t Strontium (Sr), and 128.80 g/t Zirconium (Zr).

Hole #23 - This hole intersected a **250 ft** mineralized quartz carbonate zone. In the January 8th, 2008 news release, it was noted that this zone was recently sent to SGS Canada Inc. for analysis.

February 26th, 2008 – Announced a non-brokered private placement which was anticipated to close on February 29th, 2008. An aggregate of 2,000,000 Units would be offered to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, at a purchase price of \$0.25 per Unit, for aggregate subscription proceeds of up to \$500,000. A finder's fee equal to 8 % of the subscription proceeds would be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each Unit offered would consist of one Class A common share of the Issuer (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant would entitle the holder thereof to purchase one Common Share of the Issuer at an exercise price of \$0.30 per Warrant for a period of twenty four months following the date of issuance. The Corporation announced that it intended to utilize the proceeds from this non-brokered private placement for the general working capital purposes and for the maintenance of the property claims. The shares issued in connection with this offering were subject to a four-month plus one-day hold period. The closing of this offering was subject to the approval of the TSX Venture Exchange Inc.

February 29th, 2008 – The Corporation announced the closing of the non-brokered private placement as first announced on February 26th, 2008. A total of 1,363,000 Units (equivalent to 1,363,000 common shares and 1,363,000 warrants) were purchased by subscribers resident in British Columbia, Manitoba and Ontario, at a purchase price of \$0.25 per Unit, for gross subscription proceeds of \$340,750. A finder's fee equal to \$1,000 was paid to Wellington West Capital Inc. for its services in introducing certain subscribers to the offering.

February 29th, 2008 – The Corporation filed on www.sedar.com a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 in regards to the non-brokered private placement which closed on the same date.

March 3rd, 2008 – In a news release, the Corporation and its joint-venture partner, Mainstream Minerals Corporation were pleased to announce the commencement of a large Phase 2 diamond drilling program at their Bobjo Mine Project located in Earnsey and Agnew Townships, Red Lake, Ontario. The company was pleased to announce the commencement of its largest exploration program ever at one project which will involve 15,000 metres of drilling using two machines with one being a large machine from an independent drilling contractor equipped for deep drilling. The initial 2007 Phase 1 exploration program consisted of 5,300 metres included a new high-grade gold discovery with gold being intersected in the majority of holes. It also included a new rare metals and rare earth elements discovery that could possibly prove to be very valuable because of the ever increasing industrial and consumer demand for such materials. The decision to commence this large Phase 2 drilling program came about after an extensive study and compilation of all available government and geophysical data outlining numerous positive drill targets. The joint venture partners also stated that they wanted to follow-up the results achieved in the very successful initial 2007 Phase 1 diamond drilling program. The work presently being carried out by the partners represents the first modern, systematic exploration of this property since 1929.

Phase 2 Bobjo Drill Targets - Many drill targets have been established and prioritized. The first three drill targets will include:

- 1) Follow up drilling in the area of the new high-grade gold discovery.
- 2) Follow up drilling in the area of the new rare metals and rare earth elements discovery.
- 3) Testing of a large Magnetic High located approximately 2,000 metres to the south of the old Bobjo Mine shaft where two conductors crisscross in the middle. Two parallel faults and two parallel cross faults also meet up at this same location. It is also located along a contact where the mafic volcanic rocks meet up with an intermediate to felsic volcanic zone. This target is on strike and in close proximity to the past producing Uchi Gold Mine.

The news release went on to summarize some of the other properties held by the Corporation for future exploration and development where targets include gold, diamonds, uranium, base metals, platinum and molybdenum.

March 14th, 2008 – The Corporation announced that it had granted a total of 335,000 incentive stock options for the purchase of up to 335,000 common shares of the Corporation at a price of \$0.30 per share to Directors / Officers / Consultants, expiring March 13th, 2013.

April 18th, 2008 – Computershare Trust Company of Canada, the Corporation's transfer agent, filed on www.sedar.com a Notice of Meeting to announce the upcoming Annual and Special Meeting of Shareholders to be held on June 17th, 2008 in Red Lake, Ontario. The Record Date for Notice of Meeting and the Record Date for Voting was established as May 13th, 2008.

April 23rd, 2008 – In a news release, the Corporation along with its joint-venture partner, Mainstream Minerals Corporation, were pleased to announce in a news release that high grade gold intervals characteristic of a Red Lake vein type deposit have been intersected in Hole # 25. This project continues to be the site of new discoveries that has so far included high-grade gold, strategic rare metals and rare earth elements. The partners were pleased to report the discovery of a new high-grade gold intersection of 19.61 g/t Au over 2.0 metres from 291.0 to 293.0 metres (true width is not known). These new results extended the existing mineralized zones and confirmed the depth extension.

April 27th, 2008 – The Corporation and its joint venture partner were pleased to announce in a news release that they had received additional results from Hole # 25 at the Bobjo Mine Project. This project continues to be the site of new discoveries that have so far included high-grade gold, strategic rare metals and rare earth elements. The partners had recently reported on April 23rd, 2008 the discovery of a new high-grade gold zone located approximately 150 metres south of the main zones at a depth of 291.0 to 293.0 metres. The partners also decided to test for rare metals and rare earth elements in a gold bearing quartz vein and are pleased to report that rare metals and rare earth elements are also present and combined within that gold bearing quartz vein. This new info has just increased the potential of all other quartz veins intersected so far. Additional testing will be needed. In summary, the results from Hole #25 are very positive as these now (i) Confirm the Extension of the Zones; (ii) Confirm the Depth Extension of the Gold Zone; and (iii) that Rare Metals and Rare Earth Elements are found within a Gold Bearing Quartz Vein.

New Results for Hole # 25 as reported on April 27th, 2008 now include (true widths are not known):

From 1.5 metres to 4.5 metres

3.0 metres of 5.77 g/t Au (Gold), 91.51 g/t Ce (Cerium), 9.73 g/t Sc (Scandium), 25.31 g/t Rb (Rubidium), 53.10 g/t Nd (Neodymium), 34.01 g/t Li (Lithium), 60.60 g/t Sr (Strontium), 10.00 g/t Y (Yttrium), 66.02 g/t B (Boron), 26.81 g/t V (Vanadium), 13.81 g/t Yb (Ytterbium), 4.32 g/t Th (Thorium), 3.10 g/t Tb (Terbium), 1.41 g/t Ta (Tantalum), 14.5 g/t Sm (Samarium), 2.4 g/t Lu (Lutetium), 34.6 g/t La (Lanthanum), 14.5 g/t Hf (Hafnium), 3.0 g/t Eu (Europium), 230.0 g/t Cr (Chromium), 261.6 g/t Ba (Barium) at a depth of 1.5 to 4.5 metres.

From 94.0 to 101.0 metres

7.0 metres of 107.7 g/t Ce (Cerium), 9.88 g/t Sc (Scandium), 62.0 g/t Rb (Rubidium), 61.7 g/t Nd (Neodymium), 44.10 g/t Li (Lithium), 40.50 g/t Sr (Strontium), 12.90 g/t Y (Yttrium), 56.70 g/t B (Boron), 11.90 g/t V (Vanadium), 13.0 g/t Yb (Ytterbium), 4.2 g/t Th (Thorium), 2.9 g/t Tb (Terbium), 1.3 g/t Ta (Tantalum), 14.2 g/t Sm (Samarium), 2.6 g/t Lu (Lutetium), 35.6 g/t La (Lanthanum), 13.4 g/t Hf (Hafnium), 3.5 g/t Eu (Europium), 94.70 g/t Cr (Chromium), 365.0 g/t Ba (Barium) at a depth of 94.0 to 101.0 metres.

May 7th, 2008 – The Corporation was pleased to announce in a news release that a 10,000 metre diamond drill program was set to commence within the next five days at its 100% owned Sakoose Gold Mine Project. The news release also stated that the Corporation was excited with the commencement of this Phase 1 diamond drilling program and that it was looking forward to exploring this old gold mine using new technologies. John Archibald B.Sc. (Hons.), P.Geo. was the Qualified Person under National Instrument 43-101 for this project.

May 12th, 2008 – The Corporation was pleased to announce in a news release that the 10,000 metre Phase 1 diamond drill program as first announced on May 7th, 2008 had commenced at its 100% owned Sakoose Gold Mine Project.

May 22nd, 2008 – On this date, the following documents relating to the upcoming Annual General Meeting of Shareholders of June 17th, 2008 were filed on www.sedar.com : Notice of Annual and Special General Meeting of Shareholders dated May 22nd, 2008 and the Notice of Annual and Special General Meeting and Information Circular dated May 22nd, 2008.

May 28th, 2008 – The Annual Information Form for the year ended December 31st, 2007 and dated May 21st, 2008 was filed on www.sedar.com.

June 3rd, 2008 – On this date, the Form of Proxy – Annual and Special General Meeting – June 17th, 2008 relating to the upcoming Annual General Meeting of Shareholders of June 17th, 2008 was filed on www.sedar.com.

June 11th, 2008 – Announced in a news release that the Corporation was arranging a non-brokered private placement of \$750,000 through the sale of 2,500,000 flow-through units at \$0.30 each to subscribers resident in the province of Ontario. At that time, it was anticipated that the closing of this transaction would occur on or before June 12th, 2008. Each flow-through unit would consist of 1 flow-through common share and one-half (1/2) non-flow-through common share purchase warrant having a term of 18 months from the date of issue and an exercise price of \$0.40. The shares issued in connection with this offering were subject to a four-month plus one-day hold period. The closing of this offering was also subject to the approval of the TSX Venture Exchange Inc. The Corporation announced that it intended to utilize the proceeds from this non-brokered private placement for its ongoing drilling programs.

June 13th, 2008 – Announced the closing on June 12th, 2008 of the non-brokered private placement of \$750,000 through the sale of 2,500,000 flow-through units at \$0.30 to residents of the province of Ontario as first announced on June 11th, 2008.

June 17th, 2008 – The Annual General Meeting of Shareholders for the Corporation was held at 3:00 PM at 109 Lakeview Drive, Red Lake, Ontario. All of the directors nominated were elected.

June 19th, 2008 – The Corporation announced in a news release on June 19th, 2008, subject to regulatory approval, that it had entered into a joint venture earn-in agreement on the Phyllis Lake Project with Mainstream Minerals Corporation (TSX.V: MJO). This Mainstream Minerals owned project is located near the Town of Ignace, Ontario in the Thunder Bay Mining District. A stripping program carried out by heavy equipment had recently uncovered large zones with impressive widths and strike lengths. Surface sampling also yielded high-grade results that both companies believe could possibly be the beginning of a large mineral discovery on a new project that has never been explored before. Surface grab sampling of this project has yielded results as high as: 0.690% Molybdenum (Mo), 2.192 % Copper (Cu), 0.415 % Cobalt (Co), 0.393 % Nickel (Ni), 0.100 % Zinc (Zn), 9.60 g/t Silver (Ag), 2.81 g/t Gold (Au), 2.50 g/t Palladium (Pd) and 1.20 g/t Platinum (Pt). A 3 metre channel sample from a zone identified as the East Zone Number 1 with a strike length of approximately 500 metres returned high-grade values of 0.677 % Molybdenum. The news release went on to describe three other mineralized zones found on the property known as the East Zone Number 2, the North Zone, and the Central Zone. In accordance with their Joint Venture Earn-In Agreement of June 18th, 2008, Mainstream Minerals granted to King's Bay the right to acquire a fifty percent (50%) interest in the Phyllis Lake property upon King's Bay funding Earn-In Exploration Expenditures in an aggregate amount of \$500,000. The Earn-In Exploration Expenditures must be incurred within 15 months from the date of the Joint-Venture Earn-In Agreement. King's Bay would be the initial Operator of the Joint Venture during the earn-in period. Both companies stated that they were very pleased with the mineral potential of this project. The news release also stated that King's Bay, as the new Operator of the project, was planning on commencing an exploration program that would consist of a geophysical survey, sampling, stripping, washing and diamond drilling.

July 7th, 2008 – The Corporation, along with its joint venture partner, Mainstream Minerals Corporation, were pleased to report in a news release that numerous significant zones of rare earth elements and other minerals and metals were intersected in this Hole # 23 between 162.0 to 262.5 metres at the Bobjo Mine Project.

Results from this 100 metre wide mineralized zone included (true widths are not known):

From 162.0 to 177.5 metres:

15.5 metres (50.1 ft) grading 34.57 g/t Sc (Scandium), 16.42 g/t Rb (Rubidium), 17.72 g/t Nd (Neodymium), 33.20 g/t Ce (Cerium), 33.46 g/t Li (Lithium), 8.46 g/t Cd (Cadmium), 6.26 g/t Sm (Samarium), 14.07 g/t Y (Yttrium), 15.53 g/t Ba (Barium), 45.67 g/t B (Boron), 4.83 g/t Hf (Hafnium), 5.14 g/t Yb (Ytterbium), 1.22 g/t Th (Thorium), 1.37 g/t Tb (Terbium), 12.35 g/t La (Lanthanum), 2.05 g/t Eu (Europium), 171.71 g/t Cr (Chromium), 160.84 g/t V (Vanadium), 157.30 g/t Sr (Strontium); and 0.0230 % Zn (Zinc), 0.188 % Ti (Titanium), 0.179 % P (Phosphorus), 0.196 % Mn (Manganese), 2.994 % Mg (Magnesium), 6.300 % Ca (Calcium), and 10.960 % Fe (Iron).

From 182.5 to 187.0 metres:

4.5 metres (14.8 ft) grading 19.40 g/t Sc (Scandium), 20.12 g/t Rb (Rubidium), 17.75 g/t Nd (Neodymium), 37.87 g/t Ce (Cerium), 9.10 g/t Li (Lithium), 5.56 g/t Sm (Samarium), 7.50 g/t Y (Yttrium), 25.71 g/t Ba (Barium), 17.40 g/t B (Boron), 5.50 g/t Hf (Hafnium), 4.00 g/t Yb (Ytterbium), 2.23 g/t Th (Thorium), 0.96 g/t Tb (Terbium), 16.38 g/t La (Lanthanum), 1.76 g/t Eu (Europium), 197.50 g/t Cr (Chromium), 52.21 g/t V (Vanadium), 49.00 g/t Sr (Strontium); and 0.0523 % Zn (Zinc), 0.0521 % Ti (Titanium), 0.121 % Mn (Manganese), 0.923 % Mg (Magnesium), 3.37 % Ca (Calcium), and 10.100 % Fe (Iron).

From 193.0 to 204.0 metres:

11.0 metres (36.1 ft) grading 29.10 g/t Sc (Scandium), 20.19 g/t Rb (Rubidium), 16.19 g/t Nd (Neodymium), 29.90 g/t Ce (Cerium), 11.91 g/t Li (Lithium), 5.85 g/t Sm (Samarium), 9.10 g/t Y (Yttrium), 46.39 g/t Ba (Barium), 25.00 g/t B (Boron), 4.42 g/t Hf (Hafnium), 4.61 g/t Yb (Ytterbium), 1.18 g/t Th (Thorium), 1.26 g/t Tb (Terbium), 11.66 g/t La (Lanthanum), 1.98 g/t Eu (Europium), 105.80 g/t Cr (Chromium), 88.34 g/t V (Vanadium), 73.78 g/t Sr (Strontium); and 0.0261 % Zn (Zinc), 0.100 % Ti (Titanium), 0.0517 % P (Phosphorus), 0.166 % Mn (Manganese), 1.361 % Mg (Magnesium), 5.090 % Ca (Calcium), and 11.911 % Fe (Iron).

From 208.25 to 262.50 metres:

54.25 metres (178.1 ft) grading 30.57 g/t Sc (Scandium), 5.01 g/t Rb (Rubidium), 15.31 g/t Nd (Neodymium), 26.23 g/t Ce (Cerium), 12.10 g/t Li (Lithium), 5.01 g/t Sm (Samarium), 11.01 g/t Y (Yttrium), 12.03 g/t Ba (Barium), 15.30 g/t B (Boron), 3.72 g/t Hf (Hafnium), 3.90 g/t Yb (Ytterbium), 1.00 g/t Th (Thorium), 1.23 g/t Tb (Terbium), 10.51 g/t La (Lanthanum), 2.00 g/t Eu (Europium), 110.18 g/t Cr (Chromium), 109.00 g/t V (Vanadium), 55.11 g/t Sr (Strontium); and 0.0220 % Zn (Zinc), 0.0530 % P (Phosphorus), 0.101 % Ti (Titanium), 0.117 % Mn (Manganese), 1.101 % Mg (Magnesium), 5.210 % Ca (Calcium), and 13.270 % Fe (Iron).

July 9th, 2008 – The Corporation was pleased to report in a news release that it had discovered a new gold zone approximately 40 metres below the old mine workings at the Sakoose Gold Mine Project in Melgund Township near Dryden, Ontario. This gold mine produced gold from 1897 to 1902 to a maximum depth of approximately 60 metres until operations were suspended when the mill burned down in 1902. This new gold zone was discovered from 97.75 to 105.75 metres in Hole # 1 and appears to be dipping steeply to the south. The Corporation was pleased with this new gold discovery and especially with the fact that this new gold zone was intersected directly below the mine workings which has now confirmed depth extension and continuation of this mine. The hole encountered quartz veining that was highly altered and brecciated. The Corporation also announced in the news release that the 10,000 metre drilling program announced on May 12th, 2008 was ongoing and moving forward, more results would be announced once received and verified, a geophysical survey was recently completed at the property and that it also had decided to increase its land position by staking more claims. John Archibald B.Sc. (Hons.), P.Geo. was the Qualified Person under National Instrument 43-101. All of the samples therein were analyzed by Accurassay's laboratory in Thunder Bay, ON.

July 14th, 2008 – Announced in a news release that the Corporation had just submitted a number of coal permit applications encompassing approximately 22,773 acres in the province of Saskatchewan. A recent coal discovery by Goldsource Mines Inc. (TSX-V: GXS) had attracted a lot of attention around this area at that time. The news release stated that the deposit in trust for the permits that had been forwarded to the Government of Saskatchewan's permitting office. The time frame required to process the permit applications will be determined by the permitting office. Coal structures of the Cretaceous age are generally very large and can sometimes encompass several thousand square kilometers. This recent coal discovery by Goldsource Mines Inc. is potentially the tip of the iceberg. The Corporation believes that this could be the beginning of a new major coal region in the mining friendly province of Saskatchewan and that it planned to explore any successful permits.

July 18th, 2008 – The Corporation and its joint venture partner were pleased to announce in a news release that they have received additional assay results from Holes # 26 to # 30 at their ongoing diamond drilling program at their Bobjo Mine Project. Highlights included 27.43 g/t Au over 1.0 metre (true widths are not known). The news release noted that the Phase 2 diamond drilling program is ongoing and additional results will be released when received and verified. The partners were pleased with the progress to date at this project and with the fact that drilling has so far intersected gold in twenty five out of thirty holes, which included high-grade gold in many intersections.

July 28th, 2008 – The Corporation announced in a news release the commencement of a 3,000 metre Phase 1 diamond drilling program at the joint-ventured Phyllis Lake project. The partners also announced that they'd decided to increase their land position in the area and were in the process of staking more claims immediately adjacent to the existing land package. Andrew Gracie, Ph.D, P.Eng, P.Geo. is the Qualified Person under National Instrument 43-101 for the Phyllis Lake Project. As a result of this announcement, the news release also summarized that the Corporation was presently drilling at 3 projects – 15,000 metres Phase 2 at the Bobjo Mine Project, 10,000 metres Phase 1 at the Sakoose Gold Mine Project, and 3,000 metres Phase 1 at the Phyllis Lake Project.

July 29th, 2008 – Announced in a news release the results of Holes # 2 and # 3 at the Sakoose Gold Mine. The Company was pleased to report, that in addition New Gold Zone Discovered below the Old Mine Workings in Hole #1, other zones were identified in Hole # 3 which is located 50 metres east of Hole # 1. Highlighted results included 23.29 g/t Au over 0.25 metres at a depth of 36.75 metres and 10.01 g/t Au over 1.00 metre at a depth of 87.50 metres (true widths are not known). The Company also reported that another nine holes had now been completed and were in the process of being sent to the lab for assay.

August 13th, 2008 – The Corporation announced a non-brokered private placement that was anticipated to close on or about August 15th, 2008. An aggregate of 1,400,000 Units would be offered to subscribers resident in the Province of British Columbia, at a purchase price of \$0.25 per Unit, for aggregate subscription proceeds of up to \$350,000. Each Unit would consist of one Class A flow-through common share and one non-flow-through common share purchase warrant. Each whole warrant would entitle the holder thereof to purchase one common share at an exercise price of \$0.30 per warrant for a period of twenty-four months following the date of issuance. The common shares were subject to a four month plus one day hold period. This non-brokered private placement was also subject to the approval of the TSX Venture Exchange Inc., which was subsequently received.

August 19th, 2008 – Announced the closing of the non-brokered private placement of \$350,000 through the sale of 1,400,000 flow-through units at \$0.25 to residents of British Columbia as first announced on August 13th, 2008.

September 8th, 2008 – The Corporation announced that it had granted a total of 635,000 incentive stock options for the purchase of up to 635,000 common shares of the Corporation at a price of \$0.15 per share to Directors / Officers / Consultants, expiring September 6th, 2013.

November 4th, 2008 – Announced, subject to regulatory approval, a non-brokered private placement of 8,000,000 non-flow-through Class A Units at a price of \$0.05 per Unit for proceeds of up to \$400,000, and 1,250,000 flow-through Class B Units at a price of \$0.08 per Unit for proceeds of up to \$100,000, and for aggregate subscription proceeds of up to \$500,000. The Units would be offered to subscribers resident in Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. This offering was anticipated to close on or before November 20th, 2008. Each Class A Unit would consist of one non-flow-through common share and one non-flow-through common share purchase warrant that could be exercised to purchase one common share upon payment of \$0.10 on or before 24 months

following the date of issuance. Each Class B Unit would consist of one flow-through common share and one non-flow-through common share purchase warrant that could be exercised to purchase one common share upon payment of \$0.20 on or before 24 months following the date of issuance. A finder's fee equal to 7 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The shares issued in connection with this offering were subject to a four-month plus one-day hold period. The Corporation intended to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property, and at its other projects, and for general working capital purposes and the maintenance of its property claims.

November 21st, 2008 – Announced the closing, subject to the approval of the TSX Venture Exchange Inc., of the non-brokered private placement as first announced on November 4th, 2008 through the sale of 2,574,000 non-flow-through Class A Units at a price of \$0.05 per Unit for proceeds of \$128,700, and Nil flow-through Class B Units at a price of \$0.08 per Unit for proceeds of \$Nil, and for aggregate subscription proceeds of \$128,700.

November 26th, 2008 – The Corporation, along with its joint-venture partner Mainstream Minerals Corporation, announced the successful completion of their Phase 1 drilling program on their joint-ventured Phyllis Lake Project located in Grummitt and Cathcart Townships near the Town of Ignace, Ontario. The results from this program confirmed the presence of wide zones of uranium, rare earths, rare metals and other minerals, notably sulfur and iron, at or near surface in East Zone Number 1. Both companies were also cooperating to stake more land in the immediate area which could triple the size of this project from the current 64 claim units (2,560 acres). The property is easily accessible via the TransCanada Highway and has a location advantage of being intersected by a railroad.

The results from the completed Phase 1 program at Phyllis Lake (*True Widths are Not Known*) are as follows:

Hole # 1

From 2.0 to 11.0 metres

9.0 metres grading 0.0204 % Uranium, 470.55 g/t Chromium, 27.40 g/t Gallium, 16.52 g/t Lithium, 18.22 g/t Scandium, 50.66 g/t Vanadium, 26.00 g/t Tellurium, 8.35 g/t Tantalum, 18.09 g/t Strontium, 5.50 g/t Zirconium, 7.23 g/t Cadmium, 1.021 % Calcium, 0.415 % Magnesium, 0.0654 % Manganese, 0.0343 % Titanium, 0.0222 % Copper, 0.0165 % Phosphorous, 15.03 % Sulfur and 28.80 % Iron.

From 18.0 to 29.5 metres

11.5 metres grading 0.0080 % Uranium, 606.66 g/t Chromium, 10.37 g/t Gallium, 18.58 g/t Lithium, 11.04 g/t Rubidium, 10.19 g/t Scandium, 21.79 g/t Vanadium, 8.58 g/t Tellurium, 3.33 g/t Tantalum, 5.91 g/t Strontium, 6.87 g/t Zirconium, 4.08 g/t Thorium, 8.45 g/t Cerium, 1.75 g/t Cadmium, 1.16 g/t Yttrium, 0.562 % Magnesium, 0.0603 % Manganese, 0.0513 % Titanium, 0.0245 % Phosphorous, 7.27% Sulfur and 15.32 % Iron.

Hole # 2

From 1.5 to 16.5 metres

15.0 metres grading 0.0285 % Uranium, 395.71 g/t Chromium, 30.22 g/t Gallium, 10.35 g/t Lithium, 20.39 g/t Scandium, 13.00 g/t Vanadium, 29.25 g/t Tellurium, 9.16 g/t Tantalum, 15.17 g/t Strontium, 5.23 g/t Zirconium, 9.51 g/t Cadmium, 1.091 % Calcium, 0.450 % Magnesium, 0.0585 % Manganese, 0.0180 % Titanium, 0.0230 % Copper, 0.0142 % Phosphorous, 19.09 % Sulfur and 33.35 % Iron.

From 28.5 to 33.0 metres

4.5 metres grading 0.0164 % Uranium, 591.25 g/t Chromium, 19.75 g/t Gallium, 19.12 g/t Lithium, 18.50 g/t Scandium, 29.37 g/t Vanadium, 22.37 g/t Tellurium, 6.62 g/t Tantalum, 7.12 g/t Strontium, 3.62 g/t Zirconium, 4.37 g/t Cerium, 7.37 g/t Cadmium, 0.450 % Calcium, 0.550 % Magnesium, 0.0618 % Manganese, 0.0375 % Titanium, 0.0171 % Phosphorous, 12.15 % Sulfur and 19.31 % Iron.

Hole # 3

From 7.5 to 9.5 metres

2.0 metres grading 0.0290 % Uranium, 546.75 g/t Chromium, 33.00 g/t Gallium, 6.50 g/t Lithium, 17.50 g/t Vanadium, 33.00 g/t Tellurium, 11.00 g/t Tantalum, 7.00 g/t Zirconium, 6.25 g/t Cerium, 3.50 g/t Cesium, 7.75 g/t Lanthanum, 11.75 g/t Cadmium, 33.00 g/t Rubidium, 11.75 g/t Scandium, 1.37 g/t Samarium, 1.72 g/t Thorium, 0.300 % Magnesium, 0.0397 % Manganese, 0.0332 % Titanium, 0.0233 % Phosphorous, 18.95 % Sulfur and 34.50 % Iron.

From 12.5 to 19.0 metres

6.5 metres grading 0.0100 % Uranium, 449.16 g/t Chromium, 19.14 g/t Gallium, 16.57 g/t Lithium, 25.41 g/t Scandium, 68.42 g/t Vanadium, 12.35 g/t Tellurium, 5.28 g/t Tantalum, 28.50 g/t Strontium, 4.14 g/t Zirconium, 3.78 g/t Cadmium, 1.401 % Calcium, 0.510 % Magnesium, 0.0655 % Manganese, 0.0310 % Titanium, 0.0199 % Copper, 0.0195 % Phosphorous, 10.05 % Sulfur and 20.01 % Iron.

From 37.5 to 42.5 metres

5.0 metres grading 0.0106 % Uranium, 500.00 g/t Chromium, 13.27 g/t Gallium, 18.63 g/t Lithium, 12.50 g/t Scandium, 23.63 g/t Vanadium, 11.81 g/t Tellurium, 4.18 g/t Tantalum, 11.45 g/t Strontium, 8.09 g/t Zirconium, 3.18 g/t Cadmium, 0.521 % Calcium, 0.360 % Magnesium, 0.0364 % Manganese, 0.0181 % Titanium, 0.0206% Phosphorous, 12.08 % Sulfur and 20.00 % Iron.

Hole # 4

From 101.0 to 106.0 metres

5.0 metres grading 0.0124 % Uranium, 640.00 g/t Chromium, 13.72 g/t Gallium, 16.81 g/t Lithium, 23.70 g/t Scandium, 50.45 g/t Vanadium, 10.18 g/t Tellurium, 4.27 g/t Tantalum, 16.45 g/t Strontium, 3.90 g/t Zirconium, 1.00 % Calcium, 0.301 % Magnesium, 0.0380 % Manganese, 0.0151 % Titanium, 0.0105 % Phosphorous, 12.25 % Sulfur and 21.77 % Iron.

From 118.5 to 129.0 metres

10.5 metres grading 0.0200 % Uranium, 546.00 g/t Chromium, 20.27 g/t Gallium, 46.13 g/t Rubidium, 27.63 g/t Lithium, 11.55 g/t Scandium, 33.40 g/t Vanadium, 19.00 g/t Tellurium, 6.36 g/t Tantalum, 7.50 g/t Strontium, 9.54 g/t Zirconium, 9.72 g/t Cerium, 7.31 g/t Lanthanum, 1.86 g/t Yttrium, 5.81 g/t Cadmium, 0.360 % Calcium, 0.701 % Magnesium, 0.0632 % Manganese, 0.0490 % Titanium, 0.0178 % Phosphorous, 16.92 % Sulfur and 21.10 % Iron.

The November 26th, 2008 news release went on to state that these drill results came from an area of the property known as the East Zone Number 1 and shows excellent potential to host several times the mineralization identified to date as these highly mineralized zones are still open at both ends and at depth. Hole #1 and Hole #4 were drilled over 500 metres apart which now confirms a strike length of at least 500 metres and drill intersections from surface to a depth of 129 metres so far. This area will definitely need more surface stripping at both ends to fully define the actual strike length of this large mineral-rich structure and deeper drilling to test the depth extensions.

November 27th, 2008 – The Corporation issued a second news release in order to provide a number of clarifications to the news release that was disseminated on November 26th, 2008. The statement “All of these minerals have significant economic value ...” was being retracted as being too general. Not all these minerals are in concentrations that could be considered for economic recovery. The samples were tested using the Neutron Activation Method and Acqua Regia Digestion with an ICPAES finish is being added. True widths are not known. The statement “given that these wide zones are at near surface, they are amenable to open pit mining” was also being retracted again for being too general. Amenability should be left for the results of an economic analysis.

Additional exploration and development work, economic analysis and research on processing methodologies and costs will be needed to determine if these zones will be economically amenable to open pit mining. The paragraph containing “Surface sampling of the North and Central zones have yielded results as high as: 2.192 % Copper (Cu), 0.415 % Cobalt (Co), 0.393 % Nickel (Ni), 0.100 % Zinc (Zn), 9.60 g/t Silver (Ag), 2.50 g/t Palladium (Pd) and 1.20 g/t Platinum (Pt).” was also being retracted and cannot be relied upon as it only shows the highest assay results from the North and Central zones. The statement “All these rare earths and metals have significant economic and strategic value. Some of these metals like Rubidium and Cesium, which are not actively traded, have each recently sold for as much as \$100.00 US per gram” was also being retracted. Rare earths and rare metals are not actively traded and selling prices should not be relied upon. The statement “The Phyllis Lake property is also well situated for the mining of bulk ores such as sulfur and iron.” was also being retracted until such time when the mode of occurrence of these minerals and their amenability to processing can better support this statement.

January 20th, 2009 – Announced the resignation of Mr. Lawrence Shewchuk as a Director of the Corporation. Mr. Shewchuk had been a Director since his election to the Board of Directors on August 21st, 2007. In his letter, Mr. Shewchuk cited that it was his inability to commit sufficient time to the activities of the Corporation's Board of Directors and its various committees which led to his decision to resign. Mr. Shewchuk was also a Director and President & CEO of Mainstream Minerals Corporation (TSX.V: MJO). Mr. Shewchuk replaced Mr. Gerald Colborne, a Director, who passed away suddenly on July 28th, 2007. The news release noted that the Board of Directors expressed its gratitude to Mr. Shewchuk for his work and service to the Corporation.

January 26th, 2009 – The Corporation announced the resignation of Mr. Richard Rivet as President and Chief Executive Officer and as a Director of the Corporation effective immediately. Mr. Rivet was one of founders of the Corporation and had been the President, Chief Executive Officer and a Director since the company was incorporated on March 20th, 1998. The news release noted that the Board of Directors expressed its gratitude to Mr. Rivet for his work and service to the Corporation over the last 11 years. Going forward, the Board of Directors had commenced a search for a suitable replacement for Mr. Rivet.

February 13th, 2009 – The Corporation was pleased to announce the appointment of Mr. John Archibald B.Sc. (Hons.), P.Geo., as President and Chief Executive Officer and as a Director of the Corporation, subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). Mr. Archibald has worked with the company over many years on the majority of its mineral exploration projects as the Qualified Person for the purposes of National Instrument 43-101. As such, the company is presently in discussions with several qualified individuals for the purposes of becoming the new Qualified Person going forward. Mr. John Archibald replaced Mr. Richard Rivet who served as the Corporation's President and Chief Executive Officer for almost 11 years from the time company was incorporated on March 20th, 1998 until his resignation as announced on January 26th, 2009. The news release provided a brief biography of Mr. Archibald's education and work experience as follows:

“John Archibald B.Sc. (Hons.), P.Geo., is self-employed as a consulting geologist working under contract for a number of mineral exploration companies. He graduated from Carleton University in Ottawa, Ontario with a Bachelor of Science Honours degree in Geology. Mr. Archibald is a member of the Ontario Prospectors Association (Southern Ontario Branch) and is a Fellow in the Geological Association of Canada (FGAC). Since graduation from university, he has accumulated 35 years of experience as a geologist.”

May 25th, 2009 – The Annual Information Form for the year ended December 31st, 2008 and dated May 22nd, 2009 was filed on www.sedar.com.

June 3rd, 2009 – The Corporation was pleased to announce the appointment of Catherine Kiang as a Director of the Corporation. Her directorship had recently been approved by the TSX Venture Exchange Inc.

“Catherine Kiang is the founder of a private Canadian innovation company specializing in quality nutraceutical and cosmeceutical products. She also promotes her own line of skin care products domestically through multiple distribution channels. Ms. Kiang also has a strong international distribution background. She is well known in Toronto's Chinese business community and is fluent in English and Chinese.”

June 8th, 2009 – The Corporation and its joint-venture partner, Mainstream Minerals Corporation (TSX.V: MJO), were pleased to announce that they had received the final rare earth elements and gold drill results from their Phase 2 program at their Bobjo Mine Project, located in Earngey and Agnew Townships, Red Lake, Ontario. Phase 2 included 5 holes, Holes #28 to #32 inclusive, in the vicinity of the high-grade gold discovery area, two holes in the rare earth elements discovery area and 10 exploratory holes 2 kilometres south at the bottom end of the property.

Final results from the Phase 2 diamond drilling program as reported on June 8th, 2009 are included in the table below:

(g/t = grams per tonne)

True Widths are not known. NSV = No Significant Values.

Hole	Dip	Interval From	Interval To	Interval Metres	Au (g/T)
BJ08-31	-45	13.75	14.25	0.50	2.126
		14.75	15.25	0.50	7.017
		18.75	19.00	0.25	1.074
BJ08-32	-45	2.50	5.00	2.50	1.703
Including		4.50	5.00	0.50	4.030
		6.75	7.25	0.50	1.770
		8.25	9.25	1.00	1.463
		9.75	10.25	0.50	4.294
		13.25	13.75	0.50	1.058
		18.25	18.75	0.50	3.469

The partners also drilled 10 exploratory holes 2 kilometres south of the main discovery area at the bottom end of the property. All ten holes intersected wide zones of anomalous Platinum values. This area will need to be investigated further. Andrew Gracie, Ph.D, P. Eng, P.Geo was the Qualified Person under National Instrument 43-101. All of the samples noted in this news release were analyzed by Acurassay Labs of Thunder Bay, ON using the Neutron Activation Method and Acqua Regia Digestion with an ICPAES finish and standard fire assay for gold. True widths are not known. The partners were pleased with the progress made to date at this project and with the fact that drilling had so far intersected gold in twenty seven out of thirty two holes from surface to a depth of 312 metres so far, which included high-grade gold in many intersections. All zones are open at depth and in all directions. The rare earth elements, rare metals, and other minerals were a surprise on this gold project and will require some follow up drilling in the future. Most of the veins tested so far ran in an east-west direction. The area just north of the high-grade gold discovery is also host to many other quartz veins that have not been tested as of yet, including a 2 metre wide quartz vein that is running in a north-south direction. Grab samples from this vein yielded results as high as 115.00 g/t Au. At the time of this news release of June 8th, 2009, the partners were planning an aggressive Phase 3 exploration program for this exciting project pending the successful conclusion of sufficient financing.

June 15th, 2009 – Computershare Trust Company of Canada, the Corporation's transfer agent, filed on www.sedar.com a Notice of Meeting to announce the upcoming Annual and Special Meeting of Shareholders to be held on August 5th, 2009 in Winnipeg, Manitoba. The Record Date for Notice of Meeting and the Record Date for Voting was established as June 30th, 2009.

June 26th, 2009 – In a news release, the Corporation provided a report on the progress of their Phase 1 diamond drilling program at their 100 % owned Sakoose Gold Mine Project located in Melgund Township near Dryden, Ontario. On July 29th, 2008 the company reported in a news release, "The Company also reports that another nine holes have now been completed and are now being sent to the lab for assay". Subsequent to this news release, the core from these nine holes were logged but were spilled as a result of an accident.

As it was impossible to put the core back into the core boxes in the correct order, it was decided that these samples would not be sent to the lab for assay. To do so, would lead to misleading results. Going forward, the Company plans to review all of the results that it currently has on hand, assess their value and from that point on it will make a decision on whether or not to carry on with the project or drop it. Should the Company decide to carry on, it will most likely carry out further drilling in the vicinity of where the nine holes that were lost had been drilled.

July 8th, 2009 – On this date, the following documents relating to the upcoming Annual General Meeting of Shareholders of August 5th, 2009 were filed on www.sedar.com : Notice of Annual and Special General Meeting of Shareholders and the Notice of Annual and Special General Meeting and Information Circular dated July 3rd, 2009.

July 13th, 2009 – On this date, the Form of Proxy – Annual and Special General Meeting – August 5th, 2009 relating to the upcoming Annual General Meeting of Shareholders of August 5th, 2009 was filed on www.sedar.com .

August 5th, 2009 – The Annual General Meeting of Shareholders for the Corporation was held at 10:00 AM at the law offices of Taylor McCaffrey LLP, 9th floor, 400 St-Mary's Avenue, Winnipeg, Manitoba. All of the directors nominated were elected.

September 2nd, 2009 – The Corporation announced in a news release that it had entered into a Letter of Intent with Mega Silver Inc. (now known as Mega Precious Metals Inc. TSX.V: MGP) ("Mega") whereby that company would acquire a 100% interest in the "Headway" property in the Red Lake, Ontario area from King's Bay Gold Corporation. The news release noted – "The Headway property borders both sides of Highway 105, between the towns of Red Lake and Balmertown, Ontario, The north east corner of the Headway property is but a short distance southwest of the renowned Goldcorp High Grade Zone, in the shadow of Goldcorp's Red Lake Gold Mines' headframes. The property consists of six (6) patented claims and one (1) unpatented claim totaling approximately 320 acres. The property appears to have all of the essential geological elements including a well-developed intersection pattern of stratigraphic, shear / deformation zones that are associated with the high-grade gold system on the adjacent mine properties. The Bonanza Replacement High Grade Zone is postulated to be hosted in Balmer age rocks occurring below the unconformity with the Confederation age rocks at 1,500 to 2,500 metres deep. The range of diamond drill intercepts, carried out under National Instrument 43-101 compliant guidelines by King's Bay in 2005, include intercepts of 63.52 grams/tonne over 0.5 metres and 3.08 grams/tonne over 10.8 metres in core length (true widths are unknown). Highlights of historical, non-National Instrument 43-101 compliant exploration includes 0.61 oz/ton gold over 3.08 feet in drill core (H-13) and several surface grab samples exceeding 1.0 oz/ton gold. Gold is developed within quartz-carbonate +/- tourmaline +/- arsenopyrite veins associated with quartz-feldspar porphyry dykes that intrude altered and sheared mafic volcanics. These quartz-feldspar porphyry dykes are deep-seated structures that are intruded during the late stages of ore emplacement. This is evidenced by their structural relationships adjacent to and within the ESC and High Grade zones of Red Lake Gold Mines. The property contains two east-west trending, gold-bearing structural zones in intersection with the deep-seated extension of the north-east trending Madsen deformation zone.

At the time, the Headway Joint Venture was comprised of King's Bay Gold Corporation, as to an 85% interest, and Richview Resources Inc. ("Richview"), as to a 15% interest, of the mineral rights of the Headway Property. Subsequent to the signing of the Letter of Intent but before entering into a Definitive Agreement, King's Bay shall acquire a 100% interest in the property (the "Richview Condition"). Initial payment obligation at signing of the Definitive Agreement between the parties will be \$340,000, issuance of 200,000 Mega Silver shares and first year project expenditures of \$750,000. Of the \$340,000 to be paid on the signing of the Definitive Agreement, \$140,000 is to be paid by Mega to Richview Resources to satisfy the Richview Condition, and \$200,000 is to be paid by Mega to King's Bay. Terms of the staged 3 year option agreement between Mega and King's Bay include cash payments totaling \$460,000, issuance of 4,425,000 common shares of Mega and project expenditures of \$3,000,000. There is a 2.0% Net Smelter Royalty payable to the initial vendors of the property. The management of King's Bay Gold have always felt strongly about the Headway Project and its chances of hitting economic grades of gold mineralization at depth. We feel that this partnership with Mega Silver will bring positive results once the deep drilling program commences and that the shareholders of both companies will be rewarded by their continued support of the management team.

Jim Rogers, President and CEO of Mega states; "Our strategy to aggressively focus on building solid value by diligently acquiring and working high quality projects is coming together. I am thrilled and excited that our persistence and strong financial position has enabled us to add this high grade, high value project to our Red Lake corner stone focus." Terms and share issuance remain subject to TSX Venture Exchange Inc. and all regulatory approvals. Jim Rogers, President and CEO, is former Chief Mine Geologist at the Dickenson Gold Mine, forerunner to the prolific Red Lake Mine complex and most recently Regional Exploration Manager for Goldcorp in the Red Lake gold camp. For further information and presentation material, please review the Mega website at <http://www.megapmi.com>.

September 12th, 2009 – In a news release, the Corporation was pleased to announce, subject to regulatory approval, a non-brokered private placement of \$600,000 which was at the time anticipated to close on October 5th, 2009. The Units comprising this non-brokered private placement would be offered to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. This non-brokered private placement would be comprised of up to 3,750,000 Class A Units at price of \$0.08 per Class A Unit (the "Flow-Through Subscription Price") for gross proceeds of up to \$300,000, and up to 3,750,000 Class B Units at price of \$0.08 per Class B Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of up to \$300,000, for an aggregate of up to 7,500,000 Units and for aggregate gross Offering Proceeds of up to \$600,000. Each Class A Unit would be comprised of one flow-through common share and one half (1/2) of one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.12 for a period of 24 months following the date of issuance. Each Class B Unit would be comprised of one non-flow-through common share and one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.10 for a period of 24 months following the date of issuance. A finder's fee equal to 10 % of the subscription proceeds would be paid to registered dealers for services rendered in introducing certain subscribers to the offering. In addition to the finder's fee, the Company may issue non-transferable broker warrants, equal up to 10 % of the Class A and Class B Units subscribed for. Each broker warrant will entitle the holder thereof to receive one common share of the Company at an exercise price of \$0.12 per share, for a period of 24 months following the date of issuance. The shares issued in connection with this non-brokered private placement would be subject to a minimum hold period of four-months plus one day. King's Bay Gold proposed to utilize the flow-through proceeds from the subscription for the Class A Units of this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine rare earths / gold project and its other projects. The non-flow-through proceeds from the subscription for Class B Units would be used as working capital for general corporate purposes.

October 2nd, 2009 – Announced in a news release that the Corporation would be amending the terms of the Private Placement Offering previously announced on September 12th, 2009. The Private Placement Offering, scheduled to close on or about October 5th, 2009, would no longer require an aggregate maximum offering of Class "A" Units or Class "B" Units, however the maximum subscription proceeds shall remain \$600,000. The press release of September 12th, 2009 indicated that the offering would have an aggregate maximum offering of 3,750,000 Class "A" Units and an aggregate maximum offering of 3,750,000 Class "B" Units. The news release also stated that King's Bay Gold Corporation would be accepting subscriptions for such number of Class "A" Units and Class "B" Units as it shall determine in its sole discretion, provided that the maximum subscription proceeds shall remain \$600,000.

October 7th, 2009 – On this date, the Corporation was pleased to announce in a news release the closing of a non-brokered private placement as first announced on September 12th, 2009. A total of 1,985,000 Class "A" Units and 5,515,000 Class "B" Units were purchased by subscribers resident in British Columbia, Manitoba and Ontario, at a purchase price of \$0.08 per Class "A" Unit and at a price of \$0.08 per Class "B" Unit, for gross subscription proceeds of \$600,000. The offering was subject to the approval of the TSX Venture Exchange Inc. This approval was subsequently received.

October 7th, 2009 – Filed with www.sedar.com a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 summarizing the non-brokered private placement of \$600,000 that closed on October 7th, 2009.

October 28th, 2009 – The Corporation announced in a news release that it had acquired via an option agreement three un-patented mining claims located in the Raleigh Lake Area in the Kenora Mining District of Ontario. These claims consist of 29 un-patented units located south-west of the Town of Ignace, Ontario. The northern extension of the claim group is attached to the southernmost part of Consolidated Abaddon Resources Inc.'s southern boundary.

A short while back that company released some very high grade assays for Lithium (Li) and Rubidium (Rb). Similar results were also obtained from some 5 Diamond Drill Holes put down in 2001 by a company called Avalon Ventures Inc. in a swarm of pegmatite dykes in its search for Tantalum (Ta). At the time of this news release, a Geo-Chem Survey was being carried out on some parts of the King's Bay property in an area where bits of pegmatite fragments were observed at several locations of the project by prospecting crews from King's Bay. Depending on the results of that survey, it is likely that an Airborne Magnetic Survey would also be carried out over parts of or over the entire property. The option agreement was subject to the approval of the TSX Venture Exchange Inc., which was subsequently received.

November 19th, 2009 – Announced in a news release, a non-brokered private placement of \$200,000, subject to regulatory approval, that was at the time anticipated to close on or about November 23rd, 2009. The Units comprising this non-brokered private placement would be offered to subscribers resident in Ontario. This non-brokered private placement would be comprised of up to 2,000,000 Units at price of \$0.10 per Unit (the "Flow-Through Subscription Price") for gross proceeds of up to \$200,000. Each Unit would be comprised of one flow-through common share and one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.13 for a period of 24 months following the date of issuance. The shares issued in connection with this placement were to be subject to a minimum hold period of four-months plus one day.

November 23rd, 2009 – The Corporation was pleased to announce the closing of a non-brokered private placement as first announced on November 19th, 2009. A total of 2,000,000 Units were purchased by subscribers resident in Ontario, at a purchase price of \$0.10 per Unit for gross subscription proceeds of \$200,000. The offering was subject to the approval of the TSX Venture Exchange, which was subsequently received. Each Unit consisted of one Class "A" Common share of the Issuer, issued as a Flow-Through Share, and one Class "A" Common non-flow-through share purchase warrant. Each Warrant entitles the holder thereof to purchase one Class "A" Common share of the Issuer at an exercise price of \$0.13 per Warrant for a period of twenty four months following the date of issuance. The shares issued in connection with this non-brokered private placement were subject to a minimum hold period of four months plus one day. The news release stated that the Corporation intended to utilize the flow-through proceeds from the subscription of this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine rare earths / gold project, incurred as Canadian Exploration Expenses.

November 23rd, 2009 – Filed with www.sedar.com a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 summarizing the non-brokered private placement of \$200,000 that closed on November 23rd, 2009.

December 2nd, 2009 – The Corporation was pleased to announce in a news release that it has agreed to a non-brokered private placement of \$1,000,000 to subscribers in the Province of Ontario, to be effected through the sale of 12,500,000 Flow-through Units at a price per unit of \$0.08 each. It was anticipated at the time that the closing of this transaction would occur on or about December 7th, 2009. Each Flow-through Unit would consist of one flow-through common share, and one half of one (1/2) non-flow-through common share purchase warrant having a term of 24 months from the date of issue and an exercise price of \$0.12. Each whole warrant would entitle the holder to purchase one non-flow-through common share of the Corporation. The Corporation intended at the time to offer a 5% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering ("Finder"), together with that number of non-transferrable finder's fee common share purchase warrants equal to 10% of the Flow-Through Units subscribed for through such registered dealers. Each such finder's fee warrant would entitle a Finder to subscribe for one non-flow-through common share of the Corporation, at an exercise price of \$0.12 for 24 months. The closing of this offering would be subject to the approval of the TSX V.

December 10th, 2009 – Stone Asset Management Limited filed on www.sedar.com an Early Warning Report under the Alternative Monthly Reporting System of National Instrument 62-103. Stone Asset Management Limited also announced in a news release on that same day, that as a result of the acquisition of shares on November 23rd, 2009, Stone Asset Management Limited, on behalf of funds managed by it, now has direction over 10,017,000 shares (or 17.27% of the outstanding shares calculated on a fully diluted basis) of King's Bay Gold Corporation. The news release stated that acquisition of these securities by Stone Asset Management Limited, on behalf of the funds it manages, was made in the ordinary course of business for investment purposes and was not for the purposes of influencing the control or direction of King's Bay Gold Corporation.

December 18th, 2009 – The Corporation was pleased to announce in a news release the closing of a non-brokered private placement on December 15th, 2009 and as first announced on December 2nd, 2009. A total of 12,500,000 Flow-Through Units at a purchase price of \$0.08 per Unit were issued pursuant to a non-broker private placement. Each Flow-through Unit consisted of one flow-through common share, and one half of one (1/2) non-flow-through common share purchase warrant having a term of 24 months from the date of issue and an exercise price of \$0.12. Each whole warrant entitles the holder to purchase one non-flow-through common share of the Corporation. The Corporation paid a 5% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering ("Finder"), together with that number of non-transferrable finder's fee common share purchase warrants equal to 10% of the Flow-Through Units subscribed for through such registered dealers. Each finder's fee warrant entitles a Finder to subscribe for one non-flow-through common share of the Corporation, at an exercise price of \$0.12 for 24 months. The closing of this offering was subsequently approved by the TSX Venture Exchange Inc. The news release also stated that the Corporation intended to utilize the proceeds from this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine Property and at its other projects. "We are very pleased to be renewing our relationship with the MineralFields Group", said John Archibald, President & CEO. "This is another important milestone in the growth of King's Bay Gold Corporation and we look forward to once again be working with MineralFields Group as we continue to develop our holdings in the Red Lake Gold Camp of Northwestern Ontario."

December 18th, 2009 – Filed with www.sedar.com a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 summarizing the non-brokered private placement of \$1,000,000 that closed on December 15th, 2009.

January 14th, 2010 – The Corporation announced that it had granted a total of 2,100,000 incentive stock options for the purchase of up to 2,100,000 common shares of the Corporation at a price of \$0.10 per share to Directors / Officers / Consultants, expiring January 12th, 2015. These options vested on the grant date. The estimated fair value of these stock options granted in the amount of \$85,890 has been recorded as an expense in the March 31st, 2010 financial statements. The estimated fair value of the stock options granted was estimated using the Black-Scholes options pricing model on the date of the grant with the following assumptions:

Expected stock price volatility	83%
Expected option life	5 years
Risk free interest rate	0.13%
Expected dividend yield	nil
Stock price at grant	\$0.07
Exercise price	\$0.10

January 20th, 2010 – Announced in a news release that the Corporation had acquired via an option agreement a property commonly known as the Menary Gold Project. This property was optioned from Western Troy Capital Resources Inc. ("Optionor 1") and William McNerney ("Optionor 2") and consists of one patented and three un-patented mining claims for approximately 230 acres located adjacent to the Rainy River Resource's (TSX.V: RR) high grade gold property. The property is located in Menary Township in Northwest Ontario. The news release stated that this option agreement, which includes both stock and cash payments, would allow the Corporation to earn into the property over a period of three years but is subject to the approval of the TSX Venture Exchange Inc. The property straddles a known east-west trending gold zone which has not been fully delineated or explored. Under the terms of the Agreement, King's Bay Gold can earn a 100% interest by completing payments to the two Optionors, and to be divided equally between them, as follows: on signing of the Agreement \$12,000; on the 1st Anniversary of the Agreement \$15,000; on the 2nd Anniversary of the Agreement \$20,000; and on the 3rd and Final Anniversary of the Agreement \$28,000. In addition to the cash payment schedule, King's Bay Gold shall issue to the two Optionors, and to be divided equally between them, shares in the Corporation as follows: on signing of the Agreement 25,000 common shares (50,000 common shares were granted in error upon signing, an adjustment will be made on a future payment); on the 1st Anniversary of the Agreement 50,000 common shares; on the 2nd Anniversary of the Agreement 50,000 common shares; and on the 3rd and Final Anniversary of the Agreement 50,000 common Shares. The Optionors agreed that the shares to be issued are subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc. and securities laws and as such are subject to regulatory approval.

Under the terms of the option agreement, King's Bay Gold shall have the right to accelerate the option agreement at any time towards earning its 100 % interest in the Property by paying to the Optionors the balance of the cash payments and share issuances remaining outstanding at the time of the acceleration. Optionor 1 will retain a 3.0 % Net Smelter Return (the "NSR") interest in the Property. King's Bay Gold shall have the right to buy back from the Optionor 1 one-half of the NSR (1.5%) for \$1,000,000. Optionor 2 will retain a 1.5 % Net Smelter Return interest in the Property. King's Bay Gold shall have the right to buy back from the Optionor 2 one-half of the NSR (0.75%) for \$500,000. As such, the total initial NSR retained by the Optionors combined will be 4.5 %.

March 3rd, 2010 – The Corporation announced in a news release that it had acquired via an option agreement with Lasir Gold Inc. (the "Vendor") a 20-claim Mining Lease (# 104050 - CLM # 289) for approximately 800 acres located adjacent and east of Nuinsco's Cameron Lake Deposit. The Nuinsco property hosts a measured, indicated and inferred resource (National Instrument 43-101 compliant) of 2,567,000 tons grading 5.42 g/ton in gold (for 447,421 oz.) and that has been recently optioned to Coventry Resources Ltd., a junior resource company from Australia. The King's Bay Gold property hosts several known mineralized gold occurrences (the Meston and the Sullivan occurrences) with values reportedly up to 0.245 oz./ton across 1.2 metres and numerous lower grade intercepts over 1.5 to 19.0 metres with gold values as high as 0.320 oz./ton in a quartz-carbonate breccia as reported in the assaying. The last time that work was carried out over the property was in 1986 under Nucanolon Resources Ltd. This property ties in well with King's Bay Gold's other land acquisitions in the area such as the recently acquired Menary Township Group from Western Troy Capital Resources Ltd. and William McNerney, and the company's Dash / Helena Lake claim group further north along the Pipestone Fault system. All these properties have similar geological characteristics to the recent Rainy River Resources high-grade gold discovery along strike and to the southwest of the Cameron Lake area located in Richardson Township. Under the terms of the Agreement, King's Bay Gold can earn a 100% interest by completing payments to the Vendor as follows: on the signing of the Agreement \$15,000; on the 1st Anniversary of the Agreement \$20,000; on the 2nd Anniversary of the Agreement \$30,000; on the 3rd Anniversary of the Agreement \$30,000; and on the 4th and Final Anniversary of the Agreement \$30,000. In addition to the cash payment schedule, King's Bay Gold shall issue to the Vendor, common shares in the company as follows: on the signing of the Agreement 50,000 common shares; on the 1st Anniversary of the Agreement 50,000 common shares; on the 2nd Anniversary of the Agreement 50,000 common shares; on the 3rd Anniversary of the Agreement 50,000 common shares; and on the 4th and Final Anniversary of the Agreement 50,000 common shares. The Vendor understands that the issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc. and securities laws and as such are subject to regulatory approval. The Vendor will retain a 3.0 % Net Smelter Return (the "NSR") interest in the Property. King's Bay Gold shall have the right to buy back from the Vendor one-half of the NSR (1.5%) for \$1,500,000.

March 3rd, 2010 – The Corporation announced in a news release, subject to the approval of the TSX Venture Exchange Inc., a non-brokered private placement of \$2,000,000 which was anticipated to close on or about April 15th, 2010. The Units comprising this non-brokered private placement will be offered to subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. This non-brokered private placement will be comprised of up to 22,857,143 Class A Units at price of \$0.07 per Class A Unit (the "Flow-Through Subscription Price") for gross proceeds of up to \$1,600,000, and up to 8,000,000 Class B Units at price of \$0.05 per Class B Unit (the "Non-Flow-Through Subscription Price") for gross proceeds of up to \$400,000, for an aggregate of up to 30,857,143 Units and for aggregate gross Offering Proceeds of up to \$2,000,000. Each Class A Unit is comprised of one flow-through common share and one half (1/2) of one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.10 for a period of 18 months following the date of issuance. Each Class B Unit is comprised of one non-flow-through common share and one non-flow-through common share purchase warrant that can be exercised to purchase one common share upon payment \$0.10 for a period of 18 months following the date of issuance. A finder's fee equal to 8 % of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. The shares issued in connection with this non-brokered private placement will be subject to a minimum hold period of four-months plus one day. The Corporation proposes to utilize the flow-through proceeds from the subscription for the Class A Units of this non-brokered private placement for the ongoing exploration and development of its joint-ventured Bobjo Mine gold / rare earths project and its other projects. The non-flow-through proceeds from the subscription for Class B Units will be used as working capital for general corporate purposes.

March 4th, 2010 – Due to a favorable initial response, the Corporation announced in a news release a number of amendments to the non-brokered private placement of \$2,000,000 as first announced on March 3rd, 2010 which was anticipated to close on or about April 15th, 2010. All other terms and conditions remain the same as first announced on March 3rd, 2010 except for the following amendments:

- (i) This non-brokered private placement will be comprised of such number of Class A Units at price of \$0.07 per Class A Unit (the "Flow-Through Subscription Price"), and such number of Class B Units at price of \$0.05 per Class B Unit (the "Non-Flow-Through Subscription Price"), for aggregate gross Offering Proceeds of up to \$2,000,000, as the Company, in its sole discretion, shall determine.
- (ii) A finder's fee equal is being raised from 8% to 10% of the subscription proceeds may be paid to registered dealers for services rendered in introducing certain subscribers to the offering.
- (iii) In addition to the finder's fee, the Issuer may issue non-transferable finder warrants equal to up to 10% of the Class "A" Units and Class "B" Units subscribed for through the registered dealers. Each finder warrant will entitle the holder to receive one Common share of the Issuer at an exercise price of \$0.10 per finder warrant for a period of eighteen months following the date of issuance.

March 17th, 2010 – The Corporation issued 1,550,000 incentive stock options to directors and officers of the company. The exercise price is \$0.10 per common stock and the options expire on March 17th, 2015. These options vested on the grant date. The estimated fair value of these stock options granted in the amount of \$8,835 has been recorded as an expense in the March 31st, 2010 financial statements. The estimated fair value of the stock options granted was estimated using the Black-Scholes options pricing model on the date of the grant with the following assumptions:

Expected stock price volatility	35%
Expected option life	5 years
Risk free interest rate	0.20%
Expected dividend yield	nil
Stock price at grant	\$0.05
Exercise price	\$0.10

March 31st, 2010 – During the first three months, drilling by Mega Precious Metals Inc. (TSX.V: MGP) advanced on the Headway Property. 1,397 metres (m) of the first 3,000 metre hole had been completed by March 3rd, 2010. It was believed at the time that the deep controlled drilling program was on track and on path trajectory to intersect the targeted depth within the next two to three months. The first 615m of the drill hole consists of a series of mixed mafic to intermediate to felsic volcanic, minor inter-bedded sediments and numerous mafic to intermediate dykes throughout the interval. The bottom contact with the first quartz-feldspar porphyry dyke that occurs from 615m to 634m marks a change to intermediate volcanic and intermediate dykes mixed with inter-bedded argillitic sediments. This sequence continues to 890m where another 79m core length of quartz-feldspar porphyry dyke takes the hole to 969m. From here to the current hole bottom of 1,397m, the hole appears to be Houston sediments consisting of argillite, greywacke, siltstone and conglomerate. Based on the original Mega exploration model and surface mapping, the unconformity was expected at the time to be intersected at 1,500m to 1,800m with the high-grade target horizon below that depth.

March 31st, 2010 - An agreement was reached with Palomino Mining & Exploration Ltd. ("Palomino Mining"). Under the terms of the agreement, Palomino Mining would provide its full consent to the original Earn-in Option Agreement and affirm that it has no claim against King's Bay Gold arising out of the manner in which King's Bay Gold and Mega Precious Metals Inc. entered into the Earn-in Option Agreement. In the event that Mega Precious Metals Inc. should exercise its option to acquire the 100% interest in the Headway Property from King's Bay Gold and Palomino Mining pursuant to the Earn-in Option Agreement, King's Bay Gold will assign ten per cent (10%) of the shares in the capital stock issued, or to be issued, of Mega Precious Metals Inc. which are due pursuant to the Earn-in Option Agreement, to Palomino Mining or its lawful designate(s) and waive any claim that King's Bay Gold has for remuneration for Palomino Mining's share of exploration expenses incurred in prior years by King's Bay Gold with regard to the Headway Property. In the event that Mega Precious Metals Inc. should not elect to exercise its option to acquire the interest in the Headway Property, it is agreed that the monies expended by Mega Precious Metals Inc., in respect to the Headway Property, shall not be considered when calculating Palomino Mining's share of expenses for the exploration of the Headway Property.

April 16th, 2010 – **The following news release of April 16th, 2010 was subjected to a review by TSX.V Compliance due to a discrepancy of 95,000 units between the news release that stated a total of 8,890,000 units were issued and the Notes to the Financial Statements in the year-end audited financial statements of December 31st, 2010 that stated a total of 8,985,000 units were issued. This review resulted in some adjustments to the total number of the Class A and Class B units that were issued and resulted in a clarification news release as issued on August 10th, 2011 as instructed by the TSX Venture Exchange Inc. –**

“During the quarter ending March 31st, 2010 a non-brokered private placement of Class A flow-through Units at a price of \$0.07 and Class B non-flow-through units at a price of \$0.05 for aggregate gross offering proceeds of up to \$2,000,000, was announced (subject to regulatory approval). The private placement was closed on April 15th, 2010. A total of 70,000 Class A units and 8,820,000 Class B units were purchased by subscribers resident in British Columbia, Manitoba and Ontario, at a purchase price of \$0.07 per Class A unit and \$0.05 per Class B unit, for gross proceeds of \$448,500. Each Class A unit consisted of one Class A Common Share, issued as a Flow-Through Share and one half of one Warrant. Each Class B unit consisted of one Class B Common Share and one Warrant. Each Warrant entitles the holder to thereof to purchase one Class A Common Share at an exercise price of \$0.10 per Warrant for a period of eighteen months following the date of issuance. A finder's fee equal to 10% of the subscription proceeds was paid to registered dealers for services rendered in introducing certain subscribers to this offering. In addition to the finder's fee, the issuer issued non-transferable broker warrants equal to up to 10% of the Class A units and Class B units subscribed for through registered dealers. Each broker warrant entitles the holder to receive one Common Share at an exercise price of \$0.10 per Warrant for a period of eighteen months following the date of issuance. The shares issued in connection with this non-brokered private placement are subject to a minimum hold period of four months plus one day.”

May 7th, 2010 – Computershare Trust Company, King's Bay Gold's transfer agent, filed a Notice of Meeting on www.sedar.com. The Annual General Meeting of Shareholders date and location were announced as July 7th, 2010 in Winnipeg, MB (offices of Taylor McCaffrey LLP Suite 900 – 400 St Mary Avenue, Winnipeg, Manitoba R3C 4K5). The Record Date for Voting the Class A common shares was set at June 2nd, 2010.

May 10th, 2010 - Effective March 23rd, 2010 Mr. Raymond Préfontaine resigned as Chief Financial Officer and resigned as a Director. He was replaced with Holly Banner CA. Ms. Banner will serve as a Director until the next Annual and Special Meeting of Shareholders of King's Bay Gold Corporation.

May 18th, 2010 – The Corporation announced in a news release that it had entered into an agreement with New Moon Minerals Corporation to acquire a 50% interest in the high-grade gold Berven Lake Project, located in the La Ronge Area of Saskatchewan. The Berven Lake project is located approximately 110 km northeast of La Ronge, Saskatchewan covering a portion of the La Ronge gold belt north of Dickens Lake along Highway 102. The project area comprises 4 claims (1480 hectares) covering historic high-grade gold showings discovered by SMDC (Cameco) during exploration programs between 1985 and 1990. Historical details on previous exploration on the property as described in the news release were drawn from the Government of Saskatchewan assessment files and were verified by Andrew Gracie Ph.D., P.Geo., APEGS, APEGM, APGO, CIM. At the time the new partners on this project were planning a detailed exploration program which will include additional deeper drilling and the testing of these cross-cutting shear zones identified at the Joey and Road Zones.

The Earn-In Option Agreement provided that New Moon Minerals would grant to King's Bay Gold an option to earn a fifty percent (50%) interest in New Moon Minerals' Interest by funding Earn-In Expenditures of \$50,000 in year one, \$100,000 in year two and \$300,000 in year three. In addition to these earn-in expenditures, King's Bay Gold would have to issue shares to New Moon Minerals as follows: On signing of this agreement - 300,000 Common Shares; 1st Anniversary of the agreement - 500,000 Common Shares; 2nd Anniversary of the agreement - 500,000 Common Shares; and 3rd Anniversary of the agreement - 500,000 Common Shares. Upon King's Bay Gold earning the Earn-in Interest, both companies shall be deemed to have entered into a Joint Venture Agreement in respect of the development, management and further exploration of the Property and, if deemed warranted, bringing all or a portion of the Property into production by establishing and operating a mine or mines thereon. The respective initial interests of New Moon Minerals and King's Bay Gold in the Joint Venture would be fifty percent (50%) and fifty percent (50%). Property would still be subject to a 2% Net Smelter Return interest in favour of North-Sask Ventures Ltd.

May 28th, 2010 – King's Bay Gold announced in a news release that it had entered into an agreement with New Moon Minerals Corporation to acquire a 50% interest in the high-grade gold Devil Lake Project, located in the La Ronge area of northern Saskatchewan. The Devil Lake Project is located approximately 90 km northeast of La Ronge Saskatchewan, 10 km north of the Village of Missinipe, and is directly accessible by highway 102. The property comprises of 3 claims covering gold showings discovered by Durama Enterprises Ltd. during 1995 and 1996 exploration programs. The project is adjacent to Golden Band Resources Inc.'s Bingo deposit where underground work is underway and close to the licensed Jolu Mill, which is expected to commence processing gold in late 2010. King's Bay Gold and New Moon Minerals were planning at the time a detailed exploration program which would have included a re-examination of the property using the north trending Bingo deposit model. Under the terms of the Earn-in Option Agreement, New Moon Minerals granted to King's Bay Gold the option to earn a fifty (50%) percent interest in New Moon Minerals' interest by funding earn-in expenditures of \$50,000 in year one, \$100,000 in year two and \$300,000 in year three. In addition to the earn-in expenditures, King's Bay Gold would also have to issue shares to New Moon Minerals as follows:

On signing of the agreement	300,000 common shares
2011	500,000 common shares
2012	500,000 common shares
2013	500,000 common shares

Upon King's Bay Gold earning the Earn-in Interest, both companies shall be deemed to have entered into a Joint Venture Agreement in respect of the development, management and further exploration of the Property and, if deemed warranted, bringing all or a portion of the Property into production by establishing and operating a mine or mines thereon. The respective initial interests of New Moon Minerals and King's Bay Gold in the Joint Venture would be fifty percent (50%) and fifty percent (50%). Property would still be subject to a 2% Net Smelter Return interest in favour of North-Sask Ventures Ltd.

June 16th, 2010 – The Corporation reported in a news release that it had come to an agreement with Mainstream Minerals Corporation on the future of their joint-ventured Bobjo Mine Project, located in Earngey and Agnew Townships of the Red Lake Mining Division of Ontario. In a Property Interests Exchange Agreement dated June 14th, 2010, King's Bay Gold sold its' remaining interests of approximately 40% in the Bobjo Mine Project to Mainstream Minerals. King's Bay Gold had further agreed to cancel the advance receivable related to the project in the amount of \$141,572 from Mainstream Minerals to King's Bay Gold. In consideration for Property Interests Exchange Agreement of June 14th, 2010, Mainstream Minerals had agreed to: assign to King's Bay Gold its one hundred per cent (100%) interest in the Raleigh Lake property; grant 250,000 common shares of Mainstream Minerals to King's Bay Gold; and transfer title of ownership on various pieces of equipment valued at approximately \$16,000. Both Parties further agreed to waive any and all present and future claims whatsoever against one another in relation to the Bobjo Mine Project Joint Venture Earn-In Agreement of September 12th, 2006, including all amendments entered into thereafter, and to save the other party harmless from any and all present and future third party claims whatsoever as these may relate to the Bobjo Mine Project. With the execution of the Property Interests Exchange Agreement, Mainstream Minerals now had an undisputed 100% ownership interest in the Bobjo Mine Project. The common shares being issued were subject to the approval of and the hold periods as required by the applicable policies of the TSX Venture Exchange Inc. The Agreement itself was also subject at the time to the approval of the TSX Venture Exchange Inc.

June 21st, 2010 – The Corporation was pleased to announce in a news release that it had commenced a drilling program on its 100% owned Menary claim group located approximately fifty kilometers northwest of Fort Frances, Rainy River District, Ontario. The property is adjacent to and along strike to the Rainy River Resources (TSX.V-RR)'s drilling that is presently being conducted on its Off Lake and Richardson Twp. Gold Projects. King's Bay Gold intended at the time to drill several of the past gold showings as well as carry out linecutting / gridding, geological mapping and ground geophysics over its four claims that covers the historical Wagg Gold Occurrence, the Galbraith 'A', and the Galbraith 'B' Gold Occurrences.

July 6th, 2010 – The Annual Information Form for the year ended December 31st, 2009 and dated June 25th, 2010 was filed on www.sedar.com.

July 6th, 2010 – On this date, the following documents relating to the upcoming Annual General Meeting of shareholders of July 7th, 2010 were filed on www.sedar.com: Notice of Annual and Special General Meeting of Shareholders, Form of Proxy – Annual and Special General Meeting – July 7th, 2010 and the Notice of Annual and Special General Meeting and Information Circular dated June 9th, 2010.

July 7th, 2010 – The Annual General Meeting of Shareholders for the Corporation was held at 10:00 AM at the law offices of Taylor McCaffrey LLP, 9th floor, 400 St-Mary's Avenue, Winnipeg, Manitoba. The meeting was adjourned without completing any of the transactions or business as set out in the Notice of the Meeting dated June 9th, 2010. As such, the next such meeting would have to be held on or before October 7th, 2010 (90 days).

July 15th, 2010 – In a news release, the Corporation announced that the Annual and Special General Meeting as held on July 7th, 2010, which commenced at approximately 10:25 AM CST, was adjourned by vote of the shareholders at approximately 11:30 AM CST for a date to be fixed by the Directors of King's Bay Gold Corporation. The news release went on to note that the shareholders of King's Bay Gold Corporation would be provided with new meeting materials at a later date and have the opportunity to re-cast their vote by attendance or by providing a proxy at a re-scheduled meeting.

August 6th, 2010 – Computershare Trust Company, King's Bay Gold's transfer agent, filed a Notice of Meeting on www.sedar.com. The Annual General Meeting of Shareholders date and location were announced as October 7th, 2010 in Winnipeg, MB (offices of Taylor McCaffrey LLP Suite 900 – 400 St Mary Avenue, Winnipeg, Manitoba R3C 4K5). The Record Date for Voting the Class A common shares was set at September 2nd, 2010. This Notice of Meeting was released to set a meeting date as a replacement for the meeting that was adjourned on July 7th, 2010. That meeting of July 7th, 2010 was adjourned without completing any of the transactions or business as set out in the Notice of the Meeting dated June 9th, 2010. As such, the shareholders of King's Bay Gold Corporation would now be provided with new meeting materials at a later date and would now have the opportunity to re-cast their vote by attendance or by providing a proxy at the re-scheduled meeting of October 7th, 2010.

August 26th, 2010 – The Corporation announced in a news release that it had optioned six un-patented mining claims (44 claim units) in the Menary / Claxton Townships, adjoining to the Menary Gold Project claims, in the Rainy River Mining Division of Ontario. The property is deemed as significant in the follow-up of the geological structures and gold mineralization in the area and will be explored in the near future once lines and grids are cut over the claims. The present drilling program on the Menary property has been stopped for a few weeks while the geological mapping and sampling program plays catch-up. The news release went on to note that the Corporation was still awaiting further results from the lab on the drilling before putting out another press release on the analytical findings for the first five holes that had been drilled to that date.

September 7th, 2010 – In a news release, the Corporation was pleased to announce the appointment of James A. Rogers P.Geo. to the Board of Directors. King's Bay Gold was very pleased to have Jim on board to assist in the future management and development of the company as it moved forward. The news release included the following brief biography of Mr. Rogers achievements in the mineral exploration industry:

“Mr. James Rogers is the President and CEO of Mega Precious Metals (TSX.V: MGP) of which Mr. Ewan Downie is Chairman of the Board. Jim is a registered Professional Geoscientist (Ontario and B.C.) with over 30 years' experience in the Canadian mining industry. He was most recently the Regional Exploration Manager of Goldcorp Inc. in the Red Lake Camp. Jim was awarded the CIM Professional Proficiency metal in 1988 when he was Chief Mine Geologist at Dickenson Mine, predecessor to the current Red Lake Gold Mines. The first exploration drill holes into what ultimately became Goldcorp's High Grade Gold Zone were drilled on his watch. While at Eskay Creek Mine as Chief Geologist, Jim was part of the team that received the E.A. Schultz Award for Mine Development.”

September 8th, 2010 – The Corporation announced in a news release that it had signed a Letter of Intent with Coventry Resources Ltd. (ASX: CVY) of Australia, subject to a 30 day due diligence period, on its 100 % King's Bay Gold owned Cameron Lake property located in the Rainy River Mining Division of Ontario. King's Bay Gold's existing option on 20 leased claims covers the former Nucanolan Resource property adjoining Nuinsco's Cameron Lake Deposit now owned by Coventry Resources. It was King's Bay Gold had been approached by its neighbor Coventry Resources who expressed an interest to earn an 80% interest and explore this Cameron Lake property.

Under the terms of the agreement, Coventry Resources would have to spend a minimum of \$1,000,000 towards this effort, take over the property payments that King's Bay Gold has committed to Lasir Gold Inc. and secure the historical workings that exist on the property. King's Bay Gold would retain a 20% interest in the property and participate in further exploration at the pro-rated rate of 80 / 20 to its interest of 20 % until a production decision was been made. The news release went on to note that the Corporation was also awaiting assay results at the time from five drill holes that were recently completed on the Menary Gold Project. The Menary Township property is located on the northeast corner of Richardson Township where Rainy River Resources (TSX.V-RR) and Bayfield Ventures Corp. (TSX.V-BYV) have been conducting successful gold discoveries. The news release also noted that King's Bay Gold is pleased to have three gold projects located in this Rainy River area and that it intended to continue to concentrate all of its efforts in exploring this exciting area.

September 9th, 2010 – On this date, the following documents relating to the upcoming Annual General Meeting of shareholders of October 7th, 2010 were filed on www.sedar.com : Notice of Annual and Special General Meeting of Shareholders, Form of Proxy – Annual and Special General Meeting – October 7th, 2010 and the Notice of Annual and Special General Meeting and Information Circular dated September 8th, 2010.

September 27th, 2010 – Announced in a news release that it had completed six of 16 holes on its drilling program on the Menary Gold Project claim group located approximately fifteen kilometers northeast of the Richardson Township Project being operated by Rainy River Resources and within 12 kilometres of the new discovery by Bayfield Ventures Corp. (TSX.V: BYV). The property is also adjacent to and along strike to the Rainy River Resources (TSX.V: RR) drilling that is presently being conducted on its Off Lake Gold Project. The news release noted that the drill project began in June of this year and had currently completed over 1,200 metres of drilling on the Wagg Occurrence located on the west central portion of the property. Work has also included linecutting / gridding and geological mapping over the central part of the property. Additional claims had recently been staked on the northwest and northeastern sectors to cover additional geological structures that appear to tie on to the Galbraith 'A' and 'B' Gold Occurrences. Initial sampling over the Wagg Occurrence area produced at least 6 significant gold analyses from grab samples taken on a number of the quartz vein systems that have been worked on previously. The better samples returned values greater than 4,900 ppb in gold (4.9 grams Au per tonne). True widths are not known.

The recent drilling at the Menary Gold Project has found gold values in all six drill holes with assay values of:

- 0.60 ounces per ton (o.p.t.) in gold (Au) over 5.67 feet of core length in Hole MIN 10-01
- 0.138 o.p.t. Au over 1.37 feet of core length in Hole MIN 10-02
- 0.006 o.p.t. Au over 1.0 feet of core length in Hole MIN 10-03
- 0.009 o.p.t. Au over 1.0 feet of core length in Hole MIN 10-04
- 0.010 o.p.t. Au over 1.5 feet of core length in Hole MIN 10-05; and
- 0.010 o.p.t. Au over 9.0 feet of core length in Hole MIN 10-06 with several higher of 0.026 and 0.018 o.p.t. Au across smaller intervals (1.0 ft and 1.1 ft respectively) within this 9 foot section.

The news release of September 27th, 2010 went on to note that further results will be released as soon as the analytical results are received and the data is compiled.

October 7th, 2010 – The Annual General Meeting of Shareholders for the Corporation was held at 10:00 AM at the law offices of Taylor McCaffrey LLP, 9th floor, 400 St-Mary's Avenue, Winnipeg, Manitoba. The meeting was successful in completing all of the transactions or business as set out in the Notice of the Meeting dated September 8th, 2010. All of the Directors were elected. However, the renewal of the Stock Option Plan was not approved by a majority of the vote of the disinterested shareholders.

December 3rd, 2010 – Announced that it had now successfully completed the 2010 diamond drill program on the Menary Gold Project located near Nestor Falls, ON. The company drilled over 1,900 m. in 16 holes at the Wagg Gold Occurrence and will shortly release results from Holes MIN 10-07 to MIN 10-10. Results from Holes MIN 10 to MIN 10-16 would be announced when the remaining assays have been received from the lab. The company had also carried out ground Max-Min VLF-EM and a Magnetometer survey over its claims in Menary and Claxton Townships as well as its holdings in the Brooks Lake area (3 claims) along the prolific Pipestone Lake fault.

These claim groups are located close to or along strike with the Rainy River district of Kenora where there has been considerable activity and results reported this summer (see ref.: Rainy River Resources (TSX.V: RR) and Bayfield Res. (TSX.V: BYV) drilling that is presently being conducted around the Off Lake and Richardson Township Gold Projects). In 2011, King's Bay Gold intends to continue its drill program to test a number of other targets over its nine claims that covers the historical Wagg, Galbraith 'A', and Galbraith 'B' Gold Occurrences, under option from William McNerney and Western Troy Capital Corp. The company had also just finished a sampling and reconnaissance program over its 100 % owned Raleigh Lake claim group where over 70 samples were taken and sent in for Rare-Earth analysis at an independent lab in Thunder Bay, Ontario. This area has historical values in rare-earth elements and the results, once received, will determine the company's direction in the New Year for further exploration on this property, located near Ignace, Ontario. All the company's work had been supervised in the field by Russell Crosby M.Sc., P.Geo., the Qualified Person (QP) as defined by the National Instrument 43-101.

December 3rd, 2010 - The Corporation also announced in the news release of this date that it had accepted the resignations of two of its long time Directors, Ginette Camiré and Catherine Kiang. They were thanked for their services for their service to the company and were wished good luck in their future endeavors. The company stated that it would these two Directors would be replaced immediately and that it would also be moving forward with its planned work programs and new property acquisitions.

December 6th, 2010 – Announced in a news release that it had received additional results from its Menary Gold Project diamond drilling program that included high-grade gold intersections within a 12.1 foot (3.6 metre) interval that averaged 0.539 opt (18.47 g/t) in drill Hole MIN-10-10. True widths are not known. The analytical results have now been received for Holes MIN-10-07 to MIN-10-10 of 16 holes completed all of which covers the Wagg Gold Occurrence on the Menary Twp. King's Bay Gold began its this Menary Gold Project in June of this year. Results for Holes MIN-10-01 to MIN 10-06 were previously announced on September 21st, 2010. King's Bay Gold had now completed over 1,900 metres at the Wagg Gold Occurrence located on the west central portion of the property. Work included linecutting / gridding, geological mapping, ground Mag, VLF-EM and diamond drilling over the southern part of the property. More claims have been staked on the northwest and northeastern sectors to cover additional geological structures that appear to tie on to the Galbraith 'A' and 'B' Gold Occurrences. Diamond drilling over the Wagg Occurrence has produced some impressive results where the quartz vein systems to intercepted in the drilling. Holes MIN 10-07 to MIN10-10 all encountered elevated gold values, the most significant of which are summarized in the table included in the news release. The news release sated that results for Holes MIN 10-11 to MIN 10-16 would be released as soon as the intervening analytical results are received and the complete profile of these holes is determined. The analytical work has been done at an accredited lab facility in Thunder Bay, Ontario with half the drill cores sent in for analysis and the remainder being stored and archived for future testing of verification. All the drilling and field work has been supervised by the company's on-site geologist, Mr. Russell Crosby M.Sc., P.Geo., acting as the Qualified Person (QP) as per National Instrument 43-101.

December 14th, 2010 – On this date, the Corporation was pleased to announce in a news release a significant number of important board and management changes that would reflect the Corporation's new direction and the strengthening of its Board of Directors and management team going forward.

New Directors

Subsequent to the resignations of two of its Directors, Ginette Camiré and Catherine Kiang as announced in a news release dated December 3rd, 2010, the following two individuals joined the Board of Directors with both appointments being subject to regulatory approval (which was subsequently received):

Steve Filipovic

Mr. Filipovic holds an Honours Bachelor of Commerce degree and is a Chartered Accountant in good standing with the Institute of Chartered Accountants of Alberta and Ontario. Steve is Chief Financial Officer of Mega Precious Metals Inc. (TSX.V: MGP) and Vice President, Finance of Premier Gold Mines Limited (TSX: PG). He was Vice President, Finance with Wolfden Resources Inc. until its acquisition in 2007 and became a Director and Chief Financial Officer of Zinifex Canada Inc. until his departure in 2008. Steve is currently a director and officer of several other listed companies.

Kyle Picard

Mr. Picard is one of the founding members of the Board of Directors of Mainstream Minerals Corporation (TSX.V: MJO). Since July 2006, Mr. Picard has acquired experience in a variety of positions with that company as Corporate Secretary and as Chairman of the Audit and Compensation Committees. Kyle is a Director of Accolade Resources Corporation (a private company based in Winnipeg, MB) and was a founding shareholder of Palomino Mining & Exploration Ltd (a private company based in Winnipeg, MB involved in the Headway property with King's Bay Gold Corporation). He is also a Director with the Saint-Boniface General Hospital Auxiliary Inc. Kyle earned a Commerce Industry diploma with Red River Community College in Winnipeg, MB and is a manager in the telecommunications industry. Along with being a Director, Kyle has also accepted to become the Corporation's Corporate Secretary and become a member of the Board's Audit and Compensation Committees.

Chairman of the Board of Directors

The Corporation is also pleased to announce that James Rogers has accepted to become the Chairman of the Board of Directors. James will become the Corporation's first ever Chairman.

James Rogers

Mr. Rogers is a registered Professional Geoscientist (Ontario) with over 30 years' experience in the Canadian mining industry. James is President and CEO of Mega Precious Metals Inc. (TSX.V: MGP) and was most recently the Regional Exploration Manager for Goldcorp Inc. (TSX: G) in the Red Lake Camp. He was awarded the CIM Professional Proficiency metal in 1988 when he was Chief Mine Geologist at Dickenson Mine, predecessor to the current Red Lake Gold Mines. The first exploration drill holes into what ultimately became Goldcorp's High Grade Gold Zone were drilled on James's watch. While at Eskay Creek Mine as Chief Geologist, James was part of the team that received the E.A. Schultz Award for Mine Development.

Jim Rogers, the newly appointed Chairman of the Board stated at the time, "I am excited to chair this new management team and strongly believe that we now have all of the right people in place to move the company forward and realize its potential. Recent results at Menary demonstrate the high quality and potential of the project. The Headway Project continues to be very exciting as we confirm the geological model and near the productive horizon. An exciting year ahead!"

Management Changes

Finally, the Corporation is also pleased to announce the return of Ray Préfontaine as the Corporation's Chief Financial Officer. Mr. Préfontaine was a Director from August 2003 to March 2010 and was the Chief Financial Officer from January 2005 until March 2010.

Ray Préfontaine

Mr. Préfontaine is a senior management professional with over 20 years of experience in managerial and directorship roles in the banking, brokerage, accounting and natural resources industries. Ray is presently the Chief Financial Officer of Mainstream Minerals Corporation (TSX.V: MJO) and a Director of Accolade Resources Corporation (a private company based in Winnipeg, MB). He is currently the Chairman and a Director of the Saint-Boniface General Hospital Auxiliary Inc. Ray is a graduate of the University of Manitoba with a Bachelor of Arts degree in Economics and a Bachelor of Commerce (Hons.) degree in Marketing. He has completed various securities industry courses as provided by the Canadian Securities Institute and the Investment Funds Institute of Canada. During his university years, Ray served his country as a commissioned naval officer and as a ship's navigator in the Maritime surface programme of the Canadian Armed Forces Reserve.

December 21st, 2010 – The Corporation announced that it was proceeding with a non-brokered private placement to be comprised of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.11 for gross subscription proceeds of \$440,000.00, and a maximum of 4,000,000 Class "B" Units at a subscription price of \$0.09 for gross subscription proceeds of \$360,000.00, for maximum subscription proceeds of \$800,000.00. The offering would be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. It was anticipated at the time that the closing of offering of Class "A" Units would occur on or before December 31st, 2010 and that the closing of offering of Class "B" Units would occur on or before January 15th, 2011. Each Class "A" Unit would be comprised of one 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 half of one Common Share purchase warrant (a "Warrant") of the Issuer. Each Class "B" Unit would be comprised of one Common Share and one half of one Warrant. Each whole Warrant would entitle the holder to purchase one Common Share for an exercise price of \$0.13 for a period of 24 months following the date of issuance. The news release stated that the Issuer may, at its discretion, offer a 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the Class "B" Units of the offering. Limited Market Dealer Inc. would obtain a cash finder's fee of 4.5% of the proceeds received from the sale of Class "A" Units (no HST payable) and that number of Finder's Options equal to 9% of the number of Class "A" Units and Class "B" Units subscribed for by subscribers introduced to the offering by Limited Market Dealer. Each Finders Option would be comprised of one Common Share and one half of one Warrant. The news release also noted that the closing of this offering was subject to the approval of the TSX Venture Exchange Inc.

December 31st, 2010 – Announced in a news release that it had closed a non-brokered private placement of 4,000,000 Class "A" Units at a purchase price of \$0.11, for gross subscription proceeds of \$440,000.00, and 4,000,000 Class "B" Units at a subscription price of \$0.09, for gross subscription proceeds of \$360,000.00, for maximum subscription proceeds of \$800,000.00. This non-brokered private placement was first announced in a news release dated December 21st, 2010. The offering was made to subscribers resident in the Provinces of Ontario, Manitoba and British Columbia. The news release noted that the Corporation as the Issuer intended to make use of the proceeds from the sale of the Class "A" Units for exploration and drilling initiatives for fiscal 2011 and in particular, the Menary Township Project and Rainy River Mining District Projects, and 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.

"We are very pleased to be once again entering into this relationship with MineralFields Group", said John Archibald, President and CEO at the time of the closing. "This is an important milestone in the growth of King's Bay Gold Corporation and we look forward to working with MineralFields Group as we develop our holdings in the Red Lake and Rainy River, ON gold camps."

KEY DEVELOPMENTS from January 1st, 2011 to December 31st, 2011

The following is a brief description of the Corporation's key developments by date during the 12 months of the 2010 fiscal year from January 1st, 2010 through to and including December 31st, 2010:

January 5th, 2011 – Subsequent to a non-brokered private placement of \$800,000 that closed on December 31st, 2010, Joe Dwek Management Consultants Inc. ("JDM") of 1110 Finch Avenue West, Suite 210 Toronto, Ontario M5A 2K7 filed on www.sedcar.com an "AMENDED EARLY WARNING REPORT and Press Release filed pursuant to National Instrument 62-103". This Early Warning Report was amended from one that was filed earlier on December 31st, 2010 on www.sedar.com. The amended Report stated that JDM had at the time "... indirect control and direction over 13,225,000 common shares of KBG (the "Shares"), 425,999 options to purchase units (the "Units") comprised of one share and one-half (1/2) of one warrant with a total number of 213,000 underlying warrants to purchase shares, and 8,612,000 warrants to purchase shares (the "Warrants") representing approximately 24.71% of the outstanding Shares on a partially diluted basis". The amended Report also stated that "JDM intends to hold the securities for investment purposes. JDM may, depending on market and other conditions, increase its beneficial ownership, control or direction over the common shares or other securities of KBG, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise".

January 11th, 2011 – Announced in a news release, further high-grade gold intersections within a 20.5 foot (6.25 metre) interval that averaged 0.357 opt (12.23 g/t) in drill Hole MIN-10-11. Four other smaller and lower grade zones were also intersected. Sixteen holes were drilled in 2010 year covering the Wagg Gold Occurrence on the Menary Township Property. The news release stated that King's Bay Gold began its drilling on the Menary property in June. Work included line-cutting / gridding, geological mapping, ground Magnetism, VLF-EM, land acquisition via staking and diamond drilling over the several portions of the property. The staking included land that ties on to the main group of claims in order to cover additional geological structures that appear to tie on to the Galbraith 'A' and 'B' Gold Occurrences. Diamond drilling over the Wagg Occurrence has produced some good results. Results for Hole MIN-10-11 were shown in a table in the news release with "*True widths are not known*". The analytical work had been done at an accredited laboratory facility in Thunder Bay using the fire assay method. Half of the drill cores were sent in for analysis and the remainder are being stored and archived for future testing or verification. All the drilling and field work during the 2010 drilling season had been supervised by the company's on-site geologist, Mr. Russell Crosby M.Sc., P.Geo., acting as the Qualified Person (QP) as directed by National Instrument 43-101.

January 14th, 2011 – Announced in a news release that the Corporation had been informed by Mega Precious Metals Inc. (TSX: MGP) ("Mega") that, following a December 16th, 2010 shutdown, drilling had resumed on the optioned Headway Project in Red Lake Ontario. On October 5th, 2009, Mega signed a definitive option agreement to acquire a 100% interest in the Headway Project from King's Bay Gold. In a Mega news release dated January 13th, 2011, Mega detailed the progress and results achieved to that date on the drilling program at the Headway Project

January 31st, 2011 – The Corporation announced that the option agreement to acquire a 50% interest in the Devil Lake project located in the La Ronge Area, Saskatchewan from New Moon Minerals Corporation, previously announced on May 28, 2010, had been terminated. The 300,000 Class "A" common shares and \$50,000 in earn-in expenditures paid by King's Bay Gold pursuant to the option agreement had been returned by New Moon Minerals Corporation in consideration of the mutual releases provided between the parties.

March 11th, 2011 – Reported in a news release that Coventry Resources Limited (ASX: CVY) had announced the initial results from a diamond drilling program at the King's Bay Gold's optioned Meston Prospect on the former Nucanolan Property at Cameron Lake, Ontario. On March 7th, 2011, Coventry Resources disseminated a news release to the Australian marketplace outlining the analytical results that had been received to date for the first nine holes drilled at the Meston Prospect (1,503 metres). The following is a direct quote from the Coventry Resources news release that can be found at www.coventryres.com/ASXAnnouncements.html.

"Initial drilling has intersected very encouraging shallow gold mineralization including:

- 4.0 metres at 5.16 g/t gold from 5.0 metres (5.0 metres to 9.0 metres)
- 8.7 metres at 2.19 g/t gold from 5.3 metres (5.3 metres to 14.0 metres)
- 2.0 metres at 4.67 g/t gold from 3.0 metres (3.0 metres to 5.0 metres)
- 1.0 metre at 3.47 g/t gold from 68.0 metres (68.0 metres to 69.0 metres)

Mineralization remains open in all directions. One diamond drilling rig continues to operate at the Meston Prospect to help determine the possible extent of the mineralization there." *Italic portions added for clarification.*

The Competent Persons Statement in the Coventry Resources Limited news release of March 7th, 2011 identified Anthony Brendon Goddard as the Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as the Qualified Person as defined by Canadian National Instrument 43-101 (Standards for Disclosure for Mineral Projects). Mr. Goddard is Technical Director of Coventry Resources Limited and a Member of the Australian Institute of Geoscientists.

March 16th, 2011 – The Corporation announced in a news release that it had discovered further high-grade gold intersections within a 100 metre wide geologically productive area where the Corporation, during its 2010 field season, drilled 16 holes for over 6,230 feet (1,900 metres) of BQ core. The results of the last five drill-holes were significant in that they intersected anomalous to significant gold mineralization in each hole over one to four intervals in each hole, showing a wider spread of gold mineralization than had been indicated in surface exposures.

Drill Holes MIN 10-12 to MIN 10-16 (5 holes) are the last of the series to be reported at this time. Below are the tabulated results for the samples taken to date. Hole MIN-10-15 intersected 0.244 opt (8.38 g/t) over 1.2ft (0.37m) from 83.2-84.4 ft. Hole MIN-10-16 intersected 0.539 opt (18.44 g/t) over 1.3 ft (0.40m) from 149.0-150.3 ft. There were several intervals that require additional sampling to see if the mineralized envelope extends beyond the intervals that were analyzed. Those results would be released appropriately. To the date of this news release, sixteen holes were drilled to cover the Wagg Gold Occurrence on the Menary Township Property. The occurrence is located roughly fifteen kilometers northeast of the Richardson Township Project owned by Rainy River Resources Limited (TSX.V: RR) and within 12 kilometres of the new discovery by Bayfield Ventures Corp. (TSX.V: BYV). The property is also adjacent to and along strike to the Rainy River Resources Limited drilling that has been conducted on their Off Lake Gold Project.

Diamond drilling over the Wagg Occurrence produced some positive results. Results for holes MIN-10-12 to MIN-10-16 follow below. *True widths are not known at this point in time since geological interpretations are required and a further drill section is needed across the structure in order to characterize the zone.*

Drill Hole MIN-10-12 Two gold-bearing zones were encountered.

1. 0.009 opt or 0.307 g/t from 18.3-19.3 ft. (1.0 ft or 0.30 m)
2. 0.002 opt or 0.08 g/t from 28.0-33.0 ft. (5.0 ft or 1.52 m). The highest value was 0.003 opt or 0.104 g/t from 28.0-30.0 ft.

Drill Hole MIN-10-13 Four gold-bearing zones were encountered.

1. 0.072 opt or 2.45 g/t from 7.0-10.5 ft. (3.5 ft or 1.07m). The highest value was 0.147opt or 5.033 g/t from 9-10.5 ft.
2. 0.039 opt or 1.347 g/t from 46.0-48.0 ft. (2.0 ft or 0.61 m).
3. 0.056 opt or 1.91 g/t from 74.8-79.0 ft. (4.2 ft or 1.28m). The highest value was 0.093 opt or 3.194 g/t from 76.5-79.0 ft.
4. 0.044 opt or 1.49 g/t from 248.0-252.0 ft. (4.0 ft or 1.22m). The highest value was 0.082 opt or 2.808 g/t from 250.0-252.0 ft.

Drill Hole MIN-10-14 One gold-bearing zone was encountered.

1. 0.015 opt or 0.517 g/t from 106.9-108.0 ft. (1.1 ft or 0.34 m)

Drill Hole MIN-10-15 Two gold-bearing zones were encountered.

1. 0.053 opt or 1.82 g/t from 79.4-86.6 ft. (7.2 ft or 2.19 m). The highest value was 0.244 opt or 8.38 g/t from 83.2-84.4 ft.
2. 0.003 opt or 0.119 g/t from 270.9-271.7 ft. (0.8 ft or 0.24 m)

Drill Hole MIN-10-16 Two gold-bearing zones were encountered.

1. 0.164 opt or 5.61 g/t from 117.6-119.0 ft. (1.4 ft or 0.43 m)
2. 0.243 opt or 8.31 g/t from 146.3-150.3 ft. (4.0 ft or 1.22 m). The highest value was 0.539 opt or 18.44 g/t from 149.0-150.3 ft.

The above analytical work was done at an accredited laboratory facility in Thunder Bay, ON using the fire assay method. Half of the drill cores were sent in for analysis and the remaining cores are being stored and archived for future testing or verification. All the drilling and field work was supervised by the company's on-site geologist, Mr. Russell Crosby M.Sc., P.Geo., acting as the Qualified Person (QP) as directed by National Instrument 43-101.

April 15th, 2011 – The Corporation announced a **clarification of its previous press release of June 16th, 2010** concerning the relinquishing of its 40% interest in the Bobjo Property in the Red Lake Mining Division of Ontario. This press release was being issued at the request of the TSX Venture Exchange Inc. The header to the June 16th, 2010 press release stated that King's Bay Gold had a 50% ownership interest in the Bobjo Mine Project. In fact, King's Bay Gold had a 40% interest, as correctly stated in the body of that press release. In a Property Interests Exchange Agreement dated June 14th, 2010 (the "Agreement"), King's Bay Gold Corporation sold its remaining interests of approximately 40% in the Bobjo Mine Project, located in the Earney and Agnew Townships of the Red Lake Mining Division of Ontario, to Mainstream Minerals Corporation. Pursuant to the Agreement, King's Bay Gold agreed to cancel the advance receivable related to the project of approximately \$140,000 from Mainstream Minerals to King's Bay Gold. As consideration under the Agreement, Mainstream Minerals agreed to: (a) assign to King's Bay Gold its one hundred percent (100%) interest in the Raleigh Lake property; (b) grant 250,000 common shares of Mainstream Minerals to King's Bay Gold; and (c) transfer title of ownership on various pieces of equipment valued at approximately \$16,000.

The June 16th, 2010 press release stated that King's Bay Gold would receive title to four un-patented mining claims in the Raleigh Lake Area. In fact, King's Bay Gold was assigned Mainstream Minerals' 100% interest in an Option Agreement dated September 10th, 2009 between Mainstream Minerals and Perry English, on behalf of Rubicon Minerals Corporation (the "Option Agreement"), which if exercised in full, would convey to King's Bay Gold's all right and title to the aforementioned mining claims. As a result, King's Bay assumed the obligations as optionee under the Option Agreement. To fully exercise its option under the Option Agreement, King's Bay assumed the following outstanding payments and issuance of shares: on September 10th, 2010: the sum of \$12,000 and 50,000 common shares; on September 10th, 2011: the sum of \$16,000 and 50,000 common shares; on September 10th, 2012: the sum of \$25,000; and on September 10th, 2013: the sum of \$35,000. Upon full payment King's Bay will be entitled to a 100% interest in the aforementioned mining claims, subject to Rubicon Minerals Corporation retaining a 1.5% Net Smelter Interest in the property. Both parties further agreed to waive any and all present and future claims whatsoever against one another in relation to the Bobjo Mine Project Joint Venture Earn-In Agreement of September 12th, 2006, including all amendments entered into thereafter, and to save the other party harmless from any and all present and future third party claims whatsoever as these may relate to the Bobjo Mine Project.

The Press Release of June 16th, 2010 may have also left an erroneous impression that Mr. Ron Rivet was the President and CEO of King's Bay. In fact Mr. Rivet was the Exploration Coordinator for King's Bay and did not ever hold the position of President or CEO of King's Bay.

May 6th, 2011– Computershare Trust Company, King's Bay Gold's transfer agent, filed a Notice of Meeting on www.sedar.com. The Annual General Meeting of Shareholders date and location were announced as June 24th, 2011 in Winnipeg, MB (offices of Taylor McCaffrey LLP Suite 900 – 400 St Mary Avenue, Winnipeg, Manitoba R3C 4K5). The Record Date for Voting the Class A common shares was set at May 25th, 2011.

May 6th, 2011 – Announced in a news release that John Archibald B.Sc. (Hons.), P.Geo. was stepping down from the Board of Directors effective immediately. The news release noted that Mr. Archibald had agreed to remain as President and CEO of the Company until the expiry of his contract on May 17th, 2011. Mr. Archibald had also agreed to act in an advisory capacity thereafter as interim President and CEO until such time as the Board of Directors had recruited a suitable candidate for that office. Mr. Archibald made these decisions to support the Company's renewed focus on a "results driven" exploration program, with Mr. Archibald's focus as the Chief Geologist and as the Qualified Person for the Company's projects. The Board of Directors at the time believed that Mr. Archibald's knowledge, expertise and experience with the Company's land package make him an ideal candidate for this role. Terms and conditions of any such engagement would be negotiated between Mr. Archibald and Management at a future date, subject to review and approval of the Directors of the Company. The Board of Directors expressed its thanks to Mr. Archibald in the news release for his service to the Company as a director over the past number of years.

May 11th, 2011 – The Corporation announced in a news release that it had mobilized its geologist and drilling contractor to the Menary Township, Ontario Property in order to commence the continuation of its diamond drilling of the Wagg Occurrence. This program was stopped November 2010 due to the onset of winter conditions after 6,230 feet (1,900 metres) of coring was completed. That program produced at least four drill holes with a number of gold intersections over an area of approximately 200 metres in width and to a depth of approximately 100 meters vertically. The 2011 program intends to carry on with the sectioning of the surface quartz-carbonate vein structures in order to determine the character of the mineralisation and geological structure that cross-cuts the area around the Wagg Occurrence. The company intends to complete it's the contract started in June 2010 and continue exploring the remainder of the property by geological mapping and sampling. The news release noted that the company also has plans to carry out further exploration work on its other Ontario properties including the Halkirk-Watten Township property near Fort Frances, the Brooks Lake-Dash Lake property near Sioux Narrows, the Raleigh Lake and the Sturgeon Lake properties near Ignace, Ontario.

May 20th, 2011 – The Corporation announced in a news release, a non-brokered private placement consisting of a maximum of 3,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$150,000, and a maximum of 6,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$300,000, for aggregate maximum subscription proceeds of \$450,000. The offering would be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Corporation as the Issuer may determine. It was anticipated at the time that the closing of offering would occur on or around June 20th, 2011. Each Class "A" Unit would be 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 half of one Common Share purchase warrant (a "Warrant") of the Issuer. Each Class "B" Unit would be comprised of one Common Share and one whole Warrant.

Each whole Warrant will entitle the holder thereof to purchase one Common Share for an exercise price of \$0.10 for a period of 24 months following the date of issuance. The Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day. The Corporation as the Issuer may, at its discretion, offer a 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering. The closing of this offering was subject to the approval of the TSX Venture Exchange Inc.

June 1st, 2011 – On this date, the following documents relating to the upcoming Annual General and Special Meeting of Shareholders of June 24th, 2011 were filed on www.sedar.com: Notice of Annual and Special General Meeting of Shareholders, Form of Proxy; Voting Instruction Form; and the Notice of Annual and Special General Meeting and Information Circular dated May 16th, 2011.

June 21st, 2011 – The Corporation announced that the non-brokered private placement that was previously announced on May 20th, 2011, originally scheduled to close on or about June 20th, 2011, was now anticipated to close on or about June 27th, 2011. All other terms and conditions of the offering previously announced on May 20th, 2011 would remain the same. The closing of the offering remained subject to the approval of the TSX Venture Exchange Inc.

June 24th, 2011 – The Corporation and its Board of Directors were pleased to announce in a news release the outcomes of the Annual General and Special Meeting of Shareholders that was held earlier that same day in Winnipeg, Manitoba. All of the resolutions presented to the shareholders in the Management Information Circular of May 16th, 2011 were ratified and / or approved. These resolutions included: (i) the re-election of James Rogers, Kyle Picard, Steve Filipovic and Rick Jabs as the Directors, the election of Robert Gagné and Peter Brooks as new Directors (both subject to the approval of the TSX Venture Exchange Inc.), (ii) the re-appointment of the Auditors and the authorization of the Directors to fix their remuneration, (iii) the approval of the comparative audited financial statements of the Corporation for the fiscal years of December 31st, 2010 and 2009, (iv) the approval by the disinterested shareholders of the Stock Option Plan originally approved by the directors of the Corporation on June 15th, 2004 and as amended by resolution of the directors of the Corporation on April 24th, 2009, and (v) change the registered office of the Corporation to Taylor McCaffrey LLP, 9th Floor – 400 St-Mary Avenue, Winnipeg, Manitoba, R3C 4K5, Attention: Corporate Records Department.

Appointment of an interim President & CEO

Subsequent to the Annual General and Special Meeting of Shareholders that was held earlier that day in Winnipeg, Manitoba, the Board of Directors announced the appointment of Kyle Picard as interim President & CEO. As announced in an earlier news release dated May 6th, 2011, John Archibald B.Sc. (Hons), P.Geo. had agreed to remain as President and CEO of the Company until the expiry of his contract on May 17th, 2011. Mr. Archibald had also agreed to act in an advisory capacity thereafter as interim President and CEO until such time as the Board of Directors had recruited a candidate for that office. The news release stated that given that Mr. Picard is being appointed as the interim President & CEO, the Board of Directors will be continuing in its search to find a suitable candidate to fill this important position on a permanent basis.

Kyle Picard – Mr. Picard is one of the founding members of the Board of Directors of Mainstream Minerals Corporation (TSX.V: MJO). Since July 2006, Mr. Picard has acquired experience in a variety of positions with that company as Corporate Secretary and as Chairman of the Audit and Compensation Committees. Kyle is a Director of Accolade Resources Corporation (a private company based in Winnipeg, MB) and was a founding shareholder of Palomino Mining & Exploration Ltd (a private company based in Winnipeg, MB involved in the Headway property with King's Bay Gold Corporation). He is also a Director with the Saint-Boniface General Hospital Auxiliary Inc. Kyle earned a Commerce Industry diploma with Red River Community College in Winnipeg, MB and is a manager in the telecommunications industry.

Election of two new Directors

Robert Gagné – Mr. Gagné serves as the Information Services and Information Security Manager for a publicly traded biotech company. He is a Certified Information Security Manager (CISM) and a Certified Information Systems Security Professional (CISSP). Mr. Gagné is responsible for overseeing and coordinating all technology initiatives for mission-critical manufacturing, clinical, research and administrative functions. His expertise is in strategic planning, IT governance and information security. He has been in the IT industry for over 17 years and owns his own Information Services and Information Security consulting business where he has provided services to companies in the mining, manufacturing, financial and marketing industries.

Peter Brooks – Mr. Brooks is a Winnipeg businessman specializing in the acquisition and restructuring of existing businesses. He is the founder and president of Brooks Tools Ltd. Mr. Brooks is a licensed pilot, an aircraft owner and operator (wheels, floats, day, night, ultra-light vfr-ott) and is also a heavy equipment owner and operator (proficient on most types). More importantly, Mr. Brooks brings with him 15 years of mining industry and mineral exploration experience including: (i) iron mining and lab preparation and analyses, (ii) nickel underground mining, milling, lab preparation and analyses, (iii) coal mining and plant processing, (iv) surface preparation for exploration, (v) mine commissioning and initial startup, (vi) new technology process integration, and (vii) land reclamation.

June 27th, 2011 – The Corporation announced in a news release that it had closed the non-brokered private placement as announced earlier on May 20th, 2011. The non-brokered private placement closed for 2,030,000 "Non-Flow Through" Units at a purchase price of \$0.05, for gross subscription proceeds of \$101,500, and 3,000,000 "Flow Through" Units at a subscription price of \$0.05, for gross subscription proceeds of \$150,000, for aggregate subscription proceeds of \$251,500. The offering was made to subscribers resident in the Provinces of British Columbia, Alberta, Manitoba and Ontario. The news release stated that the Corporation intended to make use of the proceeds from the sale of the Flow Through Units of this Offering for exploration and drilling initiatives in fiscal 2011 and in particular, at the Menary Township Project, and use the proceeds from the sale of the Non Flow-Through Units for general working capital, corporate purposes and for the maintenance of its property claims. Macquarie Private Wealth Inc., Norstar Securities Limited Partnership, Fab Carella, and Canaccord Genuity Corp. were paid a cash finder's fee of 8% of the proceeds received from the sale of "Non-Flow Through" and "Flow Through" Units. The closing of this offering was subject to the final approval of the TSX Venture Exchange Inc. (which was subsequently received).

July 5th, 2011 – The Corporation announced in a news release that it had granted a total of 5,800,000 incentive stock options for the purchase of up to 5,800,000 common shares of the Corporation at a price of \$0.10 per share to Directors / Officers / Consultants, expiring July 4th, 2016 subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received).

July 29th, 2011 – Announced in a news release that the option agreement to acquire a 50% interest in a property comprising of 4 claims (1,480 hectares) at Berven Lake, Saskatchewan from New Moon Minerals Corporation, as previously announced on May 18th, 2010, had been terminated. The optioned property in question is located approximately 110 kilometres northeast of La Ronge Saskatchewan. In accordance with the initial payment provisions required by the option agreement, the Corporation issued 300,000 Class "A" common shares and paid a sum of \$50,000 to New Moon Minerals for earn-in exploration expenditures. The Corporation did seek the approval of, and did subsequently obtain such approval, from the TSX Venture Exchange Inc. for the transactions described in the option agreement. Upon review, the current Board of Directors felt that this project didn't fit into the Corporation's existing portfolio of projects that is geographically focused on northwest Ontario. As such, the Corporation chose not to issue the first anniversary payment of 500,000 Class "A" common shares nor did it pay the sum of \$50,000 for the first anniversary earn-in exploration expenditures to New Moon Minerals Corporation.

August 10th, 2011 – The Corporation announced in a news release a clarification to its previous press release of April 16th, 2010 concerning the closing of a non-brokered private placement offering of Class "A" Units and Class "B" Units. The press release of April 16th, 2010 incorrectly stated that a total of 70,000 Class "A" Units and 8,820,000 Class "B" Units were purchased by subscribers resident in British Columbia, Manitoba and Ontario, at a purchase price of \$0.07 per Class "A" Unit and a price of \$0.05 per Class "B" Unit, for gross subscription proceeds of \$448,500.00. In fact, a total of 140,000 Class "A" Units and 8,845,000 Class "B" Units were purchased by subscribers resident in British Columbia, Manitoba and Ontario, at the same purchase price of \$0.07 per Class "A" Unit and a price of \$0.05 per Class "B" Unit, for gross subscription proceeds of \$452,050.00. All of the other terms of the private placement financing, as announced in the press release of April 16th, 2010, remain unchanged.

September 14th, 2011 – The Corporation provided its shareholders with an update via a news release as to the progress made during the summer of 2011 at its various properties located in north-western Ontario. This news release provided an update on the following active properties: Headway, Cameron Lake (Sullivan & Meston Prospects) and the Menary Project.

The news release went on to state that with the termination of the Berven Lake, Saskatchewan option agreement as announced in the news release of July 29th, 2011, there were no longer any connections remaining between the Company and New Moon Minerals Corporation, its President & CEO Richard Rivet or members of his family. Furthermore, work on the Company's projects prior to September 2010 was organized and supervised by Ron Rivet, the Company's former Exploration Coordinator, with the use of drills and equipment owned by King's Bay Gold and other independent contractors. Since his resignation on September 11th, 2010, neither Ron Rivet nor any of his affiliated companies, associates or family members are or have been involved in any of the Company's exploration projects.

September 19th, 2011 – Announced in a news release that the Corporation had granted on September 16th, 2011 a total of 200,000 incentive stock options to Russell Crosby M.Sc., P.Geo., a consulting geologist, for the purchase of up to 200,000 common shares of the Corporation at a price of \$0.10 per share expiring September 15th, 2016 subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received).

September 27th, 2011 – The Corporation was pleased to announce in a news release further high-grade gold intersections within an approximate 100m wide x 200m long x 100m deep geologically productive area at the Wagg Gold Occurrence on the Menary Project. Since the late summer of 2010, the Company had now drilled 29 holes for 3,484.7 metres of BQ core on this geologically productive area. During its 2011 summer field season, the Company drilled 13 of those 29 holes for 1,567.8 metres of BQ core. The results from these drill-holes were significant in that they intersected anomalous to significant gold mineralization over core length intervals from 0.3m to 11.0m and remain open at depth and in all directions. Given the positive results obtained from MIN 10-01 to MIN 10-16 at the Wagg occurrence during the spring and fall of 2010, the Company announced in a news release dated May 11th, 2011 that it had mobilized its geologist and drilling contractor to the Menary Property. Drilling occurred throughout most of the summer and Hole MIN 11-29 was presently underway at the time of this news release.

Work during the summer also included extensive prospecting and mapping program of outcrops over the entire property. Results for holes MIN 11-17 to MIN 11-26 follow below.

True widths are not known at this point in time due to the complex nature of the veins and structural deformation within the zone of interest.

Drill Hole	Dip	Grade (g/t)	Intercept Length	From (m)	To (m)
MIN-11-17	-45°	0.45 g/t	over 11.0m	54.5	65.5
Incl		1.41 g/t	over 0.3m	57.0	57.3
MIN-11-18	-45°	16.99 g/t	over 6.3m	75.4	81.7
Incl		63.29 g/t	over 1.7m	77.5	79.2
MIN-11-19	-45°	0.14 g/t	over 0.9m	67.0	67.9
MIN-11-20	-45°	1.28 g/t	over 0.3m	40.8	41.1
MIN-11-21	-45°	12.40 g/t	over 4.8m	0	4.8
MIN-11-22	-45°	5.95 g/t	over 1.9m	10.8	12.7
Incl		57.27 g/t	over 0.2m	12.2	12.4
		1.9 g/t	over 0.4m	41.3	41.7
MIN-11-23	-45°	0.39 g/t	over 0.6m	15.5	16.1
MIN-11-24	-45°	No significant assays			
MIN-11-25	-45°	No significant assays			
MIN-11-26	-45°	0.73 g/t	over 0.6m	12.6	13.2

The analytical work was been done at Accurassay Laboratories Limited, an accredited laboratory facility in Thunder Bay, Ontario using the fire assay method. Half of the drill cores were sent in for analysis, along with accompanying standards, duplicates and blanks. The remaining cores are being stored and archived for future testing or verification.

Results from Holes MIN 11-27 to MIN 11-29, completed to that point in time or to be completed during the remainder of 2011, would be released once the assay results were received and reviewed. At the time of this news release, the Company started drilling the Galbraith “A” occurrence. This occurrence is located 900 metres north of the Wagg occurrence. If drilling at the Galbraith “A” is successful, the Company may then look at doing some additional drilling in-between these two occurrences to determine if any continuity exists between them. At Galbraith “A”, historical grab samples collected by prospectors employed by Western Troy Capital Resources Inc. yielded 2.42 Au g/t and 94.48 Au g/t. Grab samples collected by King's Bay Gold personnel in August 2011 at the 4' x 4' x 3' Western Troy blasted pit at Galbraith “A” yielded 8.96 Au g/t and 15.78 Au g/t. The Corporation has not verified this historical data.

Kyle Picard, King's Bay Gold's President & CEO stated at the time “The information that we've received to date from our drilling activities indicates that the Menary may be amenable to low grade bulk tonnage open pit mining. Before that can happen, additional drilling, exploration and development work, economic analysis and research on processing methodologies and costs will be needed to determine if the zones identified to date will be economically amenable to open pit mining.”

All of the recent drilling and field work on this project was being supervised by the Company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., acting as the Qualified Person (QP) in compliance with National Instrument 43-101. Mr. Crosby is the one who reviewed the technical disclosure in this news release of September 27th, 2011.

October 5th, 2011 – The Corporation reported that it had just received the 2nd anniversary earn-in option agreement payments from Mega Precious Metals Inc. (TSX.V: MGP) ("Mega"). The second anniversary payments consisted of \$40,000 in cash and 67,500 common shares of Mega. King's Bay Gold Corporation now holds an aggregate total of 315,000 common shares of Mega from the initial, 1st anniversary and 2nd anniversary earn-in distributions. The news release also mentioned that a new "Join Our President's List" feature was recently added to the Company's website at <http://www.kingsbaygold.com/home/#> whereby shareholders and other interested individuals can add themselves to a list to receive recently disseminated news releases from the Company via e-mail. Subscribers may remove themselves from this list at any time by sending an e-mail to the Company at info@kingsbaygold.com or by calling the company at 1-(204)-253-4653. The list will be for the exclusive use of the Company and shall not be sold, traded, bartered, leased or provided to any third parties. The list shall be treated as confidential and adhere to the provisions of the *Personal Information Protection and Electronic Documents Act (Canada)*.

October 26th, 2011 – Announced in a news release that the Corporation had just increased its land position at its Menary Gold Project by staking 6 mining claims totaling 44 units covering an additional 1,760 acres to the north and northeast of the Company's existing land package. These new claims were staked after discovering a new gold bearing shear zone at the Galbraith "A" occurrence. They cover the remaining available geological contact between the Sabaskong granitic batholith and the open ground over the adjacent greenstones. With the 6 newly staked claims, the Project now consists of 16 claims for approximately 4,320 acres in a single contiguous land package.

A total of 34 grab samples were taken at various points along a newly discovered shear system with a width of up to 4 metres and a length of over 150 metres long on surface. The assay results obtained from wall rock and quartz vein grab samples ranged from a low of <0.005 g/t Au to a high of up to 40.52 g/t Au. The most significant gold values, in grams per tonne, are as follows: 1.26, 1.98, 4.17, 4.71, 6.37, 11.14, 22.24, and 40.52. These grab samples are selective by nature and are unlikely to represent average grades for the deposit.

The 34 grab samples from the newly discovered shear zone were processed and analyzed by Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered.

In the new shear zone the fine-grained, sugary texture of the quartz and the intermittent hematitic red staining are similar to that which occurs in the quartz veins on surface at the Wagg gold occurrence approximately 1 km south of the Galbraith "A" occurrence. Washing, mapping, channel sampling and drilling have been commissioned on this new zone, as well as excavator stripping of additional quartz showings nearby. Assays from channel sampling and drilling to be undertaken would only be released once they had been received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., who is acting as the Qualified Person (QP) for this project in compliance with National Instrument 43-101.

James Rogers, King's Bay Gold's Chairman, stated "This discovery of another vein system with mineralization and alteration that look identical to the Wagg showing is very exciting. I am optimistic that King's Bay Gold's systematic approach to field exploration may uncover new economic opportunities for discovery".

In the 1990's, Western Troy Capital Resources Inc. processed approximately 1,000 tons of quartz vein material through a small mill erected at the Wagg gold showing on the Menary gold property. They reported an overall historical grade of 10.73 g/t at that time from the approximately 1,000 tons of material that was processed. Tailings from the mill were collected in a small pond nearby. This historical data has not been verified. *Source: Ontario Ministry of Northern Development and Mines Assessment Files, verified by Russell Crosby, M.Sc., P.Geo.*

During the summer of 2011, King's Bay Gold collected 46 samples from part of this tailings pond to determine what, if any, gold may be present in these tailings. Assay results obtained to date range from a low of 1.00 g/t to over 116.20 g/t and have an average of 5.95 g/t. Additional sampling is planned to assess how much free gold is in the tailings pond. The 46 samples taken from the tailings pond were also processed and analyzed by Accurassay Laboratories in Thunder Bay, Ontario using 30 grams of sample, the fire assay method, and an AAS finish following Accurassay Assay procedure code ALFA1.

All of the recent drilling and field work on this project has been supervised by the Company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., acting as the Qualified Person (QP) in compliance with National Instrument 43-101. Mr. Crosby is the one who reviewed the technical disclosure in this news release of October 26th, 2011.

November 14th, 2011 – The Corporation announced in a news release a non-brokered private placement of a maximum of 6,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$300,000.00, and a maximum of 6,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$300,000.00, for aggregate maximum subscription proceeds of \$600,000.00. The offering will be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick, and such other jurisdictions as the Issuer may determine. It is anticipated that the closing of offering will occur on or about December 20th, 2011. Each Class "A" Unit shall be 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 shall be comprised of one Common Share and one whole Warrant. Each whole Warrant shall entitle 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 Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day. The Corporation as the Issuer may, at its discretion, offer a 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering (each, a "Finder"). The closing of this offering is subject to the approval of the TSX Venture Exchange Inc.

November 23rd, 2011 – Reported in a news release that the Corporation had now completed its 2011 Menary Project drill program for a total of 17 BQ holes. In 2010 and 2011, a total of 29 BQ holes were completed at the Wagg Occurrence, 3 additional BQ holes were drilled at the Galbraith "A" Occurrence and one additional BQ hole was drilled at the southern end of the property close to Road # 404 to test a sulfide zone for mineralization. At the Galbraith "A" Occurrence, an approximately 200 metre-long gold-bearing system was uncovered. It is comprised of a strongly boudinaged and sugary-textured quartz vein of up to 1 metre in width with intermittent red hematite staining in a shear / fault zone. This sugary quartz and red coloration mimics that at the Wagg Occurrence located approximately 1 kilometer south of the Galbraith "A" Occurrence. Grab samples from this zone have assayed up to 40.5 g/t gold (see the news release dated October 26th, 2011). Additional work between the Galbraith "A" and the Wagg Occurrences will be needed to confirm if these gold-bearing systems are continuous.

Red, sugary-textured quartz also occurs in a quartz vein swarm found at about the 73 metre depth mark in the -45 degree, 152.4 metre-long hole identified as Gal-A-11-03. When projected to surface, this quartz vein swarm is located approximately 41 metre horizontally NE from the above mentioned gold-bearing quartz vein in the shear zone. This hole is presently being logged and sampled. After further excavator work (pictures are available on the company's website at <http://www.kingsbaygold.com/properties/menary-twp/>) and the washing of trenches in the area, smoky quartz was found in some felsic dykes in the Galbraith "A" area. These have been logged, sampled and sent away for assay.

At the time of this news release of November 23rd, 2011 grab samples, channel samples and drill core samples were either being processed for delivery or had already been delivered to Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory. Assay results, along with the methodology used to process the assays, would be released once they have been received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., who is acting as the Qualified Person (QP) for this project in compliance with National Instrument 43-101. Mr. Crosby reviewed the technical disclosure in this news release.

Outstanding samples to be assayed at the time were as follows:

Batches 64-71, 79-80 (310 samples) were presently at the lab for assaying.
Batches 72-74 (96 samples) were ready to be shipped and were scheduled to be picked-up on Nov. 24th.
Batches 75-77 (96 samples) were presently being processed and would be shipped by Nov. 30th.
Batches 78, 81-84 (160 samples) were presently being processed and would be shipped by Nov. 30th.

Total samples: 662

Of these 662 samples to be assayed at the time: 107 were grab samples; 184 were channel samples; and 371 were BQ drill core samples drilled at the Galbraith "A" Occurrence.

Kyle Picard, King's Bay Gold's President & CEO, stated at the time of this news release of November 23rd, 2011 "I'm excited about both our new gold discoveries on the Menary and the accomplishments of our new management team at King's Bay Gold. In the 11 months since and including December 2010, we've developed a more focused exploration program and made new gold discoveries on the Menary Gold Project. We've also reduced the company's related party transactions by 54% from \$696,200 in fiscal 2010 to an estimated \$320,000 for the current fiscal year which will end on December 31st, 2011. We expect this trend to continue into fiscal 2012. Management is committed to creating continued value through creative thinking, results driven exploration and fiscal responsibility."

December 2nd, 2011 – Announced an amendment to the non-brokered private placement financing to close on or about December 20th, 2011, as previously described in its previous press release of November 14th, 2011. The November 14th, 2011 press release indicated that the Issuer may, at its discretion, offer a 8% finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering (each, a "Finder"). The Issuer is amending the terms of the compensation offered to Finders. In addition to the aforementioned finder's fee, the Issuer may also issue 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 shall entitle 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. Each Finder shall be entitled to Finders Warrants equivalent to 8% of the number of Class A and Class B units sold to subscribers introduced to the Offering by the Finder. All other matters noted in the press release of November 14th, 2011 remained the same.

December 5th, 2011 – The Corporation reported in a news release that it had confirmed the results of its earlier grab sample assays of gold-bearing quartz veins (see the October 26th, 2011 news release) with more accurate channel samples. It was noted that all channel samples in this press release had been diluted with wall rock on either side to help the company with calculating estimates for a possible bulk sample program at some point in the future.

A total of 91 channel sample assays had been received to the date of this news release. These 91 channel samples were taken, nominally at 2 metre intervals, at various points along approximately 181 metres of the newly discovered shear system that has a width of up to 4 metres and a length of over 200 metres long on surface. The assay results obtained from wall rock and quartz vein combined channel samples ranged from a low of <0.005 g/t Au to a high of 45.38 g/t Au. The most significant gold values, in grams per tonne, as seen in the table found in this new release, are as follows (all 1 metre channel lengths): 45.38, 18.20, 17.97, 14.82, 14.21, 9.47, 8.30, 8.21, 7.53, 6.31, 6.30, 4.33, 4.06, 3.34, 3.17, 2.37, 2.34, 1.87, 1.55, 1.47, 1.46, 1.41 and 1.29. Distances found within the table were all from the initial NW starting point (i.e., Nail #1). Distances are from the initial NW starting point (i.e., Nail #1). These 91 channel samples from the Quartz Vein Shear Zone are the first results that had been received to date from the 107 grab samples, 184 channel samples and 371 BQ drill core samples (total of 662 samples) that had been recently processed and delivered to Accurassay Laboratories located in Thunder Bay, Ontario (see the news release of November 23rd, 2011). The BQ drill core samples were from drilling at the Galbraith "A" occurrence. The news release of December 5th, 2011 stated that the results for the remainder of the samples would continue to be released as they were being received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., the Qualified Person (QP) for this project in compliance with National Instrument 43-101.

Kyle Picard, King's Bay Gold's President & CEO, stated at the time that "In the 12 months since taking over King's Bay Gold, we've brought a systematic approach to exploration, reduced our exploration and administrative overhead costs and found new gold discoveries. We look forward to providing even more shareholder value in 2012 by capitalizing on our new management team and recent discoveries. Seeing high grade gold values in these quartz and wall rock combined channel samples are an encouraging step towards the possibility of mining a bulk sample in the future."

After freeze up, King's Bay Gold was also able to complete a second and more thorough sampling program of the tailings pond. A total of 67 additional samples were collected and sent to the lab for assay. The amount of estimated gold in the tailings pond will only be announced once these samples have been received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo. During the summer of 2011, King's Bay Gold collected 46 samples from part of this tailings pond to determine what, if any, gold may be present in these tailings. Assay results obtained from these earlier 46 samples ranged from a low of 1.00 g/t to over 116.20 g/t and had an average grade of 5.95 g/t.

The 91 channel samples from the newly discovered shear zone received to the date of this news release of December 5th, 2011 were processed and analyzed by Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered. The 67 additional samples taken from the tailings pond were also to be processed and analyzed by Accurassay Laboratories in Thunder Bay, Ontario using 30 grams of sample, the fire assay method, and an AAS finish following Accurassay Assay procedure code ALFA1. The 46 samples that were taken earlier from the tailings pond during the summer of 2011 were also processed and analyzed by Accurassay Laboratories in Thunder Bay, Ontario using 30 grams of sample, the fire assay method, and an AAS finish following Accurassay Assay procedure code ALFA1. (see the news release of October 26th, 2011).

December 12th, 2011 – The Corporation reported that it had received additional channel sample results from its Menary Gold Project. As a result of these channel samples, the company was now planning to move forward in the Spring of 2012 with a short hole drill program on the newly discovered shear zone in order to delineate a tonnage calculation for a possible bulk sample program. The channel samples, mainly one metre in length, were taken, nominally at 2 metre intervals, at various points along approximately 181 metres of the newly discovered shear system that has a width of up to 4 metres and a length of over 200 metres long on surface. The assay results obtained from wall rock and quartz vein combined channel samples ranged from a low of <0.005 g/t Au to a high of 243.00 g/t Au.

The top 30 most significant gold values from the 146 channel sample results received and reported to date, in grams per tonne were as follows: 243.00, 45.38, 18.20, 17.97, 14.82, 14.78, 14.21, 12.94, 12.70, 9.47, 8.30, 8.21, 7.53, 6.31, 6.30, 4.75, 4.33, 4.06, 3.34, 3.17, 2.37, 2.34, 1.87, 1.64, 1.55, 1.52, 1.51, 1.47, 1.46 and 1.41. Distances found within the table were all from the initial NW starting point (i.e., Nail #1). The news release of December 12th, 2011 contained a table showing all 63 channel samples having a gold grade of 0.090 g/t or better from the 146 samples collected from the quartz-bearing shear zone. There were only 38 channel samples remaining from other locations found within the Galbraith "A" and general Menary project area that had yet to be assayed and reported from the 184 channel samples submitted for assaying (see the news release of November 23rd, 2011).

In the new shear zone, the fine-grained, sugary textured quartz and intermittent hematitic red staining are similar to that which occurs in the quartz veins on surface at the Wagg gold occurrence located approximately 1 kilometre south of the Galbraith "A" occurrence. However, the Galbraith "A" quartz vein, in 2 dimensions at surface is strongly boudinaged. It pinches and swells, and, in places pinches out altogether. Where this happens, following the zone of shearing leads us to more sugary-textured quartz with intermittent red hematitic staining.

All of the channel samples from the newly discovered shear zone were processed and analyzed by Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered. Results for the remainder of the samples will continue to be released as they are received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., who is acting as the Qualified Person (QP) for this project in compliance with National Instrument 43-101.

Jim Rogers, King's Bay Gold's Chairman of the Board, stated at the time of this news release of December 12th, 2012, "With the upside of the ultra high grade pockets within the mineralized sheer zone, we're optimistic that a bulk sample on the Menary will not only assist with proving the viability of the project but that it will also be profitable for King's Bay Gold."

December 19th, 2011 – Announced in a news release that the Corporation had received additional grab sample results from its Menary Gold Project. A total of 54 grab samples of red hematite-stained sugary quartz, taken from the mill feed pile near the former mill site at the Wagg occurrence, averaged 14.2 g/t Au. The mill feed consists of a mixture of rocks milled from the six Wagg veins as located nearby in an area of approximately 200 metres by 100 metres. The assay results obtained from these 54 grab samples ranged from a low of <0.005 g/t Au to a high of up to 151.892 g/t Au. The company may consider adding the mill feed and tailings pond left by Western Troy to be processed at the time of their bulk sample to increase the profitability of the bulk sample. The news release of December 19th, 2011 included a table listing the 36 most significant gold grades of the 54 samples collected and reported to that date. It is noted that grab samples as found in the table within this news release are selective by nature and are unlikely to represent average grades for the deposit. All of the grab samples from the mill feed pile near the former mill site at the Wagg showing were processed and analyzed by Accurassay Laboratories who performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered. Accurassay Laboratories is an ISO-Certified laboratory located in Thunder Bay, Ontario. The news release went on to state that the results for the remainder of the samples would continue to be released as they were being received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., who is acting as the Qualified Person (QP) for this project in compliance with National Instrument 43-101.

Kyle Picard, King's Bay Gold's President & CEO, stated at the time of this news release of December 19th, 2011, "Sampling the mill feed pile near the former mill site at the Wagg showing gives us a great view of the grades that Western Troy were getting in their bulk sample taken on the property in the 1990's and provides us with realistic expectations on a future bulk sample at the Galbraith showing."

December 20th, 2011 – A news release was issued to announce that the non-brokered private placement previously announced on November 14th, 2011, as clarified on November 30th, 2011 and originally scheduled to close on December 20th, 2011, was now anticipated to close on December 22nd, 2011. All other terms and conditions of the offering previously announced on November 14th, 2011 and clarified on November 30th, 2011 would be remaining the same.

December 22nd, 2011 – The Corporation announced in a news release that it had 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. 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 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 was subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received). The shares issued in connection with this non-brokered private placement are subject to a hold period of four months plus one day. The news release went on to state that the Corporation intended 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 in the Kenora Mining Division of north-western Ontario and that the Corporation intended 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.

December 23rd, 2011 – Filed on www.sedar.com a Material Change Report pursuant to Section 7.1 of National Instrument 51-102 regarding the closing of a non-brokered private placement of \$343,000 on December 22nd, 2011.

December 30th, 2011 – The Corporation announced in a news release that it had granted a total of 3,000,000 incentive stock options for the purchase of up to 3,000,000 common shares of the Corporation at a price of \$0.10 per share to Directors / Officers / Consultants, expiring December 29th, 2016 subject to the approval of the TSX Venture Exchange Inc. (which was subsequently received).

KEY DEVELOPMENTS from January 1st, 2012 to June 12th, 2012

The following is a brief description of the Corporation's key developments by date subsequent to the fiscal year ended December 31st, 2011 from January 1st, 2012 through to and including June 12th, 2012:

February 29th, 2012 – The Corporation was pleased to provide its shareholders with a detailed review via a news release of its 2010 and 2011 exploration results and an outlook of its continued exploration plans for 2012 at its 100% owned and operated Menary Gold Project. In 2010 and 2011, a total of 29 BQ holes for 3,508 metres were completed at the Wagg Gold Occurrence, 3 additional BQ holes for 478 metres were drilled at the Galbraith "A" Occurrence and one additional BQ hole for 61 metres was drilled at the southern end of the property close to Road 404 to test a sulfide zone for mineralization. A table was provided in the news release that summarizes all of the results for holes MIN-10-01 to MIN-11-29 (29 holes) at the Wagg Gold Occurrence, holes GAL-A-11-1 to GAL-A-11-3 (3 holes) at the Galbraith "A" prospect and hole MIN-S-11-1 (1 hole) located at the south end of the property. For 2012, the next steps include excavator trenching to the north of the Wagg prospect and to the south of the Galbraith "A" prospect to determine if continuity exists between the two. Linecutting, geological mapping and prospecting is also recommended over the 6 newly staked claims at the Menary. Recommendations for next steps at Galbraith "A" includes closely spaced diamond drilling at the gold bearing quartz vein in the shear zone.

The Corporation was also pleased to announce that it would be attending the 2012 PDAC Conference in Toronto, Ontario from Sunday March 4th to Wednesday March 7th (inclusive). Readers were invited to come visit with Kyle Picard, President & CEO, Ray Préfontaine, CFO and Russell Crosby, on-site geologist at the Menary Gold Project at Booth # 2951 to discuss the company's upcoming plans for 2012.

April 23rd, 2012 – Computershare Trust Company, King's Bay Gold's transfer agent, filed a Notice of Meeting on www.sedar.com (this filing was subsequently cancelled on May 28th, 2012 and then amended on June 4th, 2012). The Annual General and Special Meeting of Shareholders date and location were announced as June 22nd, 2012 (subsequently amended to July 31st, 2012) in Winnipeg, MB (later specified as the offices of Taylor McCaffrey LLP Suite 900 – 400 St Mary Avenue, Winnipeg, Manitoba R3C 4K5). The Record Date for Voting the Class A common shares was set at May 18th, 2012 (subsequently amended to June 29th, 2012).

May 2nd, 2012 – Announced in a news release that it had begun a spring work program of excavator trenching, washing, sampling and assaying at its Menary Gold Project. At the very end of the 2011 trenching program, King's Bay Gold discovered some reddish, sugary looking quartz veins within the granite, that may indicate the edge of a potential stockwork system of veins in the granite of the multiphase Sabaskong Batholith south of the Galbraith A shear zone and north of the Wagg showing. It is the red to pink hematitic, sugary quartz that carries the gold at both the Wagg and Galbraith A areas. This first round of trenching, washing, sampling and assaying for 2012 will be targeting two areas: 1) the granites between the Galbraith A and Wagg showings over a distance of 900 metres to test the theory of the presence of a larger stockwork system of veins, and 2) the greenstones on the east margin of the Sabaskong Batholith, to test a magnetic high directly east of the Wagg showing.

May 7th, 2012 – The Corporation announced the acquisition of the Galbraith B gold occurrence via an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, as the vendor. The two new claim blocks of 16 units each cover approximately 1,280 acres (or approximately 518 hectares) and sit to the southeast of, and are contiguous to, the existing Menary Gold Project claim group. The overall project now consists of 18 claims for approximately 5,900 acres (or approximately 1,728 hectares) in a single contiguous land package.

Galbraith B gold occurrence is located within the westernmost of the two newly optioned claims and is approximately 200 metres to the east from the claim line of the original group. The narrow vein / stringer in the greenstone unit within which native gold was observed at Galbraith B assayed 97.5 g/t (2.859 oz/ton) and 63.70 g/t (1.868 oz/ton) gold from grab samples obtained in 1991 by Western Troy Capital Resources Inc. (Wagg and Holmstead, 1991). Another grab sample collected in 1991 from a 1 metre wide, weakly sheared zone hosting several narrow quartz stringers (sample number 17829) located about 350 metres south-southeast of the Galbraith B, assayed 1.146 g/t (0.033 oz/ton) gold. Many other relatively small veins and pods occur within a few hundred metres of the Galbraith B showing, some of which returned gold values ranging from 0.10 g/t (0.0003 oz/ton) to 3.52 g/t (0.103 oz/ton). As both this zone and the Galbraith B vein strike about east-west, further work in the area by King's Bay Gold will pay particular attention to all of those structures on the project that crosscut the northeasterly trend of the metavolcanics in the Rainy River Greenstone Belt. The Corporation expended a total of \$518,639 in 2010 and a total of \$587,319 in 2011 on the exploration and development of this project.

Under the terms of the option agreement, King's Bay Gold can earn a 100% interest in the claims by completing payments to the Vendor totaling \$ 69,000 over 4 years and the issuance of 500,000 common shares as follows:

Upon signing of the Agreement	\$ 6,000	250,000 common shares
1 st Anniversary of the Agreement	\$ 10,000	250,000 common shares
2 nd Anniversary of the Agreement	\$ 12,000	
3 rd Anniversary of the Agreement	\$ 16,000	
4 th and Final Anniversary of the Agreement	\$ 25,000	

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc. and applicable securities laws. The vendor will retain a 2.0 % Net Smelter Return (the "NSR") interest in the Property. King's Bay Gold can buy back one half or 1% of the "NSR" at any time by paying the vendor \$1,000,000 CDN dollars.

Kyle Picard, King's Bay Gold's President & CEO, stated "We believe that the Menary Gold project is a large system with all the current showings being fed by the same system. Securing the claims with the Galbraith B high grade gold occurrence will prove to be paramount in proving this theory."

May 14th, 2012 – The Corporation announced a non-brokered private placement of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$200,000, and a maximum of 5,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$250,000, for aggregate maximum subscription proceeds of \$450,000. The offering will be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Issuer may determine. It is anticipated that the closing of offering will occur on or around June 29th, 2012.

Each Class "A" Unit shall be 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 full Common Share purchase warrant (a "Warrant") of the Issuer. Each Class "B" Unit shall be comprised of one Common Share and one whole Warrant. Each whole Warrant shall entitle 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 Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day. The Issuer may, at its discretion, offer a 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering (each, a "Finder"). In addition to the finder's fee, brokers warrants equivalent to 6 % of the number of Units subscribed for in this non-brokered placement may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment \$0.10 for a period of 24 months following the date of issuance. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc.

May 15th, 2012 – The Corporation was pleased to announce in a news release that Michael (Xincheng) Du was joining the company as Vice President, Corporate Development – Asia. Mr. Du will be providing his services to identify and facilitate opportunities for business development, and potential strategic partners for joint-venture agreements, earn-in option agreements, and the sale of ownership interests in the company's properties, as either originating from his contacts in China or in Canada. Mr. Du's engagement with King's Bay Gold Corporation is strictly on a fee-for-success basis. He will be paid a finder's fee of up to 10% with the percentage payable to him being dependent on the dollar value of a successfully concluded transaction or transactions. As Mr. Du already travels frequently and extensively throughout China on business, the company will not be incurring any expenses related to his activities in China. Mr. Du will not be providing any market-making or investor relations services.

Michael (Xincheng) Du, MA, MBA – Mr. Du is a professional business manager with over 25 years of experience in international business focused on trade (import-export), the formation of alliances and promotion. Mr. Du obtained his MA, MBA degrees at the Harbin Institute of Technology located in the city of Harbin, Heilongjiang Province, China. He is the Director since 1989 for the Asian operations of Orion Intertrade Srl. (an Italian company headquartered in Udine, Italy). His other current business activities include: President and founder of Singlong Home Audio & Video Company Ltd., a Chinese company located in the city of Yantai, China (5 years), Director and a significant shareholder of the International Police College located in Winnipeg, Canada (10 years); and Regional Manager for North America of Shanghai Jinhua International Trading Co. Ltd. located in the city of Shanghai, China (8 years). Through his extensive business travels and contacts, Mr. Du has developed an expertise in identifying and executing on opportunities that bring investors and business ventures together around the world.

May 28th, 2012 – Computershare Trust Company, King's Bay Gold's transfer agent, filed a Notice of Cancelled Meeting on www.sedar.com for the Annual and Special Meeting of Shareholders that was to be held on June 22nd, 2012 in Winnipeg, Manitoba (in doing so, the original filing of April 23rd, 2012 was cancelled and subsequently amended on June 4th, 2012).

June 4th, 2012 – Computershare Trust Company, King's Bay Gold's transfer agent, filed an amended Notice of Meeting on www.sedar.com (the original filing of April 23rd, 2012 for a June 22nd, 2012 meeting was cancelled on May 28th, 2012 and subsequently amended on June 4th, 2012). The Annual General and Special Meeting of Shareholders date and location were announced as July 31st, 2012 in Winnipeg, MB (later specified as the offices of Taylor McCaffrey LLP Suite 900 – 400 St Mary Avenue, Winnipeg, Manitoba R3C 4K5). The Record Date for Voting the Class A common shares was set at June 29th, 2012.

(BLANK)

DESCRIPTION OF ONGOING BUSINESS OBJECTIVES AND KEY PROPERTIES

The business objectives that the Corporation is planning to accomplish in the remainder of fiscal 2012 with its existing cash resources and the net proceeds of any future Offerings relying on this Annual Information Form dated June 12th, 2012 for the fiscal year ended December 31st, 2011 and as filed on www.sedar.com on June 14th, 2012 and any future Annual Information Forms, all subject to change and dependent on financing, is to –

Budget for Exploration & Development – 2012 Exploration Season

Budget as prepared by Russell Crosby M.Sc., P.Geo. for the 2012 exploration season. Mr. Crosby is the Qualified Person as defined by National Instrument 43-101 for the projects identified as (1) to (3) below:

(1) Menary Gold Project

Spring & Summer 2012 – Trenching, Mapping, Sampling, Geophysical Interpretation	\$145,000
Airborne Geophysics & Lidar	\$85,000
Soil Sampling & Assay	\$127,000
Fall 2012 – Diamond Drilling, Logging, Mapping, Sampling, Geophysical Interpretation	\$225,000
Total exploration and development expenditures in 2011: \$587,319 and in 2010: \$518,639	

(2) Halkirk-Watten Property

Fall 2012 – Geological Mapping, Reconnaissance Sampling & Analysis, Drill Target Verification for up to 8 diamond drill holes (locations as identified from a heli-borne Time Domain E.M. Survey (VTEM) and a Cesium Magnetometer survey performed over the claim group in 2006)	\$50,000
Total exploration and development expenditures in 2011: \$26,503 and in 2010: \$26,900	

(3) Darkwater Mine Project at Sturgeon Lake

Summer 2012 – Line-cutting, Grid Mapping, Trenching, Reconnaissance Sampling & Analysis, Drill Target Verification and Site Preparation	\$150,000
Total exploration and development expenditures in 2011: \$0 and in 2010: N/A as staked in Dec. 2010	

Total for all of the proposed programs at these three properties for fiscal 2012	\$782,000*
---	-------------------

Total exploration and development expenditures on King's Bay Gold Corporation's five 100% owned and operated properties in **2011: \$641,880** and in **2010: \$827,268**

2012 Expenditures Timeline

Spring & Summer 2012 Total – \$507,000	Fall 2012 Total – \$275,000
---	------------------------------------

* Note that contingencies were not included in this budget nor were the HST and GST taxes to be paid on expenditures. The amount for taxes will be determined with final invoicing and the amounts paid for HST and GST are recoverable by the Corporation as Input Tax Credits.

Other Active Exploration Projects in 2012 that have been earn-in optioned to third parties:

(4) Headway Property in Red Lake, ON as Optioned to Mega Precious Metals Inc. (TSX.V: MGP)

Fall or Winter 2012 – Possible recommencement of deep drilling on strike with Goldcorp's Red Lake Gold Mine. Drill depth currently at 2,541 metres of a planned 3,000 metre hole.

Fall 2012 – Final payments from Mega Precious Metals of \$40,000 and 3,667,500 shares in MGP (Shares of MGP already received and in company's treasury = 315,000 shares)

(5) Cameron Lake (Meston & Sullivan prospects) as Optioned to Coventry Resources Ltd. (AUX: CVY)

Fall 2012 – Resumption of drilling tentatively planned at the Meston and Sullivan prospects to confirm possibility of these prospects becoming satellite deposits for the main open pit mine planned for Cameron Lake. King's Bay Gold retains 20% interest in the Meston and Sullivan prospects.

(1) Headway Group of Patented Claims Property, Dome and Balmer Townships, Red Lake Mining Division of Ontario

Location

The Headway Group of Patented Claims Property is located in Dome and Balmer Townships near the Town of Red Lake, Ontario. The property lies approximately 8 kilometres from the Town of Red Lake, and approximately 1.5 kilometres south of the Town of Balmertown, Ontario where Goldcorp's Red Lake Mines are located. The claim units are transected by the highway that runs between Red Lake and Balmertown.

Number of Claims & Hectares

7 claims units for 6 patented claim units and one un-patented claim unit for approximately 130 hectares. The claims are numbered KRL8540, KRL8541, and KRL20834-20837 (6 patent claims) and KRL244520 (1 un-patented claim).

Exploration Target

Gold.

Date of Acquisition via Option Agreement and / or Staking

The property was originally optioned from 1304850 Ontario Inc. (Perry English – President) in July 2001 for stock and monetary considerations. The last payment under the option agreement was made in July 2005.

Ownership Interests

90 % King's Bay Gold Corporation ("King's Bay Gold") and 10 % Palomino Mining & Exploration Ltd. ("Palomino Mining") – all subject to the Definitive Earn-in Acquisition Agreement dated October 5th, 2009 with Mega Precious Metals Inc. (TSX.V: MGP) ("Mega") for that company to possibly acquire, at its sole discretion, a 100 % interest in the property. There is a 2.0% Net Smelter Royalty payable to the initial vendors of the property.

At the time of the September 2nd, 2009 news release announcing the Letter of Intent with Mega Precious Metals Inc., the Headway Joint Venture was comprised of King's Bay Gold Corporation for an 85% interest and Richview Resources Inc. ("Richview") for a 15% interest of the mineral rights of the Headway Property. Subsequent to the signing of the Letter of Intent, but before entering into a Definitive Earn-in Acquisition Agreement, King's Bay Gold would have to acquire a 100% interest in the property (the "Richview Condition"). As part of the Definitive Earn-in Acquisition Agreement on the Headway Property, and to fulfill the obligations under the "Richview Condition", the Corporation transferred on October 5th, 2009 its remaining 25% interest in the Pickle Lake Properties to Richview Resources Inc. in exchange for Richview's remaining 15% interest in the Headway Project. Mega's initial payment obligation at the signing of the between the parties was \$340,000, the issuance of 200,000 Mega shares and first year project expenditures of \$750,000. Of the \$340,000 paid on the signing of the Agreement, \$140,000 was paid by Mega to Richview Resources to satisfy the balance of the Richview Condition, and \$200,000 was paid by Mega to King's Bay Gold. Terms of the staged 3 year option agreement between Mega and King's Bay was to include cash payments totaling \$460,000, issuance of 4,425,000 common shares of Mega and project exploration expenditures of \$3,000,000.

On March 31st, 2010, King's Bay Gold announced in a news release (as filed on www.sedar.com on April 1st, 2010) that it had reached an agreement that recognized Palomino Mining's formerly disputed 10% interest in the Headway Project and at the same time maintained "as is" the Definitive Earn-in Acquisition Agreement between itself and Mega of October 5th, 2009. Under the terms of the agreement, Palomino Mining would be providing its full consent to the original Definitive Earn-in Acquisition Agreement and affirm that it had no claim against King's Bay Gold arising out of the manner in which King's Bay Gold and Mega entered into the Definitive Earn-in Acquisition Agreement. In the event that Mega should exercise its option to acquire the 100% interest in the Headway Property from King's Bay Gold and Palomino Mining pursuant to the Definitive Earn-in Acquisition Agreement, King's Bay Gold acknowledges that it will:

- (a) assign ten per cent (10%) of the shares in the capital stock issued, or to be issued, of Mega which are due pursuant to the Definitive Earn-in Acquisition Agreement to Palomino Mining or its lawful designate or designates, and
- (b) waive any claim that King's Bay Gold has for remuneration for Palomino Mining's share of exploration expenses incurred in prior years by King's Bay Gold with regard to the Headway Property.

In the event that Mega should not elect to exercise its option to acquire the 100 % interest in the Headway Property from King's Bay Gold and Palomino Mining pursuant to the Definitive Earn-in Acquisition Agreement, it was further agreed that the monies expended by Mega in respect of the Headway Property shall not be considered when calculating Palomino Mining's share of the expenses for the exploration of the Headway Property.

Operator

Mega Precious Metals Inc.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

James Rogers P. Geo, CIM is the President & CEO of Mega Precious Metals Inc. and a Director and Chairman of the Board of Directors of King's Bay Gold Corporation.

Information

The geology for the Headway Property is characterized by a series of intercolated volcanics with quartz-feldspar porphyries and Archean sediments of both the Balmer and Confederation series rocks. The favourable unit on the property and target for this exploration program is the Balmer series rocks along the mineralized unconformity between the younger Confederation meta-conglomerates and the mafic to ultramafic volcanics of the Balmer volcanic package. As such, the property appears to have all of the essential geological elements including a well developed pattern of stratigraphic, shear / deformation zones that are associated with the high grade gold system on the adjacent mine properties. Mega Precious Metal Inc.'s exploration target is postulated to be hosted in Balmer age rocks occurring below the unconformity with the Confederation age rocks at a depth of 1,500 to 2,500 metres. This theoretical target could be a new Bonanza Replacement Zone, similar to, but south of Goldcorp's High Grade zone.

The range of historic shallow diamond drill intercepts carried out under National Instrument 43-101 compliant guidelines by King's Bay Gold in 2005 included 63.52 grams / tonne (g/t) gold over 0.5 metres (m) and 3.08 g/t over 10.8 m. True widths are unknown. Highlights of historical exploration include; 20.9 g/t gold over 0.94 m in drill core (H-13) and several surface grab samples exceeding 34 g/t gold. Gold is developed within quartz-carbonate +/- tourmaline +/- arsenopyrite veins associated with quartz-feldspar porphyry dykes that intrude altered and sheared mafic volcanics. These quartz-feldspar porphyry dykes appear to be intruded along deep-seated structures during the late stages of ore emplacement. This is evidenced by their structural relationships adjacent to and within the "ESC" and "High Grade" zones of Red Lake Gold Mines. The property appears to contain two east-west trending, gold-bearing structural zones in intersection with the deep-seated extension of the north east trending Madsen deformation zone.

Mega Precious Metals Inc. (TSX.V: MGP) ("Mega") has an option to acquire a 100% interest in the Headway Project in Red Lake, Ontario subject to a staged three year cash payment, share issuance and exploration expenditures obligation that began in October 2009. Mega Precious Metals Inc. is now the operator for all work carried out including drilling and sampling in an effort to find the extension of the Goldcorp's High-Grade Zone at depth on the company's property.

All holes to date, including those that were subsequently abandoned, are located in strategic areas of the property. When Hole #2 (MH1002) was abandoned in February 2011, due to technical problems, Mega immediately commenced the diamond drilling of a third deep hole. Holes #1 (MH0901) and #3 (MH1103) were both slated to extend to a minimum of 3,000 metres and act as "mother" holes from which a series of wedged holes, called "daughter holes", would be drilled once the intended target was reached and identified.

Until the end of the summer of 2011, Hole # 1 was progressing well with coring and then grinding and cementing through a fault zone and attained at a depth of 2,594 metres on or about October 5th, 2011. Due to the ongoing difficulty in penetrating the fault zone on Hole # 1, Mega decided in the fall of 2011 to focus its efforts on completing Hole # 3.

On September 14th, 2011, James Rogers, President and CEO of Mega and Chairman of King's Bay Gold stated:

"Results to date confirm a strong correlation with Mega's geological model. In addition to the biotite, quartz, carbonate and arsenopyrite alteration near the fault, the location of the major (genetic) fault is positive evidence of potential economic gold mineralization. I realize that progress has been slow, but Mega is focused on the end game and doing everything to ensure that operational risk is minimized and the holes are completed as planned. I remain optimistic."

On January 18th, 2012, Glen Kuntz, Chief Operating Officer of Mega provided a Geological & Exploration Update on the status of the Headway Project on their website:

"Deep drilling exploration on drill hole MH1103 at the Headway High Grade Project has been suspended as a result of the current drill contractor, Layne Christensen, announcing they are ceasing all Canadian diamond drilling services effective immediately. As of January 16th, 2012 the drill was at a depth of 2,541 m. As such, Mega is currently conducting extensive discussions in regards to securing a new drill contractor for the 2012 season. Based upon the current drill locations, we have doubled the potential mineralized footprint and in the process have acquired much needed geological/geotechnical information that is essential to future definition drilling which will define the true width and depth of the high grade mineralization extensions. We have drilled for structure to locate the controlling features that host the mineralization and the next step is drilling for mineralization, grade and width."

As of the date of this Management Discussion & Analysis of May 22nd, 2012, Hole # MH1103 remained idle at a depth of 2,541 metres. Mega's longer term plan for the Headway Project is to demonstrate continuity in the geological and structural controls that define Goldcorp's Red Lake Gold Mine. Once a decision is made to proceed, the next step will be to push the existing hole (or holes) deeper and prove that the structural corridor contains economic mineralization.

Additional information on the Headway Project is provided on the Mega Precious Metals Inc. website at the following weblink: http://www.megapmi.com/headway_property

(2) Cameron Lake Property (Meston & Sullivan Prospects), Rowan Lake Area, Kenora Mining Division of Ontario

Location

The Cameron Lake Property is located in the Rowan Lake Area of the Kenora Mining Division of north-western Ontario. It is adjacent to the former Nuinsco Cameron Lake deposit now optioned and operated by a subsidiary of Coventry Resources Limited, an Australian company (ASX: CVY). The property is located approximately 29 kilometres east off of Highway 71 that runs between Kenora and Nestor Falls, Ontario along the Cameron Lake access road (roughly 40 kilometres north of Nestor Falls, ON).

Number of Claims & Hectares

20 leased claim units for approximately 324 hectares. The property has been leased from the Ontario Ministry of Northern Development & Mines and is identified as #104050-CLM289. It requires an annual Lease payment of approximately \$951 to the Ontario MND&M and a surface Tax payment of approximately \$550 to the Ontario Ministry of Revenue in Thunder Bay, ON to keep the property in good standing.

Exploration Target

Gold.

Date of Acquisition via Option Agreement and / or Staking

The original Option Agreement was signed with Lasir Gold Inc. on March 3rd, 2010 (see the news release of that date as filed on www.sedar.com) and was subsequently sub-optioned to Cameron Lake JEX Corporation, a subsidiary of Coventry Resources Limited (ASX: CVY), on September 13th, 2010 (see the news release of September 8th, 2010 as filed on www.sedar.com) whereby Coventry has taken over the property payments, work commitments and has indicated they would be spending in excess of \$350,000 per year on exploration on the property utilizing I.P. geophysics and diamond drilling.

Ownership Interests

20% carried interest in the property to King's Bay Gold Corporation if the option is taken through to the 5 year option with Cameron Lake JEX Corporation, a subsidiary of Coventry Resources Limited. Otherwise, the deal reverts back to the original option agreement between Lasir Gold Inc. and King's Bay Gold with King's Bay Gold earning a 100% interest in the property, subject to a 2% Net Smelter Royalty (NSR) to the original vendors. This can be purchased back at \$1,000,000 per 1% of Royalty. Coventry Resources Limited are now the operators for the exploration and development of this leased ground up until a production decision is made on any resources found on the property at which point they may elect to participate in a joint-venture at their respective 80 / 20 ownership rate or negotiate a buyout for King's Bay Gold Corporation's 20 % carried interest.

Operator

Coventry Resources Limited.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Anthony Brendon Goddard is identified as the Competent Person for the Competent Person's Statements as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as the Qualified Person as defined by Canadian National Instrument 43-101 (Standards for Disclosure for Mineral Projects). Mr. Goddard is Technical Director of Coventry Resources Limited (ASX: CVY) and a Member of the Australian Institute of Geoscientists.

Information

Regional geology for the Cameron Lake Property is characterized by typical Archean Greenstone volcanics inter-layered with intrusive gabbros at the confluence of the Cameron Lake and Pipestone Lake Faults. A number of historic occurrences such as the Sullivan and Meston gold occurrences are found within the property boundary which is adjacent to the original Cameron Lake Deposit of Nuinsco's on the north side of Cameron Lake (it has been stated that there is over 2,567,000 tons grading 5.42 g/t in gold in all categories-indicated, possible and proven reserves as a non-compliant National Instrument 43-101 resource). Several other known gold zones exist north-eastward up Sullivan Bay on Rowan Lake – the best known of these is the Monte Cristo Occurrence on the south shore of Sullivan Bay which was being explored and drilled from the ice during the winter of 2010.

Work Completed in 2010

Coventry Resources Limited carried out cutting of grid lines at 100 m. centres across the whole Property then followed up with an I.P. Survey over the same grid. In late October 2010, diamond drilling was started, one to cross-cut the Meston Occurrence area and the other further east to intersect the Sullivan Occurrence extension; their intention was to carry the drilling eastward out over Sullivan Bay on Rowan Lake once the ice was set in during the winter of 2010.

Work Completed in 2011

The Meston Prospect is located approximately five kilometres east of the Cameron Gold Deposit and comprises a zone of gold mineralisation and alteration mapped discontinuously over a strike length of 350 metres. Results returned from first-pass drilling (35 diamond core drill holes for 3,935 metres) at the Meston Prospect, located immediately along strike from the Sullivan Prospect, as announced in a Coventry news release of July 6th, 2011, include:

True widths are not known.

10.0 metres at 1.13 g/t gold from 9.0 metres	(9.0 to 19.0 metres)
8.7 metres at 2.19 g/t gold from 5.3 metres	(5.3 to 14.0 metres)
8.0 metres at 1.02 g/t gold from 16.0 metres	(16.0 to 24.0 metres)
4.0 metres at 5.16 g/t gold from 5.0 metres	(5.0 to 9.0 metres)
2.0 metres at 4.67 g/t gold from 3.0 metres	(3.0 to 5.0 metres)
2.0 metres at 3.05 g/t gold from 5.0 metres	(5.0 to 7.0 metres)

The Sullivan Prospect is located approximately five kilometres east of the Cameron Gold Deposit and 1,000 metres along strike from the Meston Prospect. It comprises a series of historic workings (two shafts and an adit) in a geologically-complex area. Discontinuous outcrops of mineralisation and alteration have been mapped over a strike of 80 metres within glacial till cover. Results returned from first-pass drilling (21 diamond core drill holes for 2,626 metres) at the Sullivan Prospect as announced in a Coventry news release of July 6th, 2011, include:

True widths are not known.

5.0 metres at 1.44 g/t gold from 73.0 metres	(73.0 to 78.0 metres)
3.0 metres at 4.32 g/t gold from 19.0 metres	(19.0 to 22.0 metres)
2.0 metres at 5.25 g/t gold from 62.0 metres	(62.0 to 64.0 metres)

These results confirm the potential to develop satellite deposits at both the Sullivan and Meston Prospects in order to provide additional feed to a planned centralised processing facility at Coventry's nearby 1.4 M oz Cameron Gold Deposit. The results also confirm the high prospectivity of the "Greater Meston Area", with numerous other prospects in close proximity to the Meston and Sullivan Prospects that have yet to be drilled.

Work Contemplated in 2012

At the present time, Coventry is focusing its drilling efforts to the north and northwest of their 1.4 M oz Cameron Gold Deposit. This drilling activity is an area that does not include the Meston and Sullivan Prospects, which are both located to the southeast of the main Cameron Gold Deposit. Coventry's most recent Quarterly Activities Report for the period ending December 31st, 2011 and dated January 31st, 2012 highlighted the following points, which are encouraging for the overall project, but that may or may not be applicable to or include the Meston and Sullivan Prospects:

- "With a sizeable, robust, shallow resource delineated, at a grade that is readily amenable to open pit mining, the Company has considerable confidence that an economically viable open pit mining operation can be developed at the Cameron Gold Deposit."
- "As such it has commenced a pre-feasibility study into the development of the Deposit. The Company anticipates completing this study during the second quarter of 2012."
- "In addition there are more than 20 other known, underexplored gold occurrences and prospects within the 12,800 hectare Cameron Gold Project area. Many of these are high-priority targets for further exploration that provide considerable potential for expanding the Project's resource base."

Coventry Resources Limited (ASX: CVY) is providing updates from time-to-time on the progress being made at their Cameron Lake Project that includes the Meston and Sullivan prospects. News releases and quarterly activity reports can be found on their website at www.coventryres.com and at the following weblinks:

<http://www.coventryres.com/pdfs/QuarterlyActivitiesReportDecember11Quarter31Jan12.pdf>

<http://www.coventryres.com/pdfs/QuarterlyActivitiesReportJune11Quarter29Jul11.pdf>

<http://www.coventryres.com/pdfs/PositiveDrillingResultsContinueFromTheCameronGoldProject06Jul11.pdf>

<http://www.coventryres.com/pdfs/EncouragingDrillingResultsFromSatelliteProspects19May11.pdf>

(3) Menary Gold Project, Menary, Claxton, McClarty and Senn Townships, Kenora Mining Division of Ontario

Location

The property is located in the Townships of Menary, Claxton, McClarty and Senn in the Kenora Mining Division of northwest Ontario. The claim units are located approximately 20 kilometres southeast of the Town of Nestor Falls, Ontario and can be accessed along Road 404, east of Highway 71 which runs between Kenora and Fort Frances, Ontario. The project is located roughly fifteen kilometers northeast of the Richardson Township Project owned by Rainy River Resources Limited (TSX.V: RR) and within 12 kilometres of the recent discovery by Bayfield Ventures Corp. (TSX.V: BYV). The property is adjacent to and along strike to the Rainy River Resources Limited drilling that has been conducted on their Off Lake Gold Project.

Number of Claims & Hectares

The property consists of the original core group of 4 un-patented mining claims acquired by option agreement in January 2010; an additional acquisition of 6 un-patented mining claims by option agreement in August 2010; the staking of 6 un-patented mining claims in October 2011; and a third option agreement was announced on May 7th, 2012 for 2 claims with Perry English, acting on behalf of Rubicon Minerals Corporation, as the vendor. The overall Menary Gold Project now consists of 18 claims for approximately 1,728 hectares in a single contiguous land package.

Exploration Target

Gold.

Date of Acquisition via Option Agreement and / or Staking

Three un-patented mineral claims and one patented mining claim (K1079876 (P), 3014054, 4205640, and 4247110) were optioned from William McNerney and Western Troy Capital Resources Inc. on January 20th, 2010, whereas the six un-patented mineral claims (4256392 and 4256394 to 4256398 for 32 claim units) were subsequently optioned from local prospector Luc Gagnon on August 26th, 2010. Six claims (4257383 to 4257388 inclusive) totaling 44 units covering an additional 712 hectares were staked in October 2011 to the north and northeast of the Company's existing land package after discovering a new gold bearing shear zone at the Galbraith "A" occurrence. These staked claims cover the remaining available geological contact between the Sabaskong granitic batholith and the open ground over the adjacent greenstones (see the news release of October 26th, 2011). On May 7th, 2012, the Corporation announced the acquisition of the Galbraith B gold occurrence via an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, as the vendor. The two new claim blocks (4271600 & 4271601) of 16 units each cover approximately 518 hectares and sit to the southeast of, and are contiguous to, the existing Menary Gold Project claim group.

Ownership Interests

100 % King's Bay Gold Corporation subject to annual payments of stock and cash to the various parties identified above and NSRs on future gold production for all of the optioned claims only.

Operator

King's Bay Gold Corporation.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Russell Crosby M.Sc., P.Geo.

Information

Regional geology for the property is characterized by the volcanogenic package within the Uchi-Rainy River Belt that has played host to a number of recent gold discoveries, notably the Rainy River Resources of 5 million ounces of gold, the Bayfield Ventures drill findings, the Coventry / Cameron Lake deposit which lie along this mineralized trend as it transects the northwest trending Pipestone Fault structure.

Menary Gold Project – 2010 and 2011 Diamond Drilling Results

Given the positive results obtained from holes MIN 10-01 to MIN 10-16 at the Wagg Gold Occurrence during the Spring and Fall of 2010, the Company announced in a news release dated May 11th, 2011 that it had mobilized its geologist and diamond drilling contractor. On November 23rd, 2011, the Corporation reported in a news release that it had now completed its 2011 diamond drilling program for a total of 33 BQ holes at its Menary Gold Project. In 2010 and 2011, a total of 29 BQ holes for 3,508 metres were completed at the Wagg Gold Occurrence, 3 additional BQ holes for 478 metres were drilled at the Galbraith "A" Occurrence and one additional BQ hole for 61 metres was drilled at the southern end of the property close to Road 404 to test a sulfide zone for mineralization. The table on this page and on the following pages summarizes the results for holes MIN-10-01 to MIN-11-29 (29 holes) at the Wagg Gold Occurrence, holes GAL-A-11-1 to GAL-A-11-3 (3 holes) at the Galbraith "A" prospect and hole MIN-S-11-1 (1 hole) located at the south end of the property. The drilling at the Wagg Gold Occurrence was focused within an approximate 100m wide x 200m long x 100m deep geologically productive area.

In the late Fall of 2011, the Corporation started drilling the Galbraith "A" showing, located approximately 900 metres north of the Wagg occurrence. With successful drilling results at both the Wagg and at the Galbraith prospects, the company plans to conduct trenching and sampling between these occurrences to see if continuity exists between them. At Galbraith "A", historical grab samples collected by prospectors employed by Western Troy Capital Resources Inc. yielded 2.42 Au g/t and 94.48 Au g/t (*Source: Ontario Ministry of Northern Development and Mines Assessment Files, verified by Russell Crosby, M.Sc., P.Geo.*). Grab samples collected by King's Bay Gold personnel in August 2011 at the 4' x 4' x 3' Western Troy blasted pit at Galbraith "A" yielded 8.96 Au g/t and 15.78 Au g/t.

True widths are unknown due to the irregular shapes of the gold bearing quartz veins

Prospect	Drill Hole	Dip	Grade	Intercept	From (m)	To (m)
Wagg	MIN-10-01	-45°	13.57 g/t	over 2.68m	11.89	14.57
	Including		80.96 g/t	over 0.43m	14.14	14.57
			0.40 g/t	over 1.03m	158.49	159.52
	Including		1.30 g/t	over 0.24m	158.73	158.97
			1.69 g/t	over 0.61m	166.71	167.32
Wagg	MIN-10-02	-45°	0.59 g/t	over 3.87m	14.11	17.98
	Including		4.71 g/t	over 0.43m	16.49	16.92
Wagg	MIN-10-03	-45°	0.13 g/t	over 0.30m	59.43	59.73

Prospect	Drill Hole	Dip	Grade	Intercept	From (m)	To (m)
Wagg	MIN-10-04	-45°	0.32 g/t	over 0.30m	23.86	24.16
Wagg	MIN-10-05	-45°	0.20 g/t	over 1.52m	29.71	31.23
Wagg	MIN-10-06	-45°	0.34 g/t	over 2.43m	17.96	20.39
	Including		0.87 g/t	over 0.30m	19.08	19.38
Wagg	MIN-10-07	-45°	0.15 g/t	over 0.46m	18.59	19.05
Wagg	MIN-10-08	-45°	No significant assays.			
Wagg	MIN-10-09	-45°	0.35 g/t	over 0.61m	9.75	10.36
			1.46 g/t	over 0.37m	18.52	18.89
Wagg	MIN-10-10	-45°	0.71 g/t	over 4.66m	0.61	5.27
	Including		3.83 g/t	over 0.24m	4.72	4.96
			6.5 g/t	over 10.05m	9.60	19.65
	Including		34.62 g/t	over 1.16m	11.39	12.55
	and including		57.55 g/t	over 0.25m	14.62	14.87
Wagg	MIN-10-11	-45°	1.18 g/t	over 4.08m	1.10	5.18
	Including		5.07 g/t	over 0.30m	2.31	2.61
			0.45 g/t	over 4.26m	12.19	16.45
	Including		2.40 g/t	over 0.30m	12.49	12.79
	and including		2.37 g/t	over 0.39m	15.14	15.53
			6.37 g/t	over 12.03m	61.57	73.60
	Including		141.52 g/t	over 0.15m	63.48	63.63
	and including		95.11 g/t	over 0.51m	66.29	66.80
Wagg	MIN-10-12	-45°	0.34 g/t	over 3.56m	5.57	9.14
	Including		0.67 g/t	over 0.30m	7.31	7.61
Wagg	MIN-10-13	-45°	1.59 g/t	over 1.67m	1.53	3.20
			1.34 g/t	over 0.61m	14.02	14.63
			2.41 g/t	over 10.07m	23.31	24.38
			1.49 g/t	over 1.22m	75.59	76.81
Wagg	MIN-10-14	-45°	0.51 g/t	over 0.34m	32.58	32.92
			0.10 g/t	over 0.61m	84.73	85.34

Prospect	Drill Hole	Dip	Grade	Intercept	From (m)	To (m)
Wagg	MIN-10-15	-45°	0.17 g/t	Over 1.10m	18.93	20.03
			1.56 g/t	over 3.11m	23.28	23.39
	Including		8.38 g/t	over 0.37m	25.35	25.72
			0.11 g/t	over 0.24m	85.56	82.80
Wagg	MIN-10-16	-45°	0.44 g/t	over 10.97m	54.55	65.52
			0.14 g/t	over 0.24m	73.23	73.47
			0.29 g/t	over 0.30m	81.68	81.98
Wagg	MIN-11-17	-45°	0.45 g/t	over 11.0m	54.5	65.5
	Including		1.41 g/t	over 0.3m	57.0	57.3
Wagg	MIN-11-18	-45°	16.99 g/t	over 6.3m	75.4	81.7
	Including		63.29 g/t	over 1.7m	77.5	79.2
Wagg	MIN-11-19	-45°	0.14 g/t	over 0.9m	67.0	67.9
Wagg	MIN-11-20	-45°	1.28 g/t	over 0.3m	40.8	41.1
Wagg	MIN-11-21	-45°	12.40 g/t	over 4.8m	0	4.8
Wagg	MIN-11-22	-45°	5.95 g/t	over 1.9m	10.8	12.7
	Including		57.27 g/t	over 0.2m	12.2	12.4
			1.90 g/t	over 0.4m	41.3	41.7
Wagg	MIN-11-23	-45°	0.39 g/t	over 0.6m	15.5	16.1
Wagg	MIN-11-24	-45°	No significant assays.			
Wagg	MIN-11-25	-45°	No significant assays.			
Wagg	MIN-11-26	-45°	0.73 g/t	over 0.6m	12.6	13.2
Wagg	MIN-11-27	-45°	0.18 g/t	over 0.30m	14.3	14.6
Wagg	MIN-11-28	-45°	0.10 g/t	over 0.30m	41.0	41.3
Wagg	MIN-11-29	-60°	0.13 g/t	over 0.20m	62.7	62.9
Menary S	MIN-S-11-01	-45°	0.117 g/t	over 1.60m	37.7	39.3

Prospect	Drill Hole	Dip	Grade	Intercept	From (m)	To (m)
Galbraith A	GAL-A-11-01	-45°	No significant assays.			
Galbraith A	GAL-A-11-02	-45°	0.217 g/t	over 1.8m	33.2	35.0
Galbraith A	GAL-A-11-03	-45°	7.941 g/t	over 0.5m	35.7	36.2

The above analytical work was done at Accurassay Laboratories Limited, an ISO-Certified laboratory facility in Thunder Bay, Ontario using the fire assay method. Half of the drill cores were sent in for analysis, along with accompanying standards, duplicates and blanks. The remaining cores are being stored and archived for future testing or verification.

Kyle Picard, King's Bay Gold's President & CEO stated during the Fall 2011 drilling program: "The information that we've received to date from our drilling activities indicates that the Menary may be amenable to low grade bulk tonnage open pit mining. Before that can happen, additional drilling, exploration and development work, economic analysis and research on processing methodologies and costs will be needed to determine if the zones identified to date will be economically amenable to open pit mining."

Menary Gold Project – New Shear Zone

On October 26th, 2011 King's Bay Gold announced in a news release that it had increased its land position at its Menary Project by staking 6 mining claims totaling 44 units to the north and northeast of the Company's existing land package. In this area gold showings occur in the greenstones within about 2 kilometres of the geological contact with the Sabaskong batholith. These 6 mining claims were staked to cover available open ground along this contact. This resulted in the claim group being enlarged by 704 ha (about 70%) from 1,024 ha to 1,728 ha and a doubling of the contact zone now controlled by King's Bay Gold.

A new, gold-bearing vein / shear zone was discovered approximately 50m east of the original Galbraith "A" blasted pit showing. The vein is about 180m long, up to one metre wide, boudinaged / sheared, and gold-bearing in a WNW-ESE trending shear zone in mafic volcanic rocks. In the new shear zone, the fine-grained, sugary texture of the quartz and the intermittent hematitic red staining are similar to that which occurs in the quartz veins on surface at the Wagg gold occurrence located approximately 1 kilometre south of the Galbraith "A" occurrence. However, the Galbraith "A" quartz vein, in 2 dimensions at surface is comprised of a strongly boudinaged and sugary-textured quartz vein of up to 1 metre in width with intermittent red hematite staining in a shear / fault zone. This sugary quartz and red coloration also mimics what is also found at the Wagg Occurrence. It also pinches and swells, and, in places pinches out altogether. Where this happens, following the zone of shearing leads us to more sugary-textured quartz with intermittent red hematitic staining.

Red, sugary-textured quartz also occurs in a quartz vein swarm found at about the 73 metre depth mark in the -45 degree, 152.4 metre-long hole identified as Gal-A-11-03. When projected to surface, this quartz vein swarm is located approximately 41 metre horizontally NE from the above mentioned gold-bearing quartz vein in the shear zone.

After further excavator work (pictures are available on the company's website at <http://www.kingsbaygold.com/properties/menary-twp/>) and the washing of trenches in the area, smoky quartz was found in some felsic dykes in the Galbraith "A" area.

A total of 34 grab samples were taken at various points along this newly discovered shear system with a width of up to 4 metres and a length of over 150 metres long on surface. The assay results obtained from wall rock and quartz vein grab samples ranged from a low of <0.005 g/t Au to a high of up to 40.52 g/t Au. The most significant gold values, in grams per tonne, are as follows: 1.26, 1.98, 4.17, 4.71, 6.37, 11.14, 22.24, and 40.52. These grab samples are selective by nature and are unlikely to represent average grades for the deposit.

King's Bay Gold Corporation

The 34 grab samples from the newly discovered shear zone were processed and analyzed by Accurassay Laboratories Limited located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered.

James Rogers, King's Bay Gold's Chairman, stated on October 26th, 2011: "This discovery of another vein system with mineralization and alteration that look identical to the Wagg showing is very exciting. I am optimistic that King's Bay Gold's systematic approach to field exploration may uncover new economic opportunities for discovery".

On December 12th, 2011 the Corporation reported that it had received additional channel sample results from its Menary Gold Project. The channel samples, mainly one metre in length, were taken, nominally at 2 metre intervals, at various points along approximately 181 metres of the newly discovered shear system that has a width of up to 4 metres and a length of over 200 metres long on surface.

The assay results obtained from wall rock and quartz vein combined channel samples ranged from a low of <0.005 g/t Au to a high of 243.00 g/t Au and averaged 3.39 g/t Au. The top 30 most significant gold values from the 146 channel sample results received and reported to date, in grams per tonne, as seen in the table below, are as follows: 243.00, 45.38, 18.20, 17.97, 14.82, 14.78, 14.21, 12.94, 12.70, 9.47, 8.30, 8.21, 7.53, 6.31, 6.30, 4.75, 4.33, 4.06, 3.34, 3.17, 2.37, 2.34, 1.87, 1.64, 1.55, 1.52, 1.51, 1.47, 1.46 and 1.41.

Distances are from the initial NW starting point (i.e., Nail #1). The following table contains all 63 channel samples having a gold grade of 0.090 g/t or better from the 146 samples collected from the quartz-bearing shear zone.

Distance	Sample #	Gold (g/t)	Length (m)		Distance	Sample #	Gold (g/t)	Length (m)
10.2m NW	1014736	0.090	0.5m		87.8m SE	1014585	2.340	1.0m
9.1m NW	1014735	0.788	0.5m		88.7m SE	1014588	0.566	1.0m
7.0m NW	1014734	1.639	1.0m		92.9m SE	1014596	0.090	1.0m
4.1m NW	1014733	243.000	1.0m		98.5m SE	1014597	2.365	1.0m
6.3m SE	1014505	0.897	1.0m		100.1m SE	1014598	1.546	1.0m
9.5m SE	1014509	3.341	1.0m		102.8m SE	1014599	1.470	1.0m
11.2m SE	1014511	0.319	1.0m		104.7m SE	1014600	14.817	1.0m
12.4m SE	1014513	0.107	1.0m		106.5m SE	1014601	6.311	1.0m
14.1m SE	1014515	3.170	1.0m		107.8m SE	1014602	0.146	1.0m
16.7m SE	1014519	0.678	1.0m		112.6m SE	1014604	0.456	1.0m
19.0m SE	1014522	4.328	1.0m		115.0m SE	1014606	0.109	1.0m
21.4m SE	1014523	0.495	1.0m		117.1m SE	1014607	1.458	1.0m
23.7m SE	1014524	0.941	1.0m		118.6m SE	1014608	1.290	1.0m
28.0m SE	1014526	1.058	1.0m		120.8m SE	1014609	17.966	1.0m
29.5m SE	1014527	0.621	1.0m		121.9m SE	1014610	9.473	1.0m
30.5m SE	1014528	0.097	1.0m		123.6m SE	1014611	8.302	1.0m
32.6m SE	1014529	0.674	1.0m		126.9m SE	1014750	12.703	0.5m
34.3m SE	1014532	0.378	1.0m		127.9m SE	1014751	12.936	0.5m
36.2m SE	1014534	0.511	1.0m		128.8m SE	1014753	1.518	0.5m
39.1m SE	1014536	0.586	1.0m		131.6m SE	1014754	4.747	0.5m
40.6m SE	1014537	14.779	1.0m		133.5m SE	1014755	0.560	0.5m
42.0m SE	1014539	0.243	1.0m		136.4m SE	1014613	45.379	1.0m
45.1m SE	1014541	1.000	1.0m		137.3m SE	1014614	1.867	1.0m
45.1m SE	1014543	0.252	1.0m		139.7m SE	1014615	18.204	1.0m

Distance	Sample #	Gold (g/t)	Length (m)		Distance	Sample #	Gold (g/t)	Length (m)
47.1m SE	1014544	0.117	1.0m		141.3m SE	1014616	0.805	1.0m
49.5m SE	1014547	0.105	1.0m		143.4m SE	1014618	0.090	1.0m
72.6m SE	1014564	1.171	1.0m		145.3m SE	1014619	6.301	1.0m
74.3m SE	1014565	1.508	1.0m		146.4m SE	1014620	1.407	1.0m
77.0m SE	1014567	0.459	1.0m		148.6m SE	1014621	0.666	1.0m
80.7m SE	1014571	8.205	1.0m		149.8m SE	1014622	14.209	1.0m
82.1m SE	1014573	0.567	1.0m		150.2m SE	1014623	4.057	1.0m
85.7m SE	1014582	7.525	1.0m					
85.7m SE	1014582	7.525	1.0m					

The channel samples from the Quartz Vein Shear Zone and as reported in the above table were processed and assayed by Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered.

Results for the remainder of the samples will continue to be released as they are received and reviewed by the company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., who is acting as the Qualified Person (QP) for this project in compliance with National Instrument 43-101.

Menary Gold Project – Wagg Tailings Pond

In the 1990's, Western Troy Capital Resources Inc. processed approximately 907 metric tonnes (1,000 short tons) of quartz vein material through a small mill erected from the six known gold-bearing quartz veins (A-F) at the Wagg gold showing. They reported recovering 346 ounces of gold and deposited the tailings in a depression adjacent to the mill. They reported an overall historical grade of 10.73 g/t at that time from the approximately 1,000 tons of material that was processed. Tailings from the mill were collected in a small pond nearby. This historical data has not been verified. *Source: Ontario Ministry of Northern Development and Mines Assessment Files, verified by Russell Crosby, M.Sc., P.Geo.*

During the summer and fall of 2011, King's Bay Gold collected 74 samples from the tailings pond to determine what, if any, gold may be present in these tailings. Assay results obtained to date range from a low of 1.00 g/t to over 116.20 g/t and have an average of 4.28 g/t.

The 74 samples that were taken from the tailings pond during the summer of 2011 were also processed and analyzed by Accurassay Laboratories in Thunder Bay, Ontario using 30 grams of sample, the fire assay method, and an AAS finish following Accurassay Assay procedure code ALFA1.

Menary Gold Project – Wagg Mill Feed Pile

On December 19th, 2011, the Corporation reported in a news release that a total of 54 grab samples of red hematite-stained sugary quartz, taken from the mill feed pile near the former mill site at the Wagg occurrence, averaged 14.2 g/t Au. The mill feed consists of a mixture of rocks milled from the six Wagg veins as located nearby in an area of approximately 200 metres by 100 metres. The assay results obtained from these 54 grab samples ranged from a low of <0.005 g/t Au to a high of up to 151.892 g/t Au.

The company may consider adding the mill feed and tailings pond left by Western Troy to be processed at the time of their bulk sample to increase the profitability of the bulk sample. It is noted that grab samples as found in the table below are selective by nature and are unlikely to represent average grades for the deposit.

Of the 54 samples collected from the mill feed pile, the following table lists the 36 most significant gold grades obtained:

KBG Sample #	Au (g/t)	KBG Sample #	Au (g/t)
1014692	151.892	1014679	4.668
1014684	132.821	1014673	3.965
1014694	95.030	1014707	3.209
1014686	58.430	1014695	2.729
1014704	54.374	1014699	2.655
1014709	46.721	1014676	2.335
1014678	38.785	1014682	2.323
1014660	32.189	1014714	2.212
1014662	24.537	1014670	1.713
1014706	22.679	1014657	1.578
1014703	19.850	1014680	1.352
1014687	15.605	1014702	1.067
1014698	10.347	1014669	1.040
1014701	5.974	1014693	0.763
1014689	5.910	1014685	0.494
1014705	5.884	1014671	0.484
1014691	5.613	1014708	0.410
1014690	5.202	1014712	0.398

All 54 grab samples from the mill feed pile near the former mill site at the Menary Wagg showing were processed and assayed by Accurassay Laboratories located in Thunder Bay, Ontario. Accurassay Laboratories is an ISO-Certified laboratory that performed the gold fire assays with AAS finish following assay code ALFA1 using 30 grams of rock after it has been crushed and powdered.

Menary Gold Project – Geophysical Surveys & Mapping

Magnetic and electromagnetic (HLEM) surveys were carried out along cut gridlines over the 5 central claims of the Menary Gold Project claim group (Claim numbers 4256397, 4205640, 3014054, 1079876 & 4247110).

About half of the area of the Menary Gold Project claims group has been mapped and prospected.

Option Agreement to acquire 2 claims on the Galbraith B gold occurrence

On May 7th, 2012, the Corporation announced the acquisition of the Galbraith B gold occurrence via an option agreement with Perry English, on behalf of Rubicon Minerals Corporation, as the vendor. The two new claim blocks (4271600 & 4271601) of 16 units each cover approximately 518 hectares and sit to the southeast of, and are contiguous to, the existing Menary Gold Project claim group.

Galbraith B gold occurrence is located within the westernmost of the two newly optioned claims and is approximately 200 metres to the east from the claim line of the original group. The narrow vein / stringer in the greenstone unit within which native gold was observed at Galbraith B assayed 97.5 g/t (2.859 oz/ton) and 63.70 g/t (1.868 oz/ton) gold from grab samples obtained in 1991 by Western Troy Capital Resources Inc. (Wagg and Holmstead, 1991).

Another grab sample collected in 1991 from a 1 metre wide, weakly sheared zone hosting several narrow quartz stringers (sample number 17829) located about 350 metres south-southeast of the Galbraith B, assayed 1.146 g/t (0.033 oz/ton) gold. Many other relatively small veins and pods occur within a few hundred metres of the Galbraith B showing, some of which returned gold values ranging from 0.10 g/t (0.0003 oz/ton) to 3.52 g/t (0.103 oz/ton).

As both this zone and the Galbraith B vein strike about east-west, further work in the area by King's Bay Gold will pay particular attention to all of those structures on the project that crosscut the northeasterly trend of the metavolcanics in the Rainy River Greenstone Belt.

Under the terms of the option agreement, King's Bay Gold can earn a 100% interest in the claims by completing payments to the Vendor totaling \$ 69,000 over 4 years and the issuance of 500,000 common shares as follows:

Upon signing of the Agreement	\$ 6,000	250,000 common shares
1 st Anniversary of the Agreement	\$ 10,000	250,000 common shares
2 nd Anniversary of the Agreement	\$ 12,000	
3 rd Anniversary of the Agreement	\$ 16,000	
4 th and Final Anniversary of the Agreement	\$ 25,000	

The issued shares shall be subject to hold periods as required by the applicable policies of the TSX Venture Exchange Inc. and applicable securities laws. The vendor will retain a 2.0 % Net Smelter Return (the "NSR") interest in the Property. King's Bay Gold can buy back one half or 1% of the "NSR" at any time by paying the vendor \$1,000,000 CDN dollars.

Kyle Picard, King's Bay Gold's President & CEO, stated "We believe that the Menary Gold project is a large system with all the current showings being fed by the same system. Securing the claims with the Galbraith B high grade gold occurrence will prove to be paramount in proving this theory."

Menary Gold Project - Qualified Person's Statement

All of the drilling and field work on this project has been supervised by the Company's on-site geologist, Mr. Russell Crosby, M.Sc., P.Geo., acting as the Qualified Person (QP) in compliance with National Instrument 43-101. Mr. Crosby has reviewed the technical disclosure in all of the Menary related news releases since May 11th, 2011.

Menary Gold Project – Work Completed to date and Contemplated for the remainder of 2012

President & CEO Kyle Picard stated on February 29th, 2012: "The Spring of 2012 will see a renewed focus on the high grade results at the Menary Gold Project along with moving forward on an aggressive plan to develop our 100% owned Sturgeon Lake high grade gold project. With two (100% owned and operated) high grade gold projects under development and two high grade gold projects being developed with partners in 2012 (Headway & Cameron Lake), King's Bay Gold is positioned for an exciting year ahead."

On May 2nd, 2012, the Corporation announced in a news release that a spring work program of excavator trenching, washing, sampling and assaying was commencing at the Menary Gold Project. At the very end of the 2011 trenching program, King's Bay Gold discovered some reddish, sugary looking quartz veins within the granite, that may indicate the edge of a potential stockwork system of veins in the granite of the multiphase Sabaskong Batholith south of the Galbraith A shear zone and north of the Wagg showing. It is the red to pink hematitic, sugary quartz that carries the gold at both the Wagg and Galbraith A areas. This first round of trenching, washing, sampling and assaying for 2012 will be targeting two areas: 1) the granites between the Galbraith A and Wagg showings over a distance of 900 metres to test the theory of the presence of a larger stockwork system of veins, and 2) the greenstones on the east margin of the Sabaskong Batholith, to test a magnetic high directly east of the Wagg showing.

Recommendations for next steps on the property include excavator trenching to the north of the Wagg prospect and to the south of the Galbraith "A" prospect to determine continuity between the two. Linecutting, geological mapping and prospecting is also recommended over the 6 newly staked claims at the Menary Gold Project.

Recommendations for next steps at Galbraith "A" includes closely spaced diamond drilling at the gold bearing quartz vein in the shear zone.

Spring & Summer 2012 – Trenching, Mapping, Sampling, Geophysical Interpretation	\$145,000
Airborne Geophysics & Lidar	\$85,000
Soil Sampling & Assay	\$127,000

Fall 2012 – Diamond Drilling, Logging, Mapping, Sampling, Geophysical Interpretation **\$225,000**

Total exploration and development expenditures in **2011: \$587,319** and in **2010: \$518,639**

(4) Halkirk – Watten Diamond Project, Halkirk, Watten and Obikoba Townships, Rainy River Mining Division of Ontario

Location

The property is located in the Townships of Halkirk, Watten and Obikoba of the Rainy River Mining Division of northwest Ontario. The claim units are located roughly 14 kilometres east of Fort Frances, Ontario along Highway 11 which passes through Mine Centre, south of Atikokan and then on to Thunder Bay, Ontario.

Number of Claims & Hectares

20 claims for 266 claim units for approximately 4,256 hectares.

Exploration Target

Gold, Ni-Cu (nickel-copper) and Diamonds.

Date of Acquisition via Option Agreement and / or Staking

The main portion of the property was staked and recorded in 2004 and kept in good standing since that time through drilling and sampling work. The rest of the claims were re-staked in 2010 and are in good standing until May 31st, 2012. The amount of work to keep these claims in good standing is \$106,400 of assessment work per year.

Ownership Interests

100 % King's Bay Gold Corporation for both the surface and mineral rights over these claims.

Operator

King's Bay Gold Corporation.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Russell Crosby M.Sc., P.Geo.

Information

Regional geology for the Halkirk-Watten Property is characterized by mainly intrusive mafic to ultramafic rocks within a circular structure bounded by the Quetico and Rainy-River Faults. The area has been known to produce sub-economic values in copper, nickel, platinum, palladium, lead, silver, gold, and zinc (both MMS and VMS style volcanogenic deposits) and diamonds.

A number of years ago, Metal Corp. discovered a diamond occurrence close to the King's Bay Gold boundary and has been actively exploring for Ni-Cu mineralization along the south-eastern limb of this large circular intrusive structure.

Work Completed in 2010 and 2011

- No work was carried out on these claim units in 2010 and 2011 with the exception of the re-staking a main portion of the claim group out to the west end of the property; the core group was kept in good standing with diamond drilling credits from previous years' work assessment.

Work Contemplated in 2012

Fall 2012 – Geological Mapping, Reconnaissance Sampling & Analysis, Drill Target Verification for up to 8 diamond drill holes (locations as identified from a heli-borne Time Domain E.M. Survey (VTEM) and a Cesium Magnetometer survey performed over the claim group in 2006)

\$50,000

Total exploration and development expenditures in **2011: \$26,503** and in **2010: \$26,900**

(5) Raleigh Lake Group of Claims, Osaquan Township, Kenora Mining Division of Ontario

Location

The Raleigh Lake Property is located in Osaquan Township in the Kenora Mining Division of northwest Ontario. The Raleigh Lake Area is located near the town of Ignace, Ontario. The property can be reached along timber roads south of Highway 17 approximately 20 kilometres west of Ignace and via two different overland routes located another 10 to 15 kilometres south of the highway.

Number of Claims & Hectares

12 unpatented mining claims for approximately 117 claim units for approximately 1,872 hectares.

Exploration Target

Rare Earth Elements and Gold.

Date of Acquisition via Option Agreement and / or Staking

The original four claims (4229778, 4229779, 4229780, and 4229781) were staked in 2009 and optioned from Perry English for stock and monetary considerations. The next four claims were staked in 2009 by King's Bay Gold (4248674, 4248675, 4251315, and 4251316 - 48 claim units). The last four claims (4224142, 4224143, 4224144, and 4224145) were acquired on June 14th, 2010 in a Property Interests Exchange Agreement with Mainstream Minerals Corporation (TSX.V: MJO) when King's Bay Gold gave up its remaining 40 % joint-venture interest in the Bobjo Mine Project located in Birch-Uchi area near Confederation Lake, Ontario. The Property Interests Exchange Agreement provided that King's Bay Gold would be responsible for the remainder of the original stock and monetary considerations under an option agreement with Perry English.

Ownership Interests

Four of the un-patented mineral claims that were staked in 2009 (4251315, 4251316, 4228674 and 4248675) are owned 100 % by King's Bay Gold Corporation. The other 8 claims (4224142 to 4224145 and 4229778 to 4229781) are optioned through Perry English and require annual property payments of cash and stock and work commitments to keep them in good standing.

Operator

King's Bay Gold Corporation.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Russell Crosby M.Sc., P.Geo.

Information

Regional geology for the Raleigh Lake Property is characterized by a series of granitic intrusives within a package of Archean greenstone volcanics and mafic to ultramafic intrusives within the Uchi Belt of Ontario. Discoveries by Avalon Ventures and Abbadon Resources of rare earths (Lithium, Tantalum, Cesium, Rubidium etc.) in peraluminous pegmatites have added interest to the area. The Corporation wishes to capitalize on the high prices that rare earth elements are bringing to the electronics and cell phone industries and the potential for this area to bring in a producer for these elements. The Raleigh Lake claims are subject to annual work commitments and assessment filings with the Ontario Ministry of Northern Development & Mines. For this number of claim units, the annual assessment work commitments are estimated to be approximately \$45,600.

Work Completed in 2010 and 2011

- Carried out ground geochemical sampling (soils) in the south end of the property over two trench areas (#2 and #3).
- Sent the soil samples into Accurassay Labs in Thunder Bay, Ontario for Rare Earth Elements (REEs) and multi-element whole-rock geochemical.
- Located and sampled all of the trenches and sent samples into Accurassay Labs for Gold (Au), Nickel-Copper (Ni-Cu), Platinum Group Elements (PGEs), Rare Earth Elements (REEs) and multi-elements.
- Cut roads and lines over portions of the claims to allow better access / location of the trenches, reviewed the core of the previous work done on the property and selected representative samples for REE analysis.

Work Contemplated in 2012

- No work is presently planned at this time for 2012 other than to review and obtain informed opinion on the 530 assay results from the 2010 REE and precious metals soil sampling program.

Total exploration and development expenditures in **2011: \$21,669** and in **2010: \$248,396**

(6) Brooks Lake (aka Hook Bay of Helena Lake), Kenora Mining Division of Ontario

Location

The Brooks Lake Property is located in the Brooks / Helena Lake Area of the Kenora Mining Division in northwest Ontario. It is located near the Pipestone Fault that lies approximately 25 kilometres east of Highway 71 and north of the Town of Nestor Falls, Ontario. The upper claims group can be reached by timber roads originating from Nestor Falls. The lower claims group can only be accessed by overland or by boat up Pipestone Lake from the south.

Number of Claims & Hectares

4 claims (3016914, 3012329, 3012330 and 4257509) for 35 claim units for approximately 560 hectares.

Exploration Target

Gold.

Date of Acquisition via Option Agreement and / or Staking

This property was staked in 2003 to 2005 by King's Bay Gold Corporation. An additional claim tying on to the south end of the claim group was staked in 2010. These claims are subject to the annual work commitments and work assessment requirements of the Ontario Ministry of Northern Development & Mines.

Ownership Interests

100 % King's Bay Gold Corporation.

Operator

King's Bay Gold Corporation.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Russell Crosby M.Sc., P.Geo.

Information

Three claims were acquired in 2003 to 2005 by staking and have been kept in good standing since that time. An additional claim tying on to the south end of the claim group was staked in 2010. The required component of work is approximately \$400 per claim per year which translates into roughly \$14,000 of assessment work per year to keep the claims in good standing annually. Regional geology for the Brooks Lake Property is characterized by Archean Age greenstone volcanic sequences inter-layered with meta-sediments and intrusive rocks such as diorites, quartz-feldspar porphyries and gabbros. The main structural feature in the area is the Pipestone Fault that transects the property in a northeast to southwest direction and likely is closely linked to the emplacement of the gold mineralization in the area. Under the terms of the claim ownership, the Corporation controls 100% of the surface and mineral rights on these four claims subject to annual assessment work as put forth by the Ontario Ministry of Northern Development & Mines.

Work Completed in 2010 and 2011

- Work consisted of gridding over the most north-easterly claim group.
- Late in November 2010, ground Magnetometer and VLF-Electromagnetic surveys were carried out over this Grid.

Work Contemplated in 2012

- No work is contemplated at this time for this property in 2012.

Total exploration and development expenditures in **2011: \$6,389** and in **2010: \$33,333**

(7) Darkwater Gold Mine at Sturgeon Lake, Valora Area, Patricia Mining Division of Ontario

Location

The Darkwater Gold Mine at Sturgeon Lake Property is located in the Valora Area of the Patricia Mining Division of northwest Ontario. The claim units are located approximately 30 kilometres north of Ignace, Ontario along the southwest corner of Sturgeon Lake, adjoining the original patented claims of the past-producing Sturgeon Lake Mine itself.

Number of Claims & Hectares

5 claims for 72 claim units for approximately 1,152 hectares.

Exploration Target

Gold.

Date of Acquisition via Option Agreement and / or Staking

The claims were staked in late November, 2010 and registered with the Ontario Ministry of Northern Development & Mines on December 7th, 2010. The first assessment work, for a minimum value of \$28,400, will be required to be filed with the Ministry on or before December 7th, 2012.

Ownership Interests

100 % King's Bay Gold Corporation.

Operator

King's Bay Gold Corporation.

Qualified Person as per National Instrument 43-101 as at June 12th, 2012 (subject to change)

Russell Crosby M.Sc., P.Geo.

Information

Regional geology for the Darkwater Gold Mine at Sturgeon Lake Property is characterized by a large quartz-feldspar porphyry intrusive into the Archean-age volcanic package which hosts the gold mineralization at the Sturgeon Lake Mine. A series of secondary shears, alteration and structural features which cut the primary geology of the area has allowed hydrothermal solutions to permeate through all the local geological units which has given rise to economic concentrations of gold. Our first priority is to prospect, sample and explore the property to determine if there are any important gold showings or occurrences in or around the peripheries of the QFP intrusive structure. Given that the company is the 100 % owner of and sole operator for these claim units, it will be responsible for performing all of the required assessment work.

Work Contemplated in 2012

Summer 2012 – Line-cutting, Grid Mapping, Trenching, Reconnaissance Sampling & Analysis, Drill Target Verification and Site Preparation	\$150,000
---	------------------

Total exploration and development expenditures in **2011: \$0** and in **2010: N/A** as these claims were staked in December of 2010

DISCONTINUED PROPERTIES and PROJECTS of the CORPORATION during the last twelve months

The following is a list of those properties and projects that were discontinued during the last twelve months up to June 12th, 2012:

(1) On July 29th, 2011, and as a Subsequent Event to the second quarter ended June 30th, 2011, the Corporation announced in a news release that the option agreement to acquire a 50% interest in a property comprising of 4 claims (1,480 hectares) at **Berven Lake, Saskatchewan** from New Moon Minerals Corporation, as previously announced on May 18th, 2010, had been terminated. The optioned property in question is located approximately 110 kilometres northeast of La Ronge, Saskatchewan. In accordance with the initial payment provisions required by the option agreement, the Corporation issued 300,000 Class "A" common shares and paid a sum of \$50,000 to New Moon Minerals for earn-in exploration expenditures. The Corporation did seek the approval of, and did subsequently obtain such approval, from the TSX Venture Exchange Inc. for the transactions described in the option agreement.

Upon review, the current Board of Directors felt that this project didn't fit into the Corporation's existing portfolio of projects that is geographically focused on northwest Ontario. As such, the Corporation chose not to issue the first anniversary payment of 500,000 Class "A" common shares nor did it pay the sum of \$50,000 for the first anniversary earn-in exploration expenditures to New Moon Minerals Corporation. As a result of this terminated Berven Lake option agreement, the Corporation incurred a Mineral properties write-down of \$65,957 for the 3rd quarter of fiscal 2011.

(BLANK)

ANNUAL FINANCIAL INFORMATION

Financial Data

The following table shows selected key financial information for the last five years ended as indicated.

Category	Year Ended December 31, 2011 (1)	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Total Revenues	\$674	\$5,243	\$9,313	\$24,710	\$32,334
Income from Operations					
Total	Nil	Nil	Nil	Nil	Nil
Per Share	Nil	Nil	Nil	Nil	Nil
Per Share (fully diluted)	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)					
Total before income taxes	-\$647,892	-\$2,532,206	-\$2,990,813	-\$980,112	-\$1,078,893
Stock Compensation Expense	-\$8,900	-\$94,725	\$Nil	-\$24,578	-\$229,568
Class A Common Issued Shares	97,101,914	84,981,914	67,256,903	45,256,903	37,301,351
Loss per Share (basic & diluted)	-\$0.01	-\$0.03	-\$0.05	-\$0.02	-\$0.02
Total Assets	\$3,433,582	\$3,604,394	\$4,745,045	\$6,065,303	\$5,666,669
Total Long Term Debt	Nil	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil	Nil

The following discussion and analysis of the operating results and financial condition of the Corporation should be read in conjunction with the audited financial statements and related notes thereto of the Corporation for the fiscal years ended December 31st, 2011, 2010, 2009, 2008, and 2007. These financial statements have also been filed with the Manitoba Securities Commission, the Saskatchewan Securities Commission, the Alberta Securities Commission, the British Columbia Securities Commission, and the TSX Venture Exchange Inc. via SEDAR (www.sedar.com).

Note (1) – The financial statements up to and including December 31st, 2010 were prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The condensed interim financial report as prepared by management for the first quarter ended March 31st, 2012, the audited comparative financial statements for the years ended December 31st, 2011 and December 31st, 2010 as prepared by Corporation’s external auditors, and the three condensed interim quarterly financial reports as prepared by management during fiscal 2011, were all prepared in accordance with the relatively recently adopted International Financial Reporting Standards (“IFRS”) for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1st, 2011 represents a change due to the implementation of these new accounting standards. In 2010, the Corporation initiated an IFRS conversion plan to address the impact of the changes for its accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. As discussed in this 2011 Annual Information Form dated June 12th, 2012, these new accounting standards have affected the Corporation’s reported financial position and results of operations.

Year Ended December 31st, 2011 compared to the Year Ended December 31st, 2010

When compared to the volatility of the previous three fiscal years, the company’s financial and operational situation remained relatively stable throughout fiscal 2011. During the 2011 fiscal year, two non-brokered private placements were completed for gross proceeds of \$594,500 (\$251,500 closed on June 27th and \$343,000 closed on December 22nd) and no warrants or stock options were exercised. The company incurred the following general and administrative expenditures in fiscal 2011, notably: \$1,634 for Advertising and Promotion (2010: \$22,000); \$18,027 for Depreciation (2010: \$24,364 and 2009: \$32,815 – trending lower as result of the ongoing sell-off of the

company's field exploration equipment over the last three fiscal years); \$246,667 for non-capitalized Consulting Fees (2010: \$205,825 – higher in 2011 when compared to 2010 due to the significant changes in key personnel); \$9,188 for the Annual General and Special Meeting of Shareholders as held in Winnipeg on June 24th, 2011 (2010: \$9,374 for the two Annual General and Special Meetings of Shareholders respectively held on July 7th and October 7th, 2010); \$5,455 for Insurance (2010: \$5,946); \$53,638 for higher Office expenditures due in part to the move to #145 – 99 Scurfield Boulevard (2010: \$19,700); \$1,564 for Part XII.6 taxes and penalties on flow-through (2010: \$15,802); \$55,568 for Professional Fees (2010: \$126,869); \$84,300 for Regulatory Filing fees (2010: \$60,648); Stock-based Compensation for \$8,900 due to the three stock option distributions of July 5th, September 16th and December 30th, 2011 (2010: \$94,725 due to the two stock option distributions of January 12th and March 17th, 2010 respectively); \$21,283 for Travel (2010: \$27,699); and \$5,063 for all other general and administrative expenditures (2010: \$3,823). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$511,287 (2010: \$616,775) and a comprehensive Net loss for the year of \$546,422 (2010: \$2,212,386), after interest income of \$674 (2010: \$5,243), mineral exploration properties write-downs of \$65,957 (2010: \$1,966,517), a gain on the sale of equipment of \$32,803 (2010: gain on the sale of equipment: \$8,593), an unrealized loss in the fair value of marketable securities of \$104,125 (2010: the company experienced an unrealized gain in the amount of \$37,250 on the value of its marketable securities) and a deferred income tax recovery, net of flow-through premiums, of \$101,470 (2010: a deferred income tax recovery, net of flow-through premiums, of \$319,820). The write-down amount of \$65,957 against mineral exploration properties (aka exploration and evaluation assets) represents the total expenditures that were previously capitalized for the Berven Lake, SK property option agreement with New Moon Minerals Corporation, an option agreement that was cancelled on July 29th, 2011 (2010: \$1,966,517 for the Bobjo Mine Project which was transferred to Mainstream Minerals Corporation as part of the consideration for the Bobjo Mine Property Interests Exchange Agreement that was concluded on June 14th). The cumulative loss per share, basic and diluted, for the fiscal year ended December 31st, 2011 was \$0.01 (versus \$0.03 in 2010). Given the various operating, financing and investing activities undertaken by the Corporation during the fiscal year, the amount of cash and restricted cash on hand as at December 31st, 2011 was \$212,803. It is noted that the Corporation also had share subscription receivables of \$75,000 from a non-brokered private placement that closed on December 22nd, 2011 and that had not yet been received and deposited by year's end. In comparison, the Corporation had \$27,495 in cash and restricted cash on hand on December 31st, 2010. However, at that time, the Corporation had \$800,000 in share subscription receivables for a non-brokered private placement that closed on December 30th, 2010. By adding the \$800,000 in Share subscriptions receivable with the \$27,495 in cash and restricted cash on hand as at December 31st, 2010, we find that this combined amount of \$827,495 would be a better indication of the cash and restricted cash that the company would have available to it as liquid working capital going into the first quarter of fiscal 2011.

Year Ended December 31st, 2010 compared to the Year Ended December 31st, 2009

Due to the turmoil surrounding the two Annual General Meetings of Shareholders held respectively on July 7th and October 10th, the resignations of two directors and the Exploration Coordinator, the company's financial and administrative situation suffered somewhat during the second, third and fourth quarters of fiscal 2010. This situation changed dramatically for the better with the appointment of two new directors, the appointment of a Chief Financial Officer and Corporate Secretary, the opening of a new office at #145 – 99 Scurfield Boulevard in Winnipeg Manitoba and with the closing of a non-brokered private placement of \$800,000 on December 30th, 2010. As such, the company was able to bring almost all of its accounts payable up-to-date and was able to keep all of its claims in good standing. During the fourth quarter of 2010, the company completed a 16 hole diamond drill program at the Menary Gold Project and its option partners continued their respective drilling programs at the Headway Group of Patented Claims (Mega Precious Metals Inc.) and at the Meston prospect at Cameron Lake (Cameron Lake JEX Corporation, a subsidiary of Coventry Resources Ltd.). During the fiscal year, \$1,222,938 was capitalized as deferred exploration charges and acquisitions costs incurred to mineral properties. Another noteworthy event occurred when the Bobjo Mine Project was abandoned when it became a 100% Mainstream Minerals owned property as a result of the Property Interests Exchange Agreement that was concluded with King's Bay Gold Corporation on June 14th, 2010. Subsequent to the year end and during the first quarter of fiscal 2011, the company continued to work on reducing a number of other general and administrative expenditures, notably on the Related Party Consulting Fees. During the 2010 fiscal year, the company incurred the following general and administrative expenditures, notably: \$22,000 for Advertising and Promotion (2009: \$54,725); \$24,364 for Amortization (2009: \$32,815 – a lower amount in 2010 as result of the sale of some of the company's field exploration equipment in

2009); \$205,825 for non-capitalized Consulting Fees (2009: \$247,213); \$9,374 for the two Annual General and Special Meetings of Shareholders respectively held on July 7th and October 7th, 2010 (2009: \$3,461 for the single general meeting of August 5th, 2009); \$5,946 for Insurance (2009: \$7,017); \$19,700 for Office expenditures (2009: \$11,324); \$15,802 for Part XII.6 taxes and penalties on flow-through (2009: \$5,167); \$126,869 for Professional Fees (2009: \$98,906); \$60,648 for Regulatory Filing fees (2009: \$38,242); Stock-based Compensation for \$94,725 due to the two stock option distributions of January 12th and March 17th, 2010 respectively (2009: \$Nil); \$27,699 for Travel (2009: \$10,778); and \$3,823 for all other general and administrative expenditures (2009: \$3,090). As a result of these non-capitalized expenditures, the company incurred a Loss from operations of \$616,775 (2009: \$512,738) and a comprehensive Net loss for the year of \$2,022,206 (2009: \$2,251,813), after interest income of \$5,243 (2009: \$9,313), mineral exploration properties write-downs of \$1,966,517 (2009: \$2,485,689), a gain on the sale of equipment of \$8,593 (2009: loss on the sale of equipment: \$1,699), a positive net change in the fair value of marketable securities of \$37,250 and a future income tax recovery of \$510,000 (2009: a future income tax recovery of \$739,000). This write-down amount of \$1,966,517 against mineral exploration properties represents the total expenditures that were previously capitalized for the Bobjo Mine Project which was transferred to Mainstream Minerals Corporation as part of the consideration for the Bobjo Mine Property Interests Exchange Agreement that was concluded on June 14th, 2010 (2009: \$2,485,689 for the abandonments of the Pennock Lake Property for \$61,200, the Phyllis Lake Property for \$277,718, the Sakoose Gold Mine Project for \$1,761,055, the Pickle Crow Property for \$379,886 and the Hemitite Property for \$5,829). The cumulative loss per share, basic and diluted, for the fiscal year ended December 31st, 2010 was \$0.03 (versus \$0.05 in 2009). Given the various operating, financing and investing activities undertaken by the Corporation during the fiscal year, the amount of cash and restricted cash on hand as at December 31st, 2010 was \$27,495 (versus \$1,268,194 as at December 31st, 2009). It is noted that the Corporation had a Share subscriptions receivable of \$800,000 from a non-brokered private placement that closed on December 30th, 2010 and that had not yet been received and deposited by year's end. By adding the \$800,000 in Share subscriptions receivable with the \$27,495 in cash and restricted cash on hand, we find that this combined amount of \$827,495 would be a better indication of the cash and restricted cash that the company would have available to it as liquid working capital going into the first quarter of fiscal 2011.

Year Ended December 31st, 2009 compared to the Year Ended December 31st, 2008

The Corporation incurred a net loss of \$2,990,813, after Interest income of \$9,313, Mineral exploration properties write-downs of \$2,485,689, Loss on the sale of machinery and equipment of \$1,699 and before income tax adjustments (future income tax recovery) for the year ended December 31, 2009, which is significantly higher in comparison to a losses of \$980,112 for fiscal 2008 and \$1,078,893 for fiscal 2007, but somewhat comparable to the loss of \$2,285,140 for fiscal 2006 when Mineral property write-downs were \$1,611,661. The higher losses incurred in 2009 in comparison to other years were largely the result of the Mineral exploration properties writedowns of \$2,485,689 for the abandonments of the Pennock Lake Property (\$61,200), the Phyllis Lake Property (\$277,718), the Sakoose Gold Mine Project (\$1,761,055), the Pickle Crow Property (\$379,886) and the Hemitite Property (\$5,829). The decision to drop these properties in 2009 was as a result of the need to: (i) better focus the Corporation's ongoing exploration efforts at the Bobjo Mine and its other projects that were considered key to the long term prospects of the Corporation and (ii) to preserve capital in volatile capital markets by avoiding the expenditures that would have been required to maintain these discontinued properties. It is also noted that in 2005, the Corporation adopted a new accounting policy to write down expenditures incurred on properties that have either been abandoned outright or have not been active in the last three years. Noncapitalized General and administrative expenses were lower in 2009 at \$512,738 when compared to the \$676,947 expended in 2008 (2007: \$949,869 and 2006: \$729,406). When comparing the General and administrative expenses incurred in fiscal 2009 with those incurred in fiscal 2008, it is noted that most expense categories decreased. These decreases occurred mostly during the first three quarters of fiscal 2009 when there was an immediate need to reduce expenditures in those uncertain times. Decreases were notably reflected in: (i) Advertising (2009: \$2,625 versus 2008: \$30,439); (ii) non-cash Amortization of equipment (2009: \$32,815 versus 2008: \$44,036); (iii) non-capitalized Consulting fees (2009: \$247,213 versus 2008: \$255,000); (iv) the Annual General Meeting was held in Winnipeg, MB on August 5, 2009 instead of the usual Red Lake, ON and as a result general meeting expenditures were lower (2009: \$3,461 versus 2008: \$12,112); (v) Meals and entertainment (2009: \$475 versus 2008: \$2,958); (vii) Office expenses were reduced when the office on Kildare Avenue in Winnipeg, MB was closed in April 2009 in order to save on expenditures (2009: \$11,324 versus 2008: \$39,368); (viii) in 2009, the Corporation incurred \$5,167 in Part XII.6 taxes payable to the Canada Revenue Agency on the unspent balance of flow-through funds from the June and August 2008 private

placements as calculated at the prescribed interest rate of approximately 5% versus the 2008 expenditure of \$47,777 for the Part XII.6 taxes payable from the July and December 2007 private placements; (ix) Promotion (2009: \$52,100 versus 2008: \$62,966; (x) Regulatory filings (2009: \$38,242 versus 2008: \$41,435); and Travel (2009: \$10,778 versus 2008: \$25,234). However, these decreases were partially offset by increases that occurred in the following three expense categories: (i) Insurance (2009: \$7,017 versus 2008: \$4,589); (ii) Interest and bank charges (2009: \$1,644 versus 2008: \$602); and (iii) Professional fees (2009: \$98,906 versus 2008: \$83,911). Another factor for the year-over-year decrease is attributable to Stock-based compensation (2009: \$Nil versus 2008: \$24,578). There were two stock option distributions to Directors / Officers / Consultants that occurred during fiscal 2008, but none occurred in 2009. Finally, there was a \$15,397 decrease in interest revenues from the \$24,710 earned in 2008 compared to the \$9,313 earned in 2009 due to having significantly lower amounts of cash and restricted cash on deposit during 2009 when compared to 2008 and due to the lower interest rate environment in general.

Year Ended December 31st, 2008 compared to the Year Ended December 31st, 2007

The Corporation incurred a net loss of \$980,112, after Interest income, Mineral exploration properties write-downs, Gain on the sale of machinery and equipment and before income tax adjustments (future income tax recovery) for the year ended December 31st, 2008, which is lower in comparison to a loss of \$1,078,893 for the year ended December 31st, 2007 and \$2,285,140 for the year ended December 31st, 2006. The lower losses incurred in 2008 are the result of increased amounts that were capitalized for exploration and corporate development activities, particularly at the joint-ventured Bobjo Mine Project and the Sakoose Gold Mine Project, and relatively lower write-downs of \$334,206 in 2008 when compared to those that were incurred in the two previous years combined (versus 2007: \$161,358 and 2006: \$1,611,661). The write-downs in 2008 were attributed to the discontinuation of a larger than usual number of projects that were no longer considered key to the long-term prospects of the Corporation. The decision to drop these projects was as a result of the need to: (i) better focus on the Corporation's ongoing exploration efforts at the Bobjo Mine and Phyllis Lake Projects and (ii) to preserve capital in volatile capital markets by avoiding the expenditures that would be required to maintain these discontinued properties. In 2005, the Corporation adopted a new accounting policy to write down expenditures incurred on properties that have either been abandoned outright or have not been active in the last three years. Non-capitalized General and administrative expenses were lower in 2008 at \$676,947 when compared to the \$949,869 expended in 2007 and \$729,406 expended in 2006. When comparing the General and administrative expenses incurred in fiscal 2008 with those incurred in fiscal 2007, it is noted that there most expense categories decreased, mostly for the second half of fiscal 2008, due to the need to reduce expenditures in these uncertain times while some other categories increased. Decreases were notably reflected in non-capitalized Consulting Fees (2008: \$255,000 versus 2007: \$328,400), Insurance (2008: \$4,859 versus 2007: \$29,954), Meals and entertainment (2008: \$2,958 versus 2007: \$6,717), Office (2008: \$39,368 versus 2007: \$62,180), Professional fees (2008: \$83,911 versus 2007: \$98,069), Repairs and maintenance (2008: \$Nil versus 2007: \$6,740), Stock-based compensation (2008: \$24,578 versus 2007: \$229,568) and Travel (2008: \$25,234 versus 2007: \$48,597). However, these decreases were partially offset by some increases that occurred in Advertising, mostly during the first 9 months of fiscal 2008 (2008: \$30,439 versus 2007: \$17,613), Part XII.6 taxes payable to the Canada Revenue Agency on the unspent balance of flow-through funds from the July and December 2007 private placements calculated at the prescribed interest rate of approximately 5% (2008: \$47,777 versus 2007: \$Nil), and Promotion, mostly during the first 9 months of fiscal 2008 (2008: \$62,966 versus 2007: \$18,034). A significant portion of the year-over-year decrease is attributable to Stock-based compensation (2008: \$24,578 versus 2007: \$229,568) resulting from the two stock option distributions that occurred during fiscal 2008, which in turn were relatively smaller in the number of stock options issued and at lower exercise prices than the two stock option distributions that occurred in 2007. It is also noted that there was a \$7,624 decrease in interest revenues from the \$32,334 earned in 2007 compared to the \$24,710 earned in 2008 due to having overall lower amounts of cash and restricted cash on deposit during 2008 and due to the lower interest rate environment in general.

OPERATING RESULTS for the FIRST QUARTER ENDED MARCH 31st, 2012

For the three months ended March 31st, 2012, the Corporation incurred a Net and comprehensive loss for the period of \$49,886 (2011 1st quarter: \$258,900), after General and administrative expenses of \$103,713 (2011 1st quarter: \$155,892), Interest income of \$152 (2011 1st quarter: \$297), a Gain on the valuation of marketable securities of \$4,400 (2011 1st quarter Loss: \$40,775), and a Deferred income tax recovery, net of flow-through premiums of \$49,275 (2011 1st quarter Deferred income tax write-down of \$62,530). The quarter-over-quarter decrease in the Net loss from operations for the period of \$52,179 when compared to the same quarter in 2011 is primarily attributable to the following expense categories – (i) lower non capitalized Consulting fees of \$67,396 versus \$83,000 incurred during the first quarter of 2011 partially due to the management changeover that occurred in late 2010 and the continuation up to March 31st, 2011 of the \$5,000 monthly payments to Janice Rivet to fulfill the company's contractual obligations to her as the former Office Manager; (ii) lower depreciation of \$1,915 versus \$5,040 incurred during the first quarter of 2011 due to the fact that the Corporation sold most of its field equipment during the past two calendar years; (iii) lower Professional fees of \$5,500 versus \$22,129 in the first quarter of 2011 due to the timing of invoices for legal and audit services; (iv) lower Office expenditures of \$6,766 versus \$19,323 incurred during the first quarter of 2011 when the new office was being established at that time at #145 – 99 Scurfield Boulevard, Winnipeg, MB, (v) lower Regulatory filings of \$13,451 versus \$18,430 in the first quarter of 2011; and (vi) lower Travel of \$3,729 versus \$5,718 in the first quarter of 2011. These lower expenditures were partially offset by an expenditure on Insurance of \$3,015 for the plating and insuring of the company's two field vehicles versus \$Nil in the first quarter of 2011. Interest income for the first quarter of 2012 decreased to \$152 from the \$297 earned in the first quarter of 2011 due to having lower amounts of cash on deposit during the respective quarters (balances as at March 31st, 2012: \$111,978 and March 31st, 2011: \$540,366). Finally, during the first quarter of 2011, the Corporation also experienced a Gain on the valuation of its marketable securities of \$4,400 bringing up the value of those marketable securities (consisting of 315,000 common shares of Mega Precious Metals Inc. – TSX.V: MGP and 250,000 common shares of Mainstream Minerals Corporation – TSX.V: MJO) from \$147,350 as at December 31st, 2011 to \$151,750 as at March 31st, 2012.

SUMMARY of QUARTERLY RESULTS (see table on following page)

The table on the following page sets out the summary of quarterly results for the Corporation for each of the eight most recently completed quarters. The Corporation's fiscal year end is December 31st.

The financial statements up to and including December 31st, 2010 were prepared in accordance with Canadian generally accepted accounting principles ("GAAP") – the three quarters identified as "2010 First" through to "2010 Third" in the table on the following page reflect Canadian GAAP. For comparison purposes, the column identified as "2010 Fourth" was reconciled to reflect the newly adopted International Financial Reporting Standards ("IFRS").

The comparative audited financial statements for the years ended December 31st, 2011 and 2010 and the condensed interim management-prepared financial reports for the first quarter ended March 31st, 2012 (identified as "2012 First") and the three quarters respectively ended September 30th, June 30th and March 31st, 2011 (the three quarters identified as "2011 Third", "2011 Second" and "2011 First" in the table on the following page) were all prepared in accordance with the newly adopted International Financial Reporting Standards ("IFRS") for publicly accountable profit-oriented enterprises. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1st, 2011 represents an important change due to the implementation of these new accounting standards. In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. As discussed elsewhere in this 2011 Annual Information Form dated June 12th, 2012, these new accounting standards have impacted some elements of the Corporation's reported financial position and results of operations.

All amounts are shown in Canadian dollars.

King's Bay Gold Corporation

Quarter	2012 First	2011 Fourth	2011 Third	2011 Second	2011 First	2010 Fourth (1)	2010 Third	2010 Second
Revenue	\$152	\$47	\$136	\$194	\$297	\$1,040	\$183	\$1,647
Income (loss) from continuing operations	-\$103,713	-\$145,778	-\$75,380	-\$134,237	-\$155,892	-\$175,559	-\$113,659	-\$94,416
Net (loss) and comprehensive (loss)	-\$49,886	-\$132,299	-\$139,217	-\$180,006	-\$258,900	-\$121,269	-\$125,970	-\$2,019,823
Basic and Fully Diluted Earnings per Share	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.01	-\$0.03
Cash and Restricted Cash	\$111,978	\$212,803	\$239,012	\$338,953	\$540,366	\$27,495	\$289,086	\$803,709
Total Current Assets	\$273,411	\$468,752	\$405,572	\$634,942	\$773,713	\$1,095,173	\$459,208	\$970,816
Total Current Liabilities	\$53,368	\$141,575	\$69,978	\$73,767	\$89,468	\$263,550	\$39,228	\$59,163
Working Capital	\$220,043	\$327,177	\$335,594	\$561,175	\$684,245	\$831,263	\$419,980	\$911,653
Working Capital Ratio : 1.00	5.12	3.31	5.79	8.61	8.65	4.16	11.71	16.41
Total Assets	\$3,297,239	\$3,433,582	\$3,180,799	\$3,313,305	\$3,303,912	\$3,604,394	\$2,833,501	\$2,990,406
Total Liabilities	\$380,368	\$468,575	\$560,978	\$564,767	\$580,468	\$624,550	\$951,228	\$971,163
Share Capital	\$16,052,286	\$16,050,536	\$15,773,951	\$15,771,451	\$15,566,351	\$15,563,851	\$13,400,456	\$13,411,456
Share-based payments reserve	\$963,095	\$963,095	\$926,915	\$918,195	\$918,195	\$918,195	\$913,193	\$913,193
Accumulated Deficit	-\$14,098,510	-\$14,048,624	-\$14,080,325	-\$13,941,108	-\$13,761,102	-\$13,502,202	-\$12,431,376	-\$12,305,406
Debt / Equity Ratio : 1.00	0.13	0.16	0.21	0.21	0.21	0.21	0.51	0.48

Note (1) – “2010 Fourth” – Although the comparative audited financial statements for the years ended December 31st, 2010 and 2009 were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP), some items in this column were restated to reflect changes as a result of the introduction of the International Financial Reporting Standards (IFRS) effective on January 1st, 2011 with a transition date of January 1st, 2010.

LIQUIDITY & CAPITAL RESOURCES

As a result of the various financing activities, and the exercise of options and warrants from time-to-time, that occurred during the fiscal years of 2008 through to 2011, the Corporation closed out all eight of its last eight quarters with a positive working capital position (current assets less current liabilities) as follows: March 31st, 2012: \$220,043; December 31st, 2011: \$327,177; September 30th, 2011: \$335,594; June 30th, 2011: \$561,175; March 31st, 2011: \$684,245; December 31st, 2010: \$831,632; September 30th, 2010: \$419,980; and June 30th, 2010: \$911,653. As at March 31st, 2012, the Corporation had current assets consisting of \$111,978 in Cash and Restricted Cash, \$Nil in Trade Receivables, \$9,683 in Other Receivables (all as a refund for the GST and HST Input Tax Credits for expenses incurred during the first quarter of fiscal 2012), and Marketable securities valued at \$151,750 (315,000 common shares of Mega Precious Metals Inc. – TSX.V: MGP that closed at \$0.45 on March 30th, 2012 (the last trading day of March 2012) and 250,000 common shares of Mainstream Minerals Corporation – TSX.V: MJO that closed at \$0.04 on March 30th, 2012). Current liabilities consisted of various normal-course-of-business Trade payables of \$17,627 and Other payables of \$35,741 (professional fees) for total payables of \$53,368 and flow-through liabilities of \$Nil.

Other than the normal-course-of-business Trade payables and Other payables, the Corporation currently has no other financial commitments or obligations except to fund those costs related to the care and maintenance of its mineral property titles. There are no contingent liabilities of which the Corporation is aware of at this time. The Corporation has no long-term debt. As a result of its flow-through financings over the years, the Corporation has incurred a potential deferred and future income tax liability of \$327,000 as duly noted on the Balance Sheet and in the Notes to Condensed Interim Financial Statements of March 31st, 2012 (December 31st, 2011: \$327,000; 2010: \$361,000; 2009: \$477,000; and 2008: \$875,000).

For details on the number of currently issued and outstanding Options and Warrants, their respective Exercise Prices and Expiry Dates as at March 31st, 2012, see Note 11. *Share purchase warrants* and Note 12. *Share-based payments* or the section herein entitled *Disclosure of Outstanding Share Data as at March 31st, 2012*.

Given the gross proceeds received from the two non-brokered private placements that closed in 2011 (\$343,000 on December 22nd, 2011 and \$251,500 on June 27th, 2011), the proceeds from interest earned, the cash receipts from the ongoing exercise of any warrants and options from time-to-time and the sale of the field exploration equipment less the ongoing operating and exploration activities since the end of the first quarter of March 31st, 2012, the Corporation had cash and restricted cash resources on hand of approximately \$18,940 as of the date of this 2011 Annual Information Form dated June 12th, 2012. This amount of cash and restricted cash on hand has been reconciled for all of the issued and outstanding cheques in circulation as at that date.

On May 14th, 2012, the Corporation announced a non-brokered private placement of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$200,000, and a maximum of 5,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$250,000, for aggregate maximum subscription proceeds of \$450,000. It is anticipated that the closing of offering will occur on or around June 29th, 2012 and is subject to the approval of the TSX Venture Exchange Inc. (see the section herein entitled *Proposed Transactions*).

Management is always reviewing its administrative expenditures and exploration activities vis-à-vis its remaining cash resources and is always actively engaged in sourcing capital from new sources and from existing sources known to it. As the Corporation has not begun production on any of its properties, the Corporation does not have any cash flow from operations. The Corporation's main source of cash is the money received from the issuance of securities (new issues and the exercise of outstanding warrants and options from time-to-time) with some funds being received from interest on deposits. The Corporation will require additional equity financing sometime during the remainder of fiscal 2012, and in the coming years in order to fund its working capital requirements and to maintain and explore its mineral properties. If the Corporation is not successful in raising sufficient capital, the Corporation will have to curtail or otherwise limit its operations and exploration activities.

CASH FLOW BUDGET for FISCAL 2012 (Budget estimates only going forward from beyond May 2012. All of this is subject to change and is dependent on being successful in raising sufficient capital to meet these budgeted outgoing cash expenditures.)

Budget Estimates by Month for Fiscal 2012	General Operating (2)	Property Option Payments (3)	Exploration Expenditures (4)
January (1)	\$61,015	\$20,000	\$55,265
February (1)	37,400	-	32,725
March (1)	32,010	-	11,500
April (1)	29,420	-	26,190
May (1)	8,620	-	30,335
June	11,000	-	780
July	72,500	6,000	115,000
August	46,100	-	115,000
September	27,000	25,000	140,000
October	27,000	20,000	140,000
November	76,100	-	140,000
December	32,500	-	85,000
TOTAL	\$460,665	\$71,000	\$891,795

Notes: (1) Actual cash expenses (net of GST & HST) as were incurred in those months. (2) General Operating Expenses (net of GST & HST) in future months are estimates only that are based on currently known repetitive and historical expenditures. (3) Property Option Payments are in accordance with the cash payment amounts and timelines as found within the various agreements currently in place. (4) As at the date of this 2011 Annual Information Form dated June 12th, 2012, the Corporation had \$18,940 in reconciled cash (non-flow-through funds) and reconciled restricted cash (flow-through funds) on deposit. This amount is substantially less than what is required between June to December 2012 to meet the \$735,780 in direct budgeted exploration expenditures (net of GST & HST), \$292,200 in budgeted general operating expenditures (net of GST & HST) and \$51,000 in budgeted option payment obligations for the months of as outlined in the section herein entitled *Description of Ongoing Business Objectives and Key Properties*. To partially remedy this shortfall until capital market conditions improve, the Corporation announced on May 14th, 2012 a non-brokered private placement of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$200,000, and a maximum of 5,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$250,000, for aggregate maximum subscription proceeds of \$450,000. It is anticipated that the closing of offering will occur on or around June 29th, 2012 and is subject to the approval of the TSX Venture Exchange Inc. (see the section herein entitled *Proposed Transactions*). The Corporation will require at least one additional non-brokered private placement sometime during the fall of 2012 to meet the remainder of its budgeted expenditures in fiscal 2012.

INTERNATIONAL FINANCIAL REPORTING STANDARDS CONVERSION PLAN

In 2010, the Corporation started an IFRS conversion plan to address the impact of the changes in accounting policies, restatement of comparative periods, internal controls, and any required changes to business processes. The changeover to IFRS for financial statements for fiscal years commencing on or after January 1st, 2011 represents a change due to new account standards and will affect the Corporation's reported financial position and results of operations. The Corporation has completely implemented the IFRS conversion plan. The management-prepared quarterly interim financial report of March 31st, 2012, the comparative audited year- end financial statements of December 31st, 2011 and 2010 and the management-prepared quarterly interim financial reports for September 30th, August 31st and March 31st, 2011 were all prepared in accordance with IFRS. Below is a table outlining some of the key milestones, timing and current status of the conversion to IFRS.

ACTIVITY	TIMING	STATUS
Identify differences in Canadian GAAP and IFRS and the effect on current accounting policies	Assessment was completed in Q4 of 2010.	Done.
Identify IFRS exemptions	Assessment was completed in Q4 of 2010.	Done.
Financial Statements in accordance with IFRS	The audited financial statements and all of the 2011 management-prepared interim financial reports were completed in accordance with IFRS.	Done.
Calculate the effects of IFRS on the Financial Statements	The audited financial statements and all of the 2011 management-prepared interim financial reports were completed in accordance with IFRS.	Done.
Assess the need for IFRS training	Completed prior to the end of Q3 2010.	Ongoing – IFRS training is available to assist the current CFO, Ray Préfontaine B.A., B.Comm. (Hons.), He has not undergone such training but has completed readings on the subject. If required, assistance and support is available through consultations with KBG's external auditors, Magnus Chartered Accountants LLP.
Assess the effect on planning process	Assessment was completed in Q4 2010.	Done.
Determine if business processes are IFRS compliant	Assessment was completed in Q4 2010.	Done.
Determine if current software is IFRS compliant	Assessment was completed in Q4 2010.	Done – the existing accounting software has now proven itself as compatible for IFRS statements.
Determine if current chart of accounts is IFRS compliant	Assessment was completed in Q4 2010.	Done – the assessment in Q4 2010 indicated that there were no significant changes needed to the current chart of accounts. Other than the minor changes that were identified as IFRS was being implemented in Q1 2011, the existing chart of accounts is now completely IFRS compliant.
Determine if current controls are IFRS compliant	Assessment was completed in Q4 2010.	Done – current controls are IFRS compliant.

STATEMENT of COMPLIANCE with IFRS

Condensed management-prepared interim financial report for the three months ended March 31st, 2012

The condensed interim financial statements for the first quarter ended March 31st, 2012 are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The March 31st, 2012 statements should be read in conjunction with the company's 2011 annual financial statements.

The condensed management-prepared interim financial report for the three months ended March 31st, 2012 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 18th, 2012. Any subsequent changes to IFRS that are given effect in the company's annual financial statements for the year ended December 31st, 2012 could result in restatement of these unaudited condensed interim financial statements, including the transition

Audited financial statements for the year ended December 31st, 2011

The audited financial statements for the year ended December 31st, 2011 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These were the company's first annual financial statements prepared in accordance with IFRS. Previously, the company prepared its annual financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). Reconciliations between the company's previously reported statement of financial position, financial performance and cash flows under GAAP and those reported under IFRS are provided in Note 20. *Explanation of transition to IFRS* as found in the *Notes to Financial Statements* of the audited financial statements for the year ended December 31st, 2011.

The audited financial statements of King's Bay Gold Corporation for the year ended December 31st, 2011 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 21st, 2012.

SUMMARY of SIGNIFICANT ACCOUNTING ESTIMATES and POLICIES

The condensed management-prepared interim financial report for the first quarter ended March 31st, 2012 and the comparative audited financial statements for the years ended December 31st, 2011 and 2010 should be read in conjunction with the audited financial statements for the four years ended December 31st, 2010, 2009, 2008, and 2007.

(a) **Basis of measurement**

The condensed management-prepared interim financial report for the first quarter ended March 31st, 2012 and the audited financial statements for the year ended December 31st, 2011 have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

(b) **Going concern of operations**

The going concern assumption implies that the company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is doubt about the appropriateness of the use of the going concern assumption because the company has experienced significant losses, has experienced negative cash flow from operations over a number of years.

The ability of the company to continue as a going concern and to be able to realize on its assets and discharge its liabilities is dependent upon the company's ability to obtain sufficient funding for its operations and its current exploration expenditure commitments and is ultimately dependant on the recoverability of the amounts capitalized to mineral exploration properties. The company has not yet determined whether its mineral properties contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be reasonably assessed. If the company's exploration and development programs are successful, additional funds may be required, and the company may not have sufficient funds to conduct the mineral exploration required. The primary source of future funds available to the company is through the sale of additional equity capital, which may dilute the interests of existing shareholders. There is no assurance that the company will be successful in raising sufficient funds to meet its obligations. In the event where it cannot meet its obligations, it may lose its properties and incur other liabilities relating to flow-through share issuance commitments.

The condensed management-prepared interim financial report for the first quarter ended March 31st, 2012 and the audited financial statements for the year ended December 31st, 2011 do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities and the reported amounts of revenues and expenses.

(c) **Machinery and equipment**

Recognition and measurement

Machinery and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of the reporting period.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of machinery and equipment have different useful lives, they are accounted for as a separate item of machinery and equipment.

Subsequent costs

The cost of replacing a component of an item of machinery and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company, and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing machinery and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation methods and rates are applied consistently within each asset except where significant individual assets have been identified which have different depreciation patterns. Depreciation is recognized in profit or loss. The following rates and method are used:

	<u>Rate</u>	<u>Method</u>
Exploration and evaluation equipment	20%	Declining balance
Vehicles	30%	Declining balance
Computer equipment	30%	Declining balance

In the year of acquisition, depreciation is provided at one half (1/2) the declining balance rate. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

An item of machinery and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of income or loss.

(d) **Exploration and evaluation expenditures**

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the mineral property and before the technical and commercial viability of extracting resources are demonstrated. These expenditures are capitalized when it is probable that future economic benefits will flow to the company and when the amounts can be reliably measured. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values.

The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying mineral claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties. Subsequent to initial recognition, rights and licenses are assessed for impairment on an annual basis. When a project is deemed to no longer have commercially viable prospects to the company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets expenditures, in excess of estimated recovery, are written off to the statement of comprehensive loss or income.

As part of certain joint venture agreements, in the event the company is not reimbursed by the other venturers, the company will, within certain thresholds, obtain an increased interest in the property. When the company has recourse by way of an increased interest in a joint operation, recoveries that management is unsure will be collected are categorized with mineral exploration properties. In the event that such amounts are subsequently collected, the company will record the cash receipt as a reduction in the amount categorized with the related property. If the property had been written-down due to impairment, the amount in excess of the carrying amount is recorded as a gain in the period the funds are recovered. In addition, the company may elect to incur recoverable expenditures on properties subject to a joint venture agreement where there is no recourse and management has determined that recovery is uncertain at the time the expenditure is made. Such amounts are capitalized as mineral exploration properties. If the company incurs recoverable expenditures for joint ventures without recourse and expects recovery, the amounts are recorded as accounts receivable. If management determines that recoverability is uncertain subsequent to incurring the expenditure, the unrecoverable receivable is expensed.

(e) **Borrowing costs**

The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that they will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

(f) **Provisions**

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Environmental rehabilitation provision

The company recognizes the fair value of a liability for environmental rehabilitation in the period in which the company is legally or constructively required to remediate, if reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectation of the amounts and timing of environmental rehabilitation cash flows. The company has assessed each of its exploration and evaluation assets and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

(g) **Flow-through shares**

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the company allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount, which is allocated to the sale of tax benefits, is recorded as a liability and is reversed proportionately and recognized as after-tax income when the tax benefits are renounced. In situations where there is an absence of compelling evidence supporting a comparable value of the underlying shares, the company allocates management's estimate of the prevailing flow-through premium in market conditions at the time of issuance to the sale of tax benefits. The tax effect of the renunciation is recorded at the time the company makes the renunciation, which may differ from the effective date of renunciation and on renunciation the value of the tax assets renounced is recorded as a deferred tax expense.

(h) **Jointly controlled operations**

A portion of the company's exploration activities is conducted jointly with others wherein the company enters into agreements that provide for specified percentage interest in mineral exploration properties. The company accounts for its investment in joint ventures using the proportionate consolidation method.

(i) **Loss per share**

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained thereby were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(j) **Revenue recognition**

Revenue from sales of precious metals will be recognized when title passes to the buyer, which will generally coincide with the delivery and acceptance of goods, and the collectability is reasonably assured.

Interest income is recognized as accrued.

(k) **Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) **Current income tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) **Share-based payments**

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the stock option plan are limited to 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under their stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by using the Black-Scholes option-pricing model.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

(m) **Financial instruments**

(i) Non-derivative financial assets

All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Held-to-maturity

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including impairment losses, are recognized in other comprehensive income.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The effect of discounting on these financial instruments is not considered to be material.

De-recognition of financial assets

A financial asset is de-recognized when the contractual right to the asset's cash flows expires or if the company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

De-recognition of financial liabilities

The company de-recognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value
Other receivables	Loans and receivables	Amortized cost
Marketable securities	FVTPL	Fair value
Trade payables	Other financial liabilities	Amortized cost
Other payables	Other financial liabilities	Amortized cost

(n) **Impairment of long-lived assets**

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow.

Financial assets measured at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets carried at cost

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

Available-for-sale securities

An impairment loss of an available-for-sale investment security is recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income.

(ii) Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. Exploration and evaluation assets, however, are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(o) **Use of estimates and judgments**

The preparation of financial statement requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of exploration and evaluation assets, determination of valuation allowances for deferred income tax liabilities and assumptions used in determining the fair value of non-cash share-based payments. Actual amounts may differ from such estimates.

(p) **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and highly liquid short-term investments with a maturity date of three months or less when acquired.

FUTURE CHANGES in ACCOUNTING POLICIES as per recent accounting announcements

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of the standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective. The company does not expect the impact of such changes on the financial statements to be material.

IFRS 9 Financial Instruments: Classification and measurement

IFRS 9, as issued, reflects the first phase of the International Accounting Standards Board's ("IASB's") work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1st, 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and de-recognition. The adoption of IFRS 9 may have an effect on the classification and measurement of the company's financial assets.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12 Consolidation - *Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*. The standard is effective for annual periods beginning on or after January 1st, 2013.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. The standard is effective for annual periods beginning on or after January 1st, 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This standard is effective for annual period beginning on or after January 1st, 2013.

IFRS 13 Fair Value Measurements

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosure about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurement, except in specified circumstances. The standard is effective for annual periods beginning on or after January 1st, 2013.

IAS 1 Presentation of Financial Statements (Amended)

The amendments retain the option to present profit or loss and other comprehensive income either in one continuous statement or in two separate but consecutive statements. Items of other comprehensive income are required to be grouped into those that will and will not be subsequently classified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments. The amendment is effective for annual periods beginning on or after July 1st, 2012.

IAS 19 Employee Benefits (Amended)

The amendments require the recognition of changes in the defined benefit obligation and in plan assets when those changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. The amendment is effective for annual periods beginning on or after January 1st, 2013.

IAS 27 Separate Financial Statements (Amended)

IAS 27 was re-issued by the IASB on May 12th, 2011 in order to conform to changes as a result of the issuance of IFRS 10, IFRS 11, and IFRS 12. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements as the consolidation guidance will now be included in IFRS 10. The amendment is effective for annual periods beginning on or after January 1st, 2013.

IAS 28 Investment in Associates and Joint Ventures (Amended)

IAS 28 was re-issued by the IASB on May 12th, 2011 in order to conform to changes as a result of the issuance of IFRS 10, IFRS 11, and IFRS 12. IAS 28 continues to prescribe the accounting for investments in associates, but is now the only source of guidance describing the application of the equity method. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. The amendment is effective for annual periods beginning on or after January 1st, 2013.

AUDIT COMMITTEE and its CHARTER

At its June 5th, 2005 Board Meeting, the Directors of the Corporation adopted a comprehensive Audit Committee Charter. The overall purpose and objectives of, and key excerpts from, the Charter are as follows:

“The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and King's Bay Gold Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, Management, and the External Auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation's business, operations and risks.

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek information it requires from any employee and external parties, to obtain outside legal and professional advice and to ensure attendance of the Corporation's officers at meetings as appropriate.

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Corporation.

Meetings shall not be held less than two times per year. Special meetings shall be convened as required. The External Auditors may convene a meeting if they consider that to be necessary.

The proceedings of all meetings will be recorded as minutes."

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors which the Board of Directors of the Corporation may consider appropriate in the circumstances.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements other than what is disclosed in the Notes to Condensed Interim Financial Statements in the condensed management-prepared interim financial report for the first quarter ended March 31st, 2012 and the Notes to Financial Statements in the comparative audited financial statements for the years ended December 31st, 2011 and 2010.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, trade receivables, other receivables, marketable securities, trade payables and other payables.

(a) Risk management and hedging activities

In the normal course of operations the company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The company does not meaningfully participate in the use of financial instruments to control these risks. The company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The company does not hold any assets or liabilities denominated in a foreign currency.

(ii) Price risk

The company is exposed to price risk with respect to commodity prices. As the company is not a producing entity, this risk does not currently affect earnings, however, the risk could affect the completion of future equity transactions. The company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the entity. The company is exposed to credit risk on cash, trade receivables and other receivables. Cash is held with a reputable Canadian bank and the company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets as recorded in the condensed interim financial report of March 31st, 2012 is in the amount of \$121,661 (December 31st, 2011: \$321,402) and represents the maximum exposure to credit risk at the reporting date.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at March 31st, 2012 the company has working capital in the amount of \$90,687 (December 31st, 2011: \$327,177) excluding restricted cash in the amount of \$139,336 and accounts payable relating to restricted cash in the amount of \$9,980.

The contractual maturities of financial liabilities, at March 31st, 2012, based on the earliest date on which payment can be required, were as follows:

	Total amount	Six month or less	More than six months
Trade payables	\$ 17,627	\$ 17,627	\$ -
Part XII.6 taxes payable	241	-	241
Accrued liabilities	35,500	35,500	-
	\$ 53,368	\$ 53,127	\$ 241

The contractual maturities of financial liabilities, at December 31st, 2011, based on the earliest date on which payment can be required, were as follows:

	Total amount	Six month or less	More than six months
Trade payables	\$ 60,736	\$ 60,736	\$ -
Part XII.6 taxes payable	1,564	1,564	-
Accrued liabilities	30,000	30,000	-
	\$ 92,300	\$ 92,300	\$ -

(v) Interest rate risk

The company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating asset.

(b) Sensitivity analysis

As at March 31st, 2012, the company has cash and cash equivalents subject to interest rate risk of approximately \$112,000 (December 31st, 2011: \$213,000). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by \$1,120 (December 31st, 2011: \$2,130).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy in Canadian generally accepted accounting principles.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

The company's financial instruments within the fair value hierarchy as at March 31st, 2012 is as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 111,978	\$ -	\$ -
Marketable securities	151,750	-	-
	\$ 263,728	\$ -	\$ -

The company's financial instruments within the fair value hierarchy as at December 31st, 2011 is as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 212,803	\$ -	\$ -
Marketable securities	147,350	-	-
	\$ 360,153	\$ -	\$ -

(d) Collateral

The carrying value of financial assets the company has pledged as collateral as at March 31st, 2012 is \$Nil (March 31st, 2011 - \$Nil). The carrying value of financial assets the company has pledged as collateral as at December 31st, 2011 is \$Nil (December 31st, 2010 - \$Nil).

INCOME TAXES

(a) Canadian development and exploration expenditures:

As at December 31st, 2011, the company had \$1,460,738 (net of amounts expended of \$150,000 but not yet renounced to investors at year end) of unused Canadian exploration and development expenses available to offset future taxable income. The tax benefit of these expenses carry forward indefinitely. The net balance of unused Canadian exploration and development expenses at December 31st, 2010 was \$904,313.

(b) Losses:

The company has non-capital tax losses available for carry forward to reduce future years' taxable income totalling \$4,734,497 which expires as follows:

2015	\$ 621,151
2016	932,233
2026	548,969
2027	638,118
2028	582,143
2029	495,912
2030	377,922
2031	538,049
Total loss carry forwards	\$ 4,734,497

The company has not recorded in its accounts the potential income tax benefit that may be derived from the tax losses due to the uncertainty that the benefits will be realized.

(c) Income tax recovery:

Income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rates for 2011 of 28% (2010 - 29% and 2009 - 32%). The reasons for the differences are as follows:

	<u>2011</u>	<u>2010</u>
Income tax recovery computed at statutory rates	\$ 181,000	\$ 734,000
Permanent differences	(3,000)	(28,000)
Adjustment to future tax assets and liabilities due to change in combined federal and provincial tax rates	(3,000)	(9,000)
	<u>175,000</u>	<u>697,000</u>
Valuation allowance	141,000	(581,000)
	<u>34,000</u>	<u>116,000</u>
Flow-through premiums	67,470	203,820
	<u>\$ 101,470</u>	<u>\$ 319,820</u>

The components of the company's net future income tax asset at December 31st, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Future income tax assets:		
Machinery and equipment	\$ 85,000	\$ 87,000
Non-capital loss carry-forwards	1,326,000	1,397,000
Share issue costs	42,000	50,000
Future income tax assets	<u>1,453,000</u>	<u>1,534,000</u>
Future income tax liability:		
Mineral exploration properties	(412,000)	(448,000)
	<u>1,041,000</u>	<u>1,086,000</u>
Valuation allowance	(1,368,000)	(1,447,000)
Net future income tax liability	<u>\$ (327,000)</u>	<u>\$ (361,000)</u>

(d) Realizability of future tax assets:

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

(e) Flow-through shares:

During the year, the company issued flow-through shares in the amount of \$328,500 (2010: \$449,800) to finance eligible Canadian exploration expenditures. The resource expenditure deductions for income tax purposes related to exploration activities are renounced to investors in accordance with income tax legislation and as a result tax deductibility of these costs is not available to the company.

As at December 31st, 2011 the subscription value of the flow-through shares of \$328,500 (2010: \$449,800) had not yet been renounced to the investors and \$178,500 (2010: \$440,000) of Canadian exploration expenditures had not yet been expended by the company. The company is committed to spend this amount on qualifying expenditures by December 31st, 2012.

During the year, in documents filed with tax authorities, the company renounced \$449,800 of resource expenditures to investors relating to flow-through share issuances in April and December 2010 (2010: \$1,358,000 was renounced relating to flow-through share issuances in October, November and December 2009). This resulted in a reduction in flow-through liabilities of \$67,470 and a corresponding increase in after-tax income for fiscal 2011.

(f) Part XII.6 tax:

During the year, the company incurred a tax expense on the monthly unspent balance of flow-through funds from the December 2010 private placement. This Part XII.6 tax expense was calculated by multiplying the unspent Canadian exploration expenditures (CEEs) at the end of each month, starting with February 2011, by the prescribed rate, divided by 12, set by the Canada Revenue Agency. The prescribed rate for the year was approximately 1% (2010 prescribed rate: approximately 2%).

EMPLOYEES & CONSULTANTS as at June 12th, 2012

King's Bay Gold currently has no employees, however it has engaged the services of three management consultants to fulfill the duties of (i) President & CEO (interim) / Corporate Secretary / Communications Manager, (ii) Chief Financial Officer and (iii) Office Manager and the services of one field consultant (a Geologist engaged as a Qualified Person for National Instrument 43-101 purposes). The Qualified Person as defined under National Instrument 43-101 for work performed at each property and / or project as operated by King's Bay Gold Corporation is subject to change from time-to-time on a go forward basis from the date of this document. At the present time, Russell Crosby M.Sc., P.Geo is the Qualified Person as defined under National Instrument 43-101 for those properties and / or projects that are directly operated by King's Bay Gold Corporation.

TRANSACTIONS with RELATED PARTIES for the Year Ended December 31st, 2011 and for the First Quarter ended March 31st, 2012

During the three month period ended March 31st, 2012, the Corporation paid \$51,938 (first quarter 2011: \$87,000 and first quarter 2010: \$157,000) of consulting, administrative and exploration fees to incorporated and unincorporated business entities of current and former directors and officers, and persons related to current and former directors, as self-employed contractors. The total of all such related party transactions amounted to \$309,913 for the fiscal year ended December 31st, 2011 (2010: \$696,200; 2009: \$580,669; 2008: \$576,518; and 2007: \$635,400). Certain of these expenditures relating to exploration have been capitalized to mineral properties. In the financial statements, the related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Given the resignations during the fourth quarter of 2010 of Ginette Camiré (as both a Director and as Corporate Secretary), Catherine Kiang (as both a Director and as a consultant) and Ron Rivet (as Exploration Coordinator), and the resignations during the second quarter of 2011 of John Archibald (as both a Director and as President & CEO) and Janice Rivet (as Office Manager), the overall costs for Related Party Transactions decreased significantly for 2011 when compared to 2010 and earlier.

	Total for each listed herein for the 1st Quarter of the Fiscal Year to End December 31st, 2012	Total for each listed herein for the Fiscal Year Ended December 31st, 2011	Total for each listed herein for the Fiscal Year Ended December 31st, 2010
Kings Bay Gold Related Party Transactions - Consulting, administrative and exploration fees			
Archibald Mining and Exploration Ltd., a company owned by John Archibald, a former director and a former officer for consulting services relating to a position of office.	N/A	\$60,000	\$151,500
Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Ray Préfontaine, a former director, but a current officer for consulting services relating to a position of office for the company	\$25,500	\$102,000	\$37,000
Kyle Picard Advisory Services, a sole proprietorship owned by Kyle Picard, a current director and current officer for consulting services relating to a position of office.	\$25,500	\$69,000	\$5,500
Carl Archibald, an individual related to certain former directors and former officers for services relating to exploration	\$0	\$56,950	N/A
Sten Archibald, an individual related to certain former directors and former officers for services relating to exploration	\$0	\$20,500	N/A
Robert Gagné, a current director for consulting services relating to website maintenance / updates and information technology support.	\$938	\$1,463	N/A
Holly Banner, a former director and a former officer for consulting services relating to a position of office.	N/A	\$0	\$2,325
Catherine Kiang, a former director for consulting services.	N/A	N/A	\$22,000
361397 Exploration and Consulting, a company owned by Ginette Camiré, a former director and a former officer for consulting services relating to a position of office for the company	N/A	N/A	\$84,000
Ron Rivet, former Exploration Coordinator, an individual related to certain former directors and former officers for services relating to exploration	N/A	N/A	\$180,000
5276854 Manitoba Ltd., a company owned by Richard Rivet, a former director and former officer for consulting services relating to a position of office for the company	N/A	N/A	\$33,000

	Total for each listed herein for the 1st Quarter of the Fiscal Year to End December 31st, 2012	Total for each listed herein for the Fiscal Year Ended December 31st, 2011	Total for each listed herein for the Fiscal Year Ended December 31st, 2010
Kings Bay Gold Related Party Transactions - Consulting, administrative and exploration fees			
Janice Rivet, an individual related to certain former directors and former officers for consulting services relating to accounting and administrative services for the company (contract not renewed after April 1 st , 2011)	N/A	N/A	\$60,000
MJR Contracting and Exploration, a sole proprietorship owned by Michael Rivet, an individual related to certain former directors and former officers for services relating to exploration.	N/A	N/A	\$43,875
Michael Rivet, an individual related to certain former directors and former officers for services relating to exploration.	N/A	N/A	\$6,750
David Rivet, an individual related to certain former directors and former officers for services relating to exploration	N/A	N/A	\$36,000
Danny Rivet, an individual related to certain former directors and former officers for services relating to exploration	N/A	N/A	\$34,250
Total	\$51,938	\$309,913	\$696,200

NAMED EXECUTIVE OFFICERS (NEO) – Compensation Discussion & Analysis for the fiscal year ended December 31st, 2011

"NEO" or "Named Executive Officer" means each of the following individuals:

(a) a CEO; (b) a CFO; (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the fiscal year ending December 31st, 2011 whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the fiscal year ending December 31st, 2011.

Summary Compensation Table

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation's subsidiaries during the financial year ended December 31st, 2011 by the Corporation's NEOs. In light of significant changes to the requirements, content and format for executive compensation disclosure made by the Canadian Securities Administrators, and in accordance with these requirements, reported compensation in the below Summary Compensation Table is for the financial years 2011, 2010 and 2009 only. The Company has no long term incentive plans in place and therefore there were no awards made under any long term incentive plan to the Executive Officers during the Company's 2011 fiscal year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity inception plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Kyle Picard ⁽⁴⁾ , current interim President and Chief Executive Officer, current Corporate Secretary and a current Director	2011	\$69,000.00	\$0.00	\$1,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,350.00
	2010	\$5,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,500.00
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Raymond Préfontaine ⁽²⁾ , current Chief Financial Officer	2011	\$102,000.00	\$0.00	\$2,010.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,010.00
	2010	\$37,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,000.00
	2009	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,000.00
Jim Rogers ⁽⁶⁾ , current Chairman of the Board and a current Director	2011	\$0.00	\$0.00	\$1,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,350.00
	2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity inception plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
John C. Archibald ⁽¹⁾ , former President and Chief Executive Officer and a former Director	2011	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,000.00
	2010	\$151,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$151,500.00
	2009	\$84,169.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,169.00
Holly Banner, former Chief Financial Officer ⁽³⁾ and a former Director	2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2010	\$2,235.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,235.00
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ginette Camiré ⁽⁵⁾ , former Corporate Secretary and a former Director	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	\$84,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,000.00
	2009	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,000.00

Note 1: John C. Archibald was appointed President and CEO on February 13th, 2009. Mr. Archibald resigned from the Board of Directors of the Company effective May 6th, 2011. At the time, Mr. Archibald had agreed to remain as President and CEO of the Company until the expiry of his management contract, and had agreed to act in an advisory capacity thereafter as Interim President until such time as the Board of Directors had recruited a suitable candidate for that office. Effective June 24th, 2011, Kyle Picard, Corporate Secretary and Director, was appointed interim President and CEO as a replacement for Mr. Archibald.

Note 2: Raymond Préfontaine was Chief Financial Officer and a Director from January 1st to March 23rd, 2010, and reappointed as the Company's Chief Financial Officer (only) effective December 14th, 2010 and has received compensation of \$37,000.00 for the fiscal year 2010. The compensation paid to Mr. Préfontaine was received by Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Mr. Préfontaine.

Note 3: Holly Banner was the Company's Chief Financial Officer from March 23rd to December 14th, 2010, and a Director from April 1st, 2010 to June 24th, 2011. Management had not proposed the reappointment of Ms. Banner to the Board of Directors at the AGM of June 24th, 2011. As such, she is no longer a Director.

Note 4: Kyle Picard was appointed to the Board of Directors and as Corporate Secretary effective December 14th, 2010. The compensation paid to Mr. Picard was received by Kyle Picard Advisory Services, a sole proprietorship owned by Mr. Picard. Effective June 24th, 2011, Kyle Picard, Corporate Secretary and Director, was appointed interim President and CEO as a replacement for Mr. Archibald.

Note 5: Ginette Camiré resigned from the Board of Directors and as Corporate Secretary effective Nov. 30th, 2010.

Note 6: James Rogers was appointed to the Board of Directors on September 7th, 2010 and became Chairman of the Board on December 14th, 2010.

Outstanding share-based awards and option-based awards

The following table sets out, for each NEO, information concerning all option-based and share-based awards outstanding as of December 31st, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price(\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Kyle Picard, current interim President and Chief Executive Officer, current Corporate Secretary and a current Director	1,000,000 500,000	\$0.10 \$0.10	July 4, 2016 December 29, 2016	N/A	0	\$0.00
Raymond Préfontaine, current Chief Financial Officer ⁽¹⁾	150,000 100,000 5,000 50,000 1,550,000 500,000	\$0.55 \$0.39 \$0.30 \$0.15 \$0.10 \$0.10	February 12, 2012 December 2, 2012 March 13, 2013 September 6, 2013 July 4, 2016 December 29, 2016	N/A	0	\$0.00
Jim Rogers ⁽⁶⁾ , current Chairman of the Board and a current Director	1,000,000 500,000	\$0.10 \$0.10	July 4, 2016 December 29, 2016	N/A	0	\$0.00

Note 1: The Stock Option Plan of the Company did not receive the necessary approval of shareholders at the AGM of October 7th, 2010. Accordingly, incentive stock options that were granted in January and March 2010 to Officers or Directors of the Company were cancelled. Mr. Préfontaine's existing incentive stock options pre-dated fiscal year 2010 and accordingly remained in effect.

Incentive plan awards – value vested or earned during the year

The following table sets out, for each NEO, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended December 31st, 2011.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kyle Picard, current interim President and Chief Executive Officer, current Corporate Secretary, and a current director	\$1,350.00	\$0.00	\$0.00
Raymond Préfontaine, current Chief Financial Officer	\$2,010.00	\$0.00	\$0.00
James Rogers, current Chairman of the Board, and a current Director	\$1,350.00	\$0.00	\$0.00

Pension Plan Benefits

During the most recently completed financial year, the Company did not have a pension plan or similar plan for its NEOs or directors. The defined benefits table is as follows:

Name	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Kyle Picard, current interim President and Chief Executive Officer, current Corporate Secretary, and a current director	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Raymond Préfontaine, current Chief Financial Officer	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
James Rogers, current Chairman of the Board, and a current Director	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Non-compensatory (\$)	Accumulated value at year end (\$)
Kyle Picard, current interim President and Chief Executive Officer, current Corporate Secretary, and a current director	\$0.00	\$0.00	\$0.00	\$0.00
Raymond Préfontaine, current Chief Financial Officer	\$0.00	\$0.00	\$0.00	\$0.00
James Rogers, current Chairman of the Board, and a current Director	\$0.00	\$0.00	\$0.00	\$0.00

Director Compensation

The Company reviews director compensation arrangements to ensure that they are competitive in light of the time commitments required from directors and align directors' interests with those of shareholders.

The following Director Compensation table sets out information concerning the compensation earned from the Company by the Company's directors during the financial year ended December 31st, 2011.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Rick Jabs	\$0.00	\$0.00	\$1,935.00	\$0.00	\$0.00	\$0.00	\$1,935.00
Steven Filipovic ⁽¹⁾	\$0.00	\$0.00	\$435.00	\$0.00	\$0.00	\$0.00	\$435.00
Robert Gagné ⁽²⁾	\$1,463.00	\$0.00	\$195.00	\$0.00	\$0.00	\$0.00	\$1,658.00
Peter Brooks ⁽³⁾	\$0.00	\$0.00	\$195.00	\$0.00	\$0.00	\$0.00	\$195.00

Note 1: Mr. Steve Filipovic, CA, was appointed as a Director effective December 10th, 2010.

Note 2: Mr. Robert Gagné was elected as a Director at the Annual General and Special Meeting of the Shareholders on June 24th, 2011.

Note 3: Mr. Peter Brooks was elected as a Director at the Annual General and Special Meeting of the Shareholders on June 24th, 2011.

Outstanding share-based awards and option-based awards

The following table sets out, for each director and officer, information concerning all option-based and share-based awards outstanding as of December 31st, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Rick Jabs	50,000	\$0.55	Feb 12, 2012	\$0.00	0	\$0.00
Rick Jabs	40,000	\$0.39	Dec 2, 2012	\$0.00	0	\$0.00
Rick Jabs	5,000	\$0.30	Mar 13, 2013	\$0.00	0	\$0.00
Rick Jabs	50,000	\$0.15	Sept. 6, 2013	\$0.00	0	\$0.00
Rick Jabs	1,550,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Rick Jabs	250,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00
Ray Préfontaine	150,000	\$0.55	Feb 12, 2012	\$0.00	0	\$0.00
Ray Préfontaine	100,000	\$0.39	Dec 2, 2012	\$0.00	0	\$0.00
Ray Préfontaine	5,000	\$0.30	Mar 13, 2013	\$0.00	0	\$0.00
Ray Préfontaine	50,000	\$0.15	Sept 6, 2013	\$0.00	0	\$0.00
Ray Préfontaine	1,550,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Ray Préfontaine	500,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00
Kyle Picard	1,000,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Kyle Picard	500,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00
James Rogers	1,000,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
James Rogers	500,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Steve Filipovic	300,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Steve Filipovic	250,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00
Robert Gagné	100,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Robert Gagné	250,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00
Peter Brooks	100,000	\$0.10	July 4, 2016	\$0.00	0	\$0.00
Peter Brooks	250,000	\$0.10	December 29, 2016	\$0.00	0	\$0.00

Incentive plan awards – value vested or earned during the 2011 fiscal year

The following table sets out, for each director, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended December 31st, 2011.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Rick Jabs	\$1,935.00	\$0.00	\$0.00
Steven Filipovic	\$435.00	\$0.00	\$0.00
Robert Gagné	\$195.00	\$0.00	\$0.00
Peter Brooks	\$195.00	\$0.00	\$0.00

Termination and Change of Control Benefits

The following section outlines the material terms of the written Management Agreements entered into between the NEOs and the Company (the "Agreements"). Unless otherwise indicated, all payments to be made under any of the following arrangements are made by the Company. The Compensation Committee understands the long-term implications of each of the Agreements and the limitations that the Agreements may impose on changing the compensation mix. The Company has no plans or arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed financial year-end in respect of compensating such officers in the event of termination (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, except for the Agreements with Raymond L. Préfontaine Advisory Services (for the services of Mr. Préfontaine) and Kyle Picard Advisory Services (for the services of Mr. Picard). In the event of termination of either of Mr. Préfontaine's or Mr. Picard's Management Agreements without cause, the individual in question shall be entitled to a payment of an additional ninety (90) days of the Contract Fee payable under the Management Agreement.

(BLANK)

MATERIAL CONTRACTS – LAND OPTION AGREEMENTS, JOINT VENTURE OPERATIONS and COMMITMENTS as at June 12th, 2012

The company has entered into land option agreements and jointly controlled operations. The joint operations have no liabilities or revenues and the assets are limited to mineral exploration properties. Expenditures are limited to exploration activities which are deferred in the accounts of the company. The cash flows of the joint operations are limited to the expenditures on exploration activity and are equal to the amounts of these expenditures. The joint operations are subject to certain commitments relating to net smelter rights.

A summary and description of the company's current ownership interest in its mineral properties as at June 12th, 2012 are as follows:

Name	Ownership interest
Headway Six Unit property (a)	90%
Cameron Lake property (b)	20%
Menary Gold Project (c)	15%
Raleigh Lake property (d)	75%
Halkirk-Watten Project	100%
Brooks Lake (aka Hook Bay of Helena Lake)	100%
Darkwater Gold Mine at Sturgeon Lake	100%

(a) Headway Six Unit property joint venture

The company has entered into joint venture agreements whereby Palomino Mining and Exploration Ltd. has earned a 10% interest and Cadillac Ventures Inc. (formerly Richview Resources Inc.) has earned a 45% interest related to the property referred to as Headway Six Unit property. A director and shareholder of the company holds a non-controlling interest in the shares of Palomino Mining and Exploration Ltd. The company and Cadillac Ventures Inc. agreed to amend the joint venture agreement effective October 19th, 2006 whereby the company increased its ownership by 30% to 75% (and Cadillac Ventures Inc. reduced their ownership by 30% to 15%). The property is subject to a 2.0% net smelter return of which the company has the right to purchase one half (1.0%) for \$1,000,000 at any time. The company also retains a first right of refusal to purchase the remaining 1.0% of the net smelter return.

On October 5th, 2009, the company entered into an agreement to acquire the 15% interest held by Cadillac Ventures Inc. in the property known as Headway Six Unit in exchange for a cash payment of \$140,000 and the 25% interest the company holds in a property known as the Pickle Crow property. In conjunction with this agreement, on October 5th, 2009, the company entered into an agreement with Mega Precious Metals Inc. (formerly Mega Silver Inc.) whereby Mega Precious Metals Inc. will have the option to acquire 100% of the property known as Headway Six Unit in exchange for an initial cash payment upon signing in the amount of \$340,000, and annual payments of \$40,000 on the first, second and third anniversary of the date of signing the agreement.

Mega Precious Metals Inc. has also agreed to issue 200,000 shares upon signing, 75,000 shares on the first, second and third anniversary of the date of signing the agreement and 4,000,000 shares upon completion of the agreement. In addition Mega Precious Metals Inc. is required to incur project expenditures in the amount of \$750,000 in year 1, \$1,000,000 in year 2 and \$1,250,000 in year 3.

Of the \$340,000 initial cash payment, \$140,000 is to be paid to Richview Resources Inc. in order to satisfy the Richview condition as outlined above and \$200,000 to King's Bay Gold Corporation. All of the annual payments of \$40,000 are paid to and entirely retained by King's Bay Gold Corporation as per the agreement dated February 22nd, 2010 with Palomino Mining & Exploration Ltd.

As per an agreement between Palomino Mining & Exploration Ltd. and King's Bay Gold Corporation of February 22nd, 2010, acknowledged by Mega Precious Metals Inc., 10% of all shares issued or to be issued under the agreement of October 5th, 2009 are to be issued to Palomino Mining & Exploration Ltd. From the 350,000 shares issued to date by Mega Precious Metals Inc., 315,000 have been issued to King's Bay Gold Corporation and 35,000 shares have been issued to Palomino Mining & Exploration Ltd. on a 90 / 10 basis.

(b) Cameron Lake (Meston & Sullivan prospects) land option agreement

The company has entered into an agreement to acquire an option for a number of claim units in properties commonly known as the Cameron Lake Property (Meston & Sullivan prospects). Upon signing the agreement the company paid \$15,000 and issued 50,000 common shares. The company has agreed to pay additional consideration for these options as follows:

2011	\$20,000 and 50,000 common shares
2012	\$30,000 and 50,000 common shares
2013	\$30,000 and 50,000 common shares
2014	\$30,000 and 50,000 common shares

The vendor will retain a 3.0% NSR interest in the property. The company has the right to purchase 1.5% of the NSR for \$1,500,000 at any time.

On September 13th, 2010, the company terminated the existing option agreement and entered into an agreement with Lasir Gold Inc. ("Lasir") and Cameron Lake JEX Corporation ("Cameron"), a subsidiary of Coventry Resources Limited, whereby Lasir grants Cameron and the company the right to earn-in a proportionate interest. Under the terms of the agreement, Cameron is required to make cash payments and issue shares to Lasir over the next four years as well as spend a minimum of \$1,000,000 on exploration expenditures prior to February 14th, 2014. Cameron is also required to pay the company \$15,000 upon execution of this agreement. Upon completion of all the requirements Cameron and the company will be deemed to have entered into a joint venture agreement with the company's proportionate share being 20%.

The vendor will retain a 3.0% NSR interest in the property. The company has the right to purchase one half (1.5%) of the NSR for \$1,500,000 at any time.

(c) Menary Gold Project land option agreement

The company has entered into an agreement to acquire an option for a number of claim units in a property known as Menary Gold Project. Upon signing the agreement the company paid \$12,000 and issued 50,000 common shares. In January 2012, the company paid \$20,000 and issued 25,000 common shares. Under the option agreement, the company was required to issue 50,000 common shares; however, an excess of 25,000 common shares were issued at the time of the initial distribution in error. Therefore, the current anniversary payment of shares was reduced by 25,000. The company has agreed to pay additional consideration for these options as follows:

2013	\$28,000 and 50,000 common shares
------	-----------------------------------

The vendors will retain a 4.5% NSR interest in the property. The company has the right to purchase one half (2.25%) of the NSR for \$1,500,000 at any time.

The company has also entered into an agreement to acquire an option for forty-four claim units located in the Menary and Claxton Townships commonly known as Menary Gold Project. Upon signing the agreement the company paid \$20,000 and is required to issue 100,000 common shares. The company issued these shares on August 30th, 2011 and, on the same day, issued the 200,000 common shares pursuant to the agreement. The company has agreed to pay additional consideration for these options as follows:

2012	300,000 common shares
2013	500,000 common shares

The vendor will retain a 2.0% NSR interest in the property. The company has the right to purchase one half (1.0%) of the NSR for \$1,000,000 at any time.

On April 23rd, 2012, the company entered into an agreement to acquire a 100% interest in two mining claim units in the townships of Menary and Senn in the District of Kenora in the Province of Ontario. Upon signing the agreement the company is required to pay \$6,000 on or before July 6th, 2012 and issue 250,000 common shares within 10 days of receiving regulatory approval of the agreement.

The company agreed to pay additional consideration for these options as follows:

2013	\$10,000 and 250,000 common shares
2014	\$12,000
2015	\$16,000
2016	\$25,000

The vendor will retain a 2.0% NSR interest in the property. The company has the right to purchase one half (1.0%) of the NSR for \$1,000,000 at any time.

(d) Raleigh Lake land option agreements

- (i) The company has entered into an agreement to acquire an option for a number of claim units in a rare earth property identified as Raleigh Lake. Upon signing of the agreement the company paid \$6,000 and issued 40,000 common shares and during 2010 the company paid \$10,000 and was required to issue 40,000 common shares. The company issued these 40,000 common shares on May 19th, 2011. During 2011, the company paid \$15,000 and issued 40,000 common shares. The company has agreed to pay additional consideration for these options as follows:

2012	\$20,000
2013	\$30,000

The vendor will retain a 1.5% NSR royalty and the company has the right to purchase one half (0.75%) of the NSR for \$750,000 at any time.

- (ii) As a result of the Property Interests Exchange Agreement with Mainstream Minerals Corporation, relating to the Bobjo Mine Project, the company was assigned a 100% interest in the Raleigh Lake property and assumed the remaining obligations under the existing option agreement related to the property. Under the terms of the agreement the company paid \$12,000 and was required to issue 50,000 common shares in 2010. The company issued these 50,000 common shares on May 19th, 2011 and, on September 9th, 2011, the company issued the remaining 50,000 common shares pursuant to the agreement and paid \$16,000. The company has agreed to pay additional consideration for these options as follows:

2012	\$25,000
2013	\$35,000

The vendor will retain a 1.5% NSR interest in the property.

(BLANK)

EXPLORATION and EVALUATION ASSETS – capitalized amounts to MINERAL PROPERTIES for the first quarter ended March 31st, 2012 compared with the year ended December 31st, 2011

Active properties are those properties that the company intends on continuing further exploration and development work within the next twelve months. Properties on hold are those properties that the company intends to continue further exploration and development work, but not necessarily within the next twelve months. This is all subject to change. For additional information on accounting policies relating to the Corporation's portfolio of properties, see the Management Discussion and Analysis as filed on March 21st, 2006 on www.sedar.com in the section entitled "Changes in Accounting Policies for the Year Ended December 31st, 2005 and Fourth Quarter ended December 31st, 2005 including Initial Adoption – Policy to write off Mineral Properties". Written-off mineral properties are those in the section below entitled "*Properties on Hold or Discontinued*" that show a \$0 value as at March 31st, 2012.

	March 31st, 2012	December 31st, 2011
ACQUISITION COSTS		
PROPERTIES ACTIVE, ON HOLD or DISCONTINUED (as at June 12th, 2012):		
Halkirk-Watten Project	\$ 115,500	\$ 115,500
TOTAL ACQUISITION COSTS	\$ 115,500	\$ 115,500
DEFERRED EXPLORATION COSTS		
ACTIVE PROPERTIES (as at June 12th, 2012):		
Headway Six Unit Property – Red Lake	\$ 668,548	\$ 668,548
Cameron Lake	13,024	13,024
Menary Gold Project	1,223,583	1,184,464
Halkirk-Watten Project	512,013	509,613
Darkwater Gold Mine at Sturgeon Lake	10,760	0
	\$ 2,427,928	\$ 2,375,649
PROPERTIES ON HOLD or DISCONTINUED (as at June 12th, 2012):		
Raleigh Lake	365,313	359,236
Brooks Lake (aka Hook Bay of Helena Lake)	84,124	81,567
TOTAL PROPERTIES ON HOLD	\$ 449,437	\$ 440,803
TOTAL DEFERRED EXPLORATION COSTS	\$ 2,877,365	\$ 2,816,452
GRAND TOTAL (1)	\$ 2,992,865	\$ 2,931,952

- (1) A summary of the exploration and evaluation asset activity for the three month period to from December 31st, 2011 to March 31st, 2012 is as follows:

Balance, December 31 st , 2011	\$	2,931,952
Development costs incurred during the period including share based payments		60,913
Balance, March 31 st , 2012	\$	2,992,865

RISKS and UNCERTAINTIES

Going Concern

The condensed management-prepared interim financial report for the first quarter ended March 31st, 2012 and the audited financial statements for the five years ended December 31st, 2011, 2010, 2009, 2008, and 2007 were prepared on a going concern basis, which contemplates that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the first quarter ended March 31st, 2012, the Corporation incurred a Net and comprehensive loss for the period of \$49,886 (2011 1st quarter: \$258,900). During the fiscal year ended December 31st, 2011, the Corporation incurred a Net and Comprehensive Loss for the year of \$546,422 after income taxes and future income tax recovery (versus an IFRS reconciled Net and Comprehensive Loss for the year in 2010 of \$2,212,386; and pre-IFRS compliant Net and Comprehensive Losses for the year 2009 of \$2,251,813; 2008 of \$980,112; and 2007 of \$1,078,893). At December 31st, 2011, the Corporation also had IFRS compliant accumulated deficit of \$14,048,624 (versus an IFRS reconciled accumulated deficit of \$13,502,202 as at December 31st, 2010 and pre-IFRS compliant accumulated deficits of: \$10,020,439 as at December 31st, 2009; \$7,768,626 as at December 31st, 2008; and \$6,920,514 as at December 31st, 2007). All of which could raise substantial doubt about the Corporation's ability to continue as a going concern.

The ability of the Corporation to remain a going concern is dependent upon new equity injected into the company to fund its ongoing development of the mineral properties. It is the Corporation's intent to continue to rely upon the issuance of new equity to finance its operations and exploration commitments and activities. If the Corporation is unsuccessful in continuing to raise the necessary funds to meet its exploration commitments and activities, the realizable values of its assets may materially decline from their current estimates. The ever-increasing accumulated deficit could raise substantial doubt about the Corporation's ability to continue as a going concern. The ability of the Corporation to remain a going concern is dependent upon new equity injected into the company to fund its ongoing development of the mineral properties. It is the Corporation's intent to continue to rely upon the issuance of new equity to finance its operations and exploration commitments and activities. If the Corporation is unsuccessful in continuing to raise the necessary funds to meet its exploration commitments and activities, the realizable values of its assets may materially decline from their current estimates.

Gold and Mineral Commodities Price Volatility

The Corporation's business could be affected by the world market prices of gold and mineral commodities. The prices of gold and mineral commodities are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Corporation's control. These include industry factors such as: demand; speculative trading; and costs of and levels of global production by producers of gold and mineral commodities. Gold and mineral commodities prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the US dollar, the currency in which the price of gold and mineral commodities are generally quoted, and other currencies; interest rates; and global or regional, political or economic uncertainties. A decline in the world market price of gold and mineral commodities could affect the Corporation's ability to raise additional financing and could make exploration and / or development of the Corporation's mineral properties uneconomical.

Raising Capital Funding and Dilution

The profitability of the Corporation is affected by business risks including the price of gold, the normal risks associated with open pit and underground mining, which affects production rates and costs, and the exchange rate between the Canadian dollar and United States dollar. Once the Corporation commences production, outside financing will be required. While the Corporation has been successful in the past, there is no assurance that funding will be available under terms that are satisfactory to management. The ability of the Corporation to achieve its operational objectives is dependent in large measure on the results of the exploration activities and the ability to raise capital funding for continued exploration. The Corporation frequently issues Common Shares to finance its operations and for working capital purposes. It is possible that the Corporation will enter into more agreements to issue Common Shares and warrants and options to purchase Common Shares. The impact of the issuance of a significant amount of Common Shares, along with warrant and option exercises, could place downward pressure on the market price of the Common Shares and at a minimum such issuances will dilute the existing shareholders' interests in the Corporation.

Exploration

Mineral exploration is highly speculative in nature. The Corporation's exploration work involves many risks and may be unsuccessful. Substantial expenditures are required to establish proven and probable reserves and to complete the related mine development. It may take several years from the initial phases of exploration until drilling and / or production is possible. As a result of these uncertainties, there is no assurance that current or future exploration programs will be successful and result in production or result in the discovery of new ore bodies.

Competition Risk

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with other mining companies and individuals, including competitors with greater financial, technical and other resources than the Corporation for mining claims and leases on exploration properties, acquisition of mineral assets, capital and qualified employees. Competition could adversely affect the Corporation's ability to raise capital, acquire suitable properties, sufficient equipment and qualified personnel for exploration in the future. The Corporation cannot assure that it will continue to be able to compete successfully with its competitors in acquiring such properties, capital and employees or terms it considers acceptable, if at all.

Environmental, Health and Safety Regulations

The Corporation's operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Corporation's business, financial condition and results of operations. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. In addition, certain types of operations require the submission and approval of environmental impact assessments. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests that are unknown to the Corporation at present and that have been caused by previous existing owners or operators of the properties. There may be costs and / or delays associated with compliance with these laws and regulations. The unknown nature of possible future additional regulatory requirements creates uncertainties related to future environmental, health and safety costs. Any amendment to current laws and regulations governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation's financial condition and results of operations.

Dependence on Management

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management, a relatively small group of individuals. Investors must be willing to rely to a significant extent on management's discretion and judgment. The Company does not have in place formal programs for the succession of management. The Corporation considers **Kyle Picard** (President & Chief Executive Officer – an interim appointment, Corporate Secretary, Communications Manager), **Raymond Préfontaine, B.A., B.Comm. (Hons.)** (Chief Financial Officer) and **Russell Crosby M.Sc., P.Geo** (the Qualified Person as defined under National Instrument 43-101 for those properties and / or projects that are wholly operated by the Corporation) to be the key members of the management group. The Corporation does not maintain any key man insurance on any of its employees. The loss of any one member of the management group could have a material adverse effect on the Corporation's business.

Title to Properties

The validity of unpatented and patented mining claims, which constitute the Corporation's property holdings, can be uncertain and may be contested. Although the Corporation has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to undeveloped properties, may be subject to prior unregistered agreements, transfers and / or First Nations land claims the Corporation's title to its property holdings may be affected by other undetected defects and may be defective.

Conflicts of Interest

Certain of the directors and officers of Corporation are also directors and / or officers of other natural resource companies, and may be shareholders of those companies. Such associations or relationships may give rise to conflicts of interest from time to time. The Corporation's directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict must disclose his interest and abstain from voting on such matters in accordance with applicable corporate laws, and may be required to resign as a director of one of the companies.

Payment Obligations

The Corporation is, or may in the future become, a party to certain contractual agreements pursuant to which the Corporation is or may become subject to payments and be required to comply with other obligations. If such obligations are not complied with when due, in addition to any other remedies that may be available to the other parties, this could result in dilution or forfeiture of interests held by the Corporation. The Corporation may not have, or be able to obtain, financing for all such obligations as they arise.

Future Capital Requirements

The Corporation may encounter significant unanticipated liabilities or expenses. The Corporation's ability to continue its planned exploration activities depends in part on its ability to obtain additional financing in the future to fund exploration and development activities or acquisitions of additional projects. Since incorporation on March 20th, 1998, the Corporation has raised capital primarily through equity financing and in the future may raise capital through equity or debt financing, joint ventures or other means. There can be no assurance that the Corporation will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.

Dividends

No dividends on the Common Shares have been paid to date. The Corporation anticipates that it will retain all future earnings and other cash resources for the future operation and development of its business. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Corporation's Board of Directors, after taking into account many factors, including the Corporation's operating results, financial condition and current and anticipated cash needs.

Mining Risks and Insurance Risks

The operations of the Corporation are subject to significant risks and hazards, incidental to the exploration, development and production of gold including environmental hazards, industrial accidents, unusual or unexpected rock formations, pressures, cave-ins and flooding, most of which are beyond the Corporation's control. These risks and hazards could result in: damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in production; and monetary losses and possible legal liability for such damage. Commencing on December 1st, 2007, the Corporation obtained Directors' & Officers' Insurance coverage with the Chartis Insurance Company of Canada – formerly AIG Commercial Insurance Company of Canada. Originally the liability limit for this policy was \$5,000,000 but was subsequently reduced to \$1,000,000 effective December 1st, 2008 in order to save on premium costs. The deductible for the Directors' & Officers' Insurance is \$25,000 per event. The policy was underwritten by JLT Northern Underwriting Services of Toronto, ON. The Corporation is presently exploring the possibility of obtaining cost-effective Commercial General Liability Insurance for its field operations. Even with such insurance coverage in place, no assurance can be given that such insurance will be paid out in the event of a claim. In addition, the Corporation may become subject to liability for hazards for which it could not be insured against or for which it elected not to insure against because of premium costs above those already paid for or for other reasons.

Estimates and Assumptions employed in the preparation of financial statements

The preparation of its financial statements requires the Corporation to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Corporation's significant accounting policies are described in the Notes to Condensed Interim Financial Statements in the interim management-prepared financial report for the first quarter ended March 31st, 2012 and in the Notes to Financial Statements in the audited year-end financial statements for the five years ended December 31st, 2011, 2010, 2009, 2008, and 2007. See the section herein entitled *Summary of Significant Accounting Estimates and Policies*. The Corporation's accounting policies are subject to estimates and assumptions regarding reserves, future mineral prices and future mining activities.

DIRECTORS & OFFICERS – CORPORATE GOVERNANCE

Following the most recent Annual and Special Meeting of Shareholders as held in Winnipeg, Manitoba on June 24th, 2011, the Board of Directors is currently comprised of the six individuals as identified below. The Corporations by-laws provide that each director is elected to serve until the next Annual and Special Meeting of Shareholders (the next meeting is scheduled to be held in Winnipeg, Manitoba on July 31st, 2012) or until a successor is elected or appointed. The Board of Directors has established two committees: the Audit Committee and the Compensation Committee. Committee members are identified below.

Directors

James Rogers P.Geo., CIM – Director, Chairman of the Board, Audit Committee (independent member), Compensation Committee (independent member)

Kyle Picard – Director, President & CEO (interim appointment), Corporate Secretary, Audit Committee (non-independent member), Compensation Committee (non-independent member)

Rick Jabs – Director, Audit Committee (Chairman, independent member), Compensation Committee (Chairman, independent member)

Steve Filipovic B.Comm. (Hons.), CA – Director (Mr. Filipovic will not be standing for re-election at the Annual General and Special Meeting of Shareholders to be held in Winnipeg, Manitoba on July 31st, 2012).

Robert Gagné CISM, CISSP – Director

Peter Brooks – Director

Officers Only**Ray Préfontaine B.A., B.Comm. (Hons.) – Chief Financial Officer**

Name Present Office Held Residence – Municipality and Province	Director Since	# of Common Shares, Warrants and Options, Beneficially Owned, Directly or Indirectly as at June 12th, 2012⁽¹⁾	Principal Occupation and if not at Presently an Elected Director, Occupation During the Past Five (5) Years
Kyle Picard, President & CEO (interim appointment), Corporate Secretary & Director. Winnipeg, Manitoba.	December 14 th , 2010	1,952,000	President & CEO (an interim appointment) since June 24 th , 2011 and Corporate Secretary since December 14 th , 2010. Director, Corporate Secretary and Chairman of the Audit and Compensation Committees of Mainstream Minerals Corporation. Mr. Picard is a Director of Accolade Resources Corporation (a private company based in Winnipeg, MB) and is a founding shareholder of Palomino Mining & Exploration Ltd (a private company based in Winnipeg, MB involved in the Headway property with King's Bay Gold Corporation). He is also a Director with the Saint-Boniface General Hospital Auxiliary Inc. Presently a Sales Consultant and Manager, MTS Allstream Inc. since July, 2002.
Steve Filipovic B.Comm. (Hons.), CA Director Thunder Bay, ON	December 14 th , 2010 (Mr. Filipovic will not be standing for re-election at the Annual General and Special Meeting of Shareholders to be held in Winnipeg, MB on July 31 st , 2012)	550,000	Mr. Filipovic is a Chartered Accountant in good standing with the Institute of Chartered Accountants of Alberta and Ontario. Currently he is Chief Financial Officer of Mega Precious Metals Inc. (TSX.V: MGP) since August 2009 and Vice President, Finance of Premier Gold Mines Limited (TSX: PG) since 2006. He was Vice President, Finance with Wolfden Resources Inc. until its acquisition in 2007 and became a Director and Chief Financial Officer of Zinifex Canada Inc. until his departure in 2008.
James Rogers P.Geol, Chairman of the Board of Directors since December 2010 and Director since September 7 th , 2010. Thunder Bay, Ontario.	September 7 th , 2010	1,575,000	President and Chief Executive Officer of Mega Precious Metals Inc. since May 2009; director of QRS Capital Corp. (mining company) since June 2010; Regional Exploration Manager of Goldcorp Red Lake Gold Mines (mining company) from September 2005 to August 2008. Mr. Rogers is a professional geologist who graduated with an Honours B.Sc. degree in Geology from Lakehead University in 1979 and has been employed with gold mining companies, focusing on quality control, production and exploration.
Rick Jabs Director. Steinbach, Manitoba.	June 30 th , 1998	2,031,750	From 2001 to present, independent contractor for residential and commercial renovations.

Name Present Office Held Residence – Municipality and Province	Director Since	# of Common Shares, Warrants and Options, Beneficially Owned, Directly or Indirectly as at June 12th, 2012⁽¹⁾	Principal Occupation and if not at Presently an Elected Director, Occupation During the Past Five (5) Years
Peter Brooks. Director Winnipeg, Manitoba	June 24 th , 2011	550,000	President of Brooks Tools Ltd. 15 years of mining industry and mineral exploration experience including: (i) iron mining and lab preparation and analyses, (ii) nickel underground mining, milling, lab preparation and analyses, (iii) coal mining and plant processing, (iv) surface preparation for exploration, (v) mine commissioning and initial startup, (vi) new technology process integration, and (vii) land reclamation.
Robert Gagné CISM, CISSP Director LaSalle, Manitoba	June 24 th , 2011	527,040	Manager, Systems Operations and Security, DMT Development Systems Group Inc. Certified Information Security Manager (CISM) and a Certified Information Systems Security Professional (CISSP). IT industry specialist for over 19 years and owns an Information Services and Information Security consulting business where he has provided services to companies in the mining, manufacturing, financial and marketing industries.
Ray Préfontaine B.A., B.Comm. (Hons.) – Chief Financial Officer. Winnipeg, MB	Not Applicable – Officer only since December 14 th , 2010.	2,525,000	Reappointed in December 2010 as Chief Financial Officer of King's Bay Gold Corporation (was a Director from August 2003 and former Chief Financial Officer from January 2005 of King's Bay Gold Corporation, both up to March 2010). Presently Chief Financial Officer of Mainstream Minerals Corporation since January 2007. Director of Accolade Resources Corporation since January 2010. Currently a Director, and past-Chairman in an ex-officio capacity, of Saint-Boniface General Hospital Auxiliary Inc. Senior Credit Manager with La Fédération des Caisses Populaires du Manitoba Inc. from January 2005 to March 2007.

Note (1): The table on this page and on the preceding page includes all Common Shares and all options and warrants to acquire Common Shares pursuant to the exercise of warrants and stock options owned by the Directors and Officers as at the date of June 12th, 2012.

INDEPENDENT DIRECTORS

Pursuant to National Instrument 52-110, the directors of the Company who are independent of the management of the Company are James Rogers, Rick Jabs, Robert Gagné, Peter Brooks and Steve Filipovic (*Mr. Filipovic will not be standing for re-election at the Annual General and Special Meeting of Shareholders to be held in Winnipeg, Manitoba on July 31st, 2012*).

CEASE TRADE ORDERS OR BANKRUPTCIES

No current director, officer or promoter of the Company is, or has been within the past ten years, a director, officer or promoter of any other company that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that Person.

PENALTIES OR SANCTIONS – DIRECTORS, OFFICERS AND PROMOTERS

No current director, officer or promoter of the Company has, within the ten years preceding the date hereof:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

PERSONAL BANKRUPTCIES – DIRECTORS, OFFICERS AND PROMOTERS

No current director, officer or promoter of the Company is, or has, within the ten years preceding the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current director or officer, as at the date of this 2011 Annual Information Form of June 12th, 2012 is indebted to the Company.

INTERESTS OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this 2011 Annual Information Form of June 12th, 2012, no insider of the Company is or has been interested, directly or indirectly, in material transactions since the date of inception of the Company or in any proposed transaction which has materially affected or will materially affect the Company.

PROMOTERS / INVESTOR RELATIONS

The Corporation, as at June 12th, 2012, does not have any contractual relationships with any firm for the purposes of either active promotion and / or active investor relations.

It is noted that on May 15th, 2012, the Corporation was pleased to announce in a news release that Michael (Xincheng) Du was joining the company as Vice President, Corporate Development – Asia. Mr. Du will be providing his services to identify and facilitate opportunities for business development, and potential strategic partners for joint-venture agreements, earn-in option agreements, and the sale of ownership interests in the company's properties, as either originating from his contacts in China or in Canada. Mr. Du's engagement with King's Bay Gold Corporation is strictly on a fee-for-success basis. He will be paid a finder's fee of up to 10% with the percentage payable to him being dependent on the dollar value of a successfully concluded transaction or transactions. As Mr. Du already travels frequently and extensively throughout China on business, the company will not be incurring any expenses related to his activities in China. For clarification and certainty, Mr. Du will not be providing any market-making, investor relations services or active promotional services.

STOCK-BASED COMPENSATION PLAN

The Stock-based Compensation Plan (also known as the "Stock Option Plan") was approved for reinstatement by ordinary resolution passed by the disinterested shareholders at the Annual General and Special Meeting of Shareholders recently held in Winnipeg, Manitoba on June 24th, 2011. This is the same Stock Option Plan that was originally approved by the Directors of the Corporation on June 15th, 2004 and which was amended by a written resolution of the Directors of the Corporation on April 24th, 2009. The reinstatement was subsequently reviewed and approved by the TSX Venture Exchange Inc. The Stock-Based Compensation Plan was not approved for renewal by a vote of the disinterested shareholders at the Annual and Special Meeting of Shareholders as held in Winnipeg, Manitoba on October 7th, 2010.

The following paragraphs briefly describe the functionality of Company's Stock-Based Compensation Plan:

On June 15th, 2004, the Board of Directors of the Company adopted an incentive "rolling" stock option plan (described in detail in the Notice of Annual and Special General Meeting and Information Circular for June 24th, 2011 as dated May 16th, 2011 and as filed on www.sedar.com on June 1st, 2011). The Plan was subsequently amended by a written resolution of the Directors of the Corporation on April 24th, 2009. The Plan is subject to an annual ratification by a vote of the disinterested shareholders of the Company at the Annual General and Special Meetings of Shareholders. It is also subject to TSX Venture Exchange Inc.'s review and approval on an annual basis.

The Stock Option Plan permits the Board of Directors of the Company, from time to time, in its discretion, and in accordance with the Exchange requirements, to grant to directors, officers, investor relations consultants and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all investor relations consultants and technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The Stock Option Plan provides that, for an investor relations consultant, no option shall be exercisable for a period exceeding twelve (12) months from the date the option is granted, with no more than one quarter of the options vesting in any three month period. Any option granted to an investor relations consultant will expire 30 days after the date that such person ceases to carry on investor relations activities on behalf of the Company. Options granted under the Plan must have an exercise price per Common Share that is greater than or equal to the Discounted Market Price (as defined under the policies of the Exchange) of the Common Shares at the time of the grant.

PRINCIPAL SHAREHOLDERS

To the knowledge of, and based on the information presently and publicly available to, the directors and senior officers of the Company as of the date of this 2011 Annual Information Form dated June 12th, 2012, no person beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the issued and outstanding Common Shares of the Company. When adding the issued and outstanding Warrants and Options of the Company to the issued and outstanding Common Shares of the Company, no person beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Company on a fully diluted basis..

ESCROWED SECURITIES

As at the date of this 2011 Annual Information Form of June 12th, 2012, a balance of Nil common shares remained in escrow with the Transfer Agent and / or subject to an Escrow Agreement.

MARKET FOR THE SECURITIES OF THE CORPORATION

The common shares of the Corporation commenced trading on the TSX Venture Exchange Inc. in April 2002 under the symbol "KBG".

REPORTING JURISDICTIONS

British Columbia, Alberta, Saskatchewan and Manitoba

CEASE TRADE ORDERS / HALTS in TRADING

The Corporation has never experienced a Cease Trade Order from the TSX Venture Exchange Inc or from the Investment Industry Regulatory Organization of Canada (IIROC).

No Halts in Trading were requested from the TSX Venture Exchange Inc. or from IIROC during the period of January 1st, 2011 to December 31st, 2011 and in the subsequent period of January 1st, 2012 to the date of this 2011 Annual Information Form dated June 12th, 2012. However, the Corporation had requested and obtained from the TSX Venture Exchange Inc. two (2) Halts in Trading during 2007. The two (2) Halts in Trading in 2007 were as follows:

- from September 18th, 2007 to September 19th, 2007 pending the release of news relating to the announcement of drilling results at the Bobjo Mine property. This news was released in the morning of September 19th, 2007 and trading resumed early that same afternoon; and
- from the early afternoon of October 22nd, 2007 to the morning of October 23rd, 2007 pending the release of news relating to the announcement of drilling results at the Bobjo Mine property. This news was released in the morning of October 23rd, 2007 and trading resumed later that same morning.

DISCLOSURE of OUSTANDING SHARE DATA as at December 31st, 2011 and SUBSEQUENT EVENTS relating to share data from January 1st, 2012 to June 12th, 2012

	Number	Share Capital	52 Week Trading Range
Common Shares – Class A Voting (1) (3)	97,101,914	\$ 16,050,536	\$0.04 to \$0.11

	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Stock Options (2)				
Outstanding	9,450,000	\$0.10 to \$0.55	\$0.12	2012 to 2016

	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Warrants				
Outstanding	14,707,799	\$0.09 to \$0.13	\$0.11	2012 to 2013

There were three transactions subsequent to the fiscal year end of December 31st, 2011 and up to the date of this 2011 Annual Information Form dated June 12th, 2012 that would materially affect the number of issued and outstanding common shares, warrants and stock options. These transactions were as follows:

Note (1) – On January 12th, 2012, the company issued 25,000 common shares for the 2nd anniversary share issuance as per the Menary Gold Project land option agreement of January 12th, 2010. Under the option agreement, the company was required to issue 50,000 common shares for the 2nd anniversary share issuance. However, an excess of 25,000 common shares were issued in error at the time of the initial distribution. Therefore, the 2nd anniversary share issuance was adjusted and reduced from 50,000 to 25,000 in order to correctly realign the option agreement. Based on the estimated fair value of this land option, these common shares are valued at \$1,750.

Note (2) – 200,000 directors' options with an exercise price of \$0.55 expired as unexercised on February 12th, 2012.

Note (3) – On June 12th, 2012, the company submitted a Treasury Order to Computershare, the company's transfer agent, instructing them to issue 250,000 common shares for the initial share issuance as per the recently executed Galbraith B at the Menary Gold Project land option agreement of April 23rd, 2012 (see the news release of May 7th, 2012). Based on the estimated fair value of this land option, these common shares are valued at \$7,500.

DISCLOSURE of OUSTANDING SHARE DATA as at June 12th, 2012

As a result of the various transactions and events and resulting changes as noted in Notes (1) to (3) in the immediately preceding section, the Outstanding Share Data as at June 12th, 2012 stood as follows:

	Number	Share Capital	52 Week Trading Range
Common Shares – Class A Voting	97,376,914	\$ 16,059,786	\$0.03 to \$0.07

	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Stock Options				
Outstanding	9,250,000	\$0.10 to \$0.39	\$0.11	2012 to 2016

	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Warrants				
Outstanding	14,707,799	\$0.09 to \$0.13	\$0.11	2012 to 2013

(BLANK)

HISTORICAL SHARE PRICE & TRADING VOLUME CHART – for a period of approximately 5 years from June 13th, 2007 to June 12th, 2012 (Source: www.stockhouse.com website)

06/13/07 to 06/12/12



http://www.stockhouse.com/financialtools/sn_advancedcharts.aspx?qm_symbol=V.KBG

Price Range and Annual Trading Volume during the last five calendar years (January 1st to December 31st)

Year	Volume	High	Low	Close
2011	40,331,450	\$0.11	\$0.04	\$0.05
2010	45,218,529	\$0.13	\$0.04	\$0.10
2009	17,319,348	\$0.16	\$0.04	\$0.07
2008	10,652,656	\$0.40	\$0.04	\$0.05
2007	29,936,638	\$0.70	\$0.30	\$0.34

LEGAL PROCEEDINGS

The directors and officers are not aware of any pending or current material legal proceedings to which the Corporation is subject to as at the date of this 2011 Annual Information Form of June 12th, 2012.

CONTINGENT LIABILITY

There are no contingent liabilities, legal claims or other such claims against the Corporation that the directors and officers are aware of as at the date of this 2011 Annual Information Form of June 12th, 2012.

PROPOSED TRANSACTIONS

There was only one transaction contemplated at the time that this 2011 Annual Information Form dated June 12th, 2012 was prepared.

On May 14th, 2012, the Corporation announced in a news release a non-brokered private placement of a maximum of 4,000,000 Class "A" Units at a purchase price of \$0.05 for gross subscription proceeds of \$200,000.00, and a maximum of 5,000,000 Class "B" Units at a subscription price of \$0.05 for gross subscription proceeds of \$250,000, for aggregate maximum subscription proceeds of \$450,000. The offering will be made to subscribers resident in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and such other jurisdictions as the Issuer may determine. It is anticipated that the closing of offering will occur on or around June 29th, 2012. Each Class "A" Unit shall be 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 full Common Share purchase warrant (a "Warrant") of the Issuer. Each Class "B" Unit shall be comprised of one Common Share and one whole Warrant. Each whole Warrant shall entitle 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 Common Shares and Warrants issued in connection with this offering will be subject to a hold period of four months plus one day. The Issuer may, at its discretion, offer a 8% cash finder's fee to registered dealers for services rendered in introducing certain subscribers to the offering (each, a "Finder"). In addition to the finder's fee, brokers warrants equivalent to 6 % of the number of Units subscribed for in this non-brokered placement may be paid to registered dealers for services rendered in introducing certain subscribers to the offering. Each broker warrant can be exercised to purchase one non-flow-through common share upon payment \$0.10 for a period of 24 months following the date of issuance. The closing of this offering is subject to the approval of the TSX Venture Exchange Inc.

Description of Security	Number Authorized	Number outstanding at June 12 th , 2012 (unaudited)	Number outstanding after the Minimum Offering (as in \$Nil) is closed on or about June 29 th , 2012 (unaudited)	Number outstanding after the Maximum Offering (as in the full \$450,000) to close on or about June 29 th , 2012 (unaudited)
Common Shares	Unlimited	97,376,914	97,376,914	106,376,914
Incentive Stock Options	Maximum of 10% of the outstanding Common Shares	9,250,000	9,250,000	9,250,000
Warrants	Unlimited	14,707,799	14,707,799	23,707,799

CAPITAL MANAGEMENT

As the company is in the exploration stage, its principal source of capital is from the issuance of common shares. The company's capital management objective is to obtain sufficient capital to maintain its exploration programs for the benefit of its stakeholders. To meet the objectives, management monitors the company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific exploration properties on a case by case basis. The company is not subject to externally imposed capital requirements. Management is of the opinion that the amounts and changes in the company's capital are readily determinable in its financial statements.

OTHER MATERIAL FACTS

There are no other material facts relating to the Company which have not been disclosed in this 2011 Annual Information Form of June 12th, 2012.

DISCLOSURE CONTROLS and PROCEDURES

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Corporation's disclosure controls and procedures and have concluded, based on their evaluation, that they were effective as at March 31st, 2012 (end of the first quarter of fiscal 2012) and as at December 31st, 2011 (end of fiscal year 2011) to provide reasonable assurance that all material information relating to the Corporation will be made known to management and disclosed in accordance with applicable securities regulations.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OF FINANCIAL REPORTING

The Corporation's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation.

The Corporation evaluated the design of its internal controls over financial reporting as defined in *Multilateral Instrument 52-109* for the first quarter ended March 31st, 2012 and for the year ended December 31st, 2011 and based on this evaluation have determined those controls to be effective except as noted in the following paragraph.

This evaluation of the design of internal controls over financial reporting for the Corporation resulted in the identification of internal controls deficiencies which are not atypical for a company this size including the lack of segregation of duties due to the limited number of employees dealing with accounting and financial matters and insufficient in-house expertise to deal with certain complex accounting, reporting and taxation issues.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Corporation's internal control over financial reporting during the first quarter ended March 31st, 2012 and during the year ended December 31st, 2011, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

(BLANK)

FORM 52-109F1 – CERTIFICATION OF ANNUAL FILINGS in connection with a VOLUNTARILY FILED AIF

Signed certificates are being filed concurrently on www.sedar.com on June 14th, 2012 with this voluntarily filed Annual Information Form ("the AIF") for the year ended December 31st, 2011 and dated as at June 12th, 2012, whereby Kyle Picard, Chief Executive Officer and Raymond Préfontaine, Chief Financial Officer of King's Bay Gold Corporation ("the issuer"), each respectively and individually certify the following:

1. *Review*: They have each reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of the issuer for the financial year ended **December 31st, 2011**.
2. Based on their knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings;
3. Based on their knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings;
4. The issuer's other certifying officers and they are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting, for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
 - (c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and
5. They have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

(BLANK)

DISCLOSURE of CONTROLS & PROCEDURES for the first quarter ended March 31st, 2012

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the two *Certifications of Interim filings Form 52-109FV2 - Venture Issuer Basic Certificates* dated May 28th, 2012, each respectively signed by the Chief Executive Officer and the Chief Financial Officer and filed concurrently on www.sedar.com with: (i) the Management Discussion & Analysis for the first quarter ended March 31st, 2012 and dated as at May 22nd, 2012 and (ii) the condensed management-prepared interim financial report for the quarter ended March 31st, 2012, do not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the respective certificates are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in these certificates. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

TRANSFER AGENT & REGISTRAR

Computershare Trust Company of Canada

600, 530 – 8th Avenue South West, Calgary, Alberta T2P 3S8

Telephone: (403) 267-6800 Fax: (403) 267-6529

www.computershare.com

Attention: Gloria Gherasim & Elyse Sheppard

King's Bay Gold Corporation's CUSIP Number: 49579Q / ISIN Number: CA49579Q1000

AUDITORS

Magnus Chartered Accountants LLP

430 Five Donald Street, Winnipeg, Manitoba R3L 2T4

Telephone: (204) 942-4441 Fax: (204) 944-0400

www.magnusllp.ca

Attention: Blair Magnus, CA & Corri Ridgedale, CA

CORPORATE LEGAL COUNSEL

Taylor McCaffrey LLP – Barristers

9th Floor 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5

Telephone: (204) 988-0440 Fax: (204) 957-0945

www.tmlawyers.com

Attention: Donn Pirie & Norm Snyder

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's condensed management-prepared interim financial report for the first quarter ended March 31st, 2012, the comparative audited financial statements for the years ended December 31st, 2011 and 2010, and in the audited financial statements for the four years ended December 31st, 2010, 2009, 2008, and 2007. These and other News Releases can be found at the SEDAR website – www.sedar.com. Other information can also be obtained from the Corporation's website at www.kingsbaygold.com. Upon request the Corporation will provide to any person:

- (a) when the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a proposed distribution of its securities.
 - (i) one copy of the Corporation's latest Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference;
 - (ii) one copy of comparative financial statements of the Corporation for the Corporation's most recently completed financial year in respect of which such audited financial statements have been issued together with the report of the auditor thereon;
 - (iii) one copy of any interim financial statements of the Corporation as prepared by Management subsequent to the audited financial statements for its most recent year end;
 - (iv) one copy of the Management Information Circular of the Corporation in respect of the most recent Annual General Meeting of Shareholders of the Corporation which involved the election of directors; and
 - (v) one copy of any other documents which are incorporated by reference into the preliminary short form prospectus or the short form prospectus; or
- (b) any other time, a copy of the documents referred to in clauses (a) (i), (ii), (iii), (iv) above.

CAUTIONARY NOTICES

This 2011 Annual Information Form dated June 12th, 2012, the quarterly Management Discussion & Analysis reports, the comparative condensed management-prepared interim financial reports for the quarters ended March 31st, 2012 and March 31st, 2011, the comparative audited financial statements for the years ended December 31st, 2011, 2010, 2009, 2008, and 2007 include certain *forward-looking statements* within the meaning of the Private Securities Litigation Reform Act of 1995 of the United States. Other than statements of historical fact, all statements in these documents, including without limitation, statements regarding potential mineralization and resources, future plans and objectives of the Corporation, are *forward-looking statements* that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these *forward-looking statements* that speak only as of their respective dates. Important factors that could cause actual results to differ materially from the Corporation's expectations include, among others, the ongoing results of current exploration activities, feasibility studies, on-going engineering work, changes in project parameters, and future metal prices, as well as those factors discussed under the heading "*Risks and Uncertainties*" and elsewhere in the Corporation's documents filed from time to time with the TSX Venture Exchange Inc. and with Canadian Securities regulators. All subsequent written and oral *forward-looking statements* attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by this notice.

The Qualified Person as defined under National Instrument 43-101 for work performed at each property and / or project wholly operated by King's Bay Gold Corporation is subject to change from time-to-time on a go forward basis from the date of this document. At the present time, Russell Crosby M.Sc., P.Geo is the Qualified Person as defined under National Instrument 43-101 for the Brooks Lake Property (aka Hook Bay of Helena Lake), the Menary Gold Project, the Halkirk-Watten Property, the Raleigh Lake Property and the Darkwater Mine at Sturgeon Lake Claims.