KING'S BAY GOLD
CORPORATION

MANAGEMENT'S DISCUSSION and ANALYSIS

For the SECOND QUARTER ended JUNE 30th, 2015

August 31st, 2015

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MANAGEMENT’S DISCUSSION & ANALYSIS

The following discussion and analysis, as prepared by management, reviews King’s Bay Gold Corporation’s (“King’s Bay Gold” or the “Corporation” or the “company” or “KBG”, the trading symbol assigned to it by the TSX Venture Exchange Inc. in April 2002) financial condition and results of operations for the second quarter ended June 30th, 2015. Selected annual and quarterly financial information is included in order to assist the reader in better understanding the financial condition and results of operations of the Corporation. This Management Discussion and Analysis (“MD & A”) should be read in conjunction with: (i) the comparative audited financial statements for the years ended on December 31st, 2014 and 2013; (ii) the condensed interim management-prepared financial report for the first quarter ended on March 31st, 2015; and (iii) the most recent Annual Information Form of June 23rd,2014 for the fiscal year ended December 31st, 2013 as prepared by management and filed on www.sedar.com on June 23rd, 2014.

The audited comparative financial statements for the years ended December 31st, 2014 and 2013 as prepared by Corporation’s external auditors, and the all of the condensed interim management-prepared quarterly financial reports within each of the fiscal years of 2015 and 2014 were prepared in accordance with International Financial Reporting Standards (“IFRS”) for publicly accountable profit-oriented enterprises.

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 Management Discussion and Analysis (“MD & A”), 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.

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 a mineral resource exploration company which has been assembling, exploring and rationalizing a portfolio of precious metals exploration prospects over the last seventeen years.

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 currently has 100% ownership in a portfolio of five properties located in Northwest Ontario. The Corporation is the Operator on all of its projects.

- **Menary Gold Project** – 100% (acquired in stages via an original option agreement for 1 mining lease claim and 3 unpatented claims as announced on January 20th, 2010; a second option agreement for 6 claims as announced on August 26th, 2010; 6 additional claims that were acquired by staking in October 2011; and a third and final option agreement was announced on May 7th, 2012 for 2 claims, with a final payment remaining of $41,000 due in April 2016);
- **Darkwater Gold Mine at Sturgeon Lake Claims** – 100% (acquired via staking in 2010);
- **Gold Hill - Blackjack Property** – 100% (acquired via a purchase and sale agreement – see the news release of January 29th, 2013).
- **Halkirk-Watten Property** – 100% (acquired in stages by staking in 2005, 2006 and 2010); and
- **Brooks Lake Property aka Hook Bay of Helena Lake** – 100% (acquired by staking in 2003 and 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 .

The Corporation considers Peter Brooks (Director, President & CEO) and Art Stacey (Director, Acting CFO & Corporate Secretary) to be the key members of the management group. The Qualified Person as defined under National Instrument 43-101 for work performed at each property and / or project is Russell Crosby M.Sc., P.Geo.

BUSINESS ENVIRONMENT and OUTLOOK

Management continues to operate with minimum overhead expenses, seeking real opportunities to protect and grow the value of the Company and its asset base.

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.

KEY DEVELOPMENTS January 1st, 2015 to June 30th, 2015

March 11th 2015 - King's Bay Gold reached a settlement with Canada Revenue Agency following a May 22nd 2013 Employer Compliance Audit which following the ruling against King's Bay led to an appeal and subsequent application to Tax Court Canada for the income tax years of 2010 to July 31st 2014 for both Canada Pension Plan (CPP) and Employment Insurance (EI) remittances.

March 31st 2015- The Corporation negotiated a revised third and fourth option payment to Rubicon Minerals Corporation on the two claim blocks that were acquired by option agreement in April 2012 (4271600 & 4271601).
King's Bay issued 250,000 common shares to Rubicon, and the third payment was removed from the agreement. The fourth and final payment due April 6, 2016 is now $41,000.

April 16th 2015- The Corporation was granted an extension of time to file work assessment against Claims K3004779 & K3004782 at the Halkirk-Watten property. The new filing date for assessment work is April 22nd 2016

April 10th 2015- The Corporation applied for a one year extension for the Menary bulk sample permit.

April 25th 2015- Completed a test of equipment to be utilized to extract sample from Menary property.

May 22nd 2015 – The Corporation sold its remaining 285,000 shares of Mega Precious Metals (TSXV/MGP) for net proceeds of $27,050.00

June 6th 2015 – The Corporation received a cheque in the amount of $66,614.54 from Canada Revenue Agency following an out of court settlement reached on March 11th, 2015 details of which are on pages 25 and 26 of this Management Discussion and Analysis under the heading "Contingent Liability".

June 15th 2015 – received a one year extension of permit to extract bulk sample at Menary. New permit expires June 12 2016.

DESCRIPTION OF ONGOING BUSINESS OBJECTIVES AND KEY PROPERTIES

The business objectives that the Corporation is planning to accomplish in the remainder of fiscal 2015 with the net proceeds of any future Offerings are:

Budget for Exploration & Development – Conditional of funding:

Menary Gold Project

Airborne Magnetic & EM Surveys 477 line km	**$116,388**
Assessment report preparation	**$1,200**
– Bulk Sample Program for up to 999 tonnes	**$ 206,000**
Total for the proposed program at this property	**$ 323,588**

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

-A digital wire frame model of existing data should be constructed to estimate the positions of the underground workings in cross section to reduce the likelihood of intersecting these workings with proposed drilling.

-An initial 800m long baseline and offsets cut at 25m intervals will need to be installed over this vein system at the Darkwater Gold Mine.

-A program of surface geological mapping, sampling and excavator stripping, along with diamond drilling is needed to evaluate this property.

Total for the proposed initial exploration program at this property **$ 156,750**

(3) Gold Hill-Blackjack Property in the Townships of Kirkup and Manross in the Kenora Mining Division of Ontario

Airborne Magnetic & EM Surveys 184 line kms	**$44,896**
Assessment report preparation	**$1,200**
Total for the proposed initial exploration program at this property	**$ 46,096**

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

BQ diamond drilling at 7 different EM targets based on Geotech recommendations	**$84,330**
Sample preparation, assaying, report preparation	**$35,290**
Total for the proposed program at this property	**$119,620**

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

Airborne Magnetic & EM Surveys 110 line kms	**$26,840**
Assessment report preparation	**$1,200**
Total for the proposed program at this property	**$ 28,040**

Total Exploration objectives for 2015: $674,094

DISCONTINUED PROPERTIES and PROJECTS of the CORPORATION during the second quarter 2015:

NONE

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, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
Total Revenues	$5	$5	$157	$674	$5,243
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	-$47,562	-$1,012,161	-$557,998	-$647,892	-$2,532,206
Stock Compensation Expense	$Nil	$Nil	$Nil	-$8,900	-$94,725
Class A Common Issued Shares	98,976,914	98,976,914	97,696,914	97,101,914	84,981,914
Loss per Share (basic & diluted)	-$0.01	-$0.01	-$0.01	-$0.01	-$0.03
Total Assets	$2,343,952	$2,441,224	$3,090,611	$3,433,582	$3,604,394
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, 2014, 2013, 2012, 2011, and 2010. 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).

Year Ended December 31st, 2014 compared to the Year Ended December 31st, 2013

Total number of issued and outstanding shares: December 31st, 2014: 98,976,914; 2013: 98,976,914. The Corporation did not complete any brokered or non-brokered private placements to fund ongoing operations and overheads during the 2014 or 2013 fiscal year. Trade and Other payables increased by $114,116 to $732,717 on December 31st, 2014 from $618,601 on December 31st, 2013 No warrants or stock options were exercised during both fiscal 2014 and 2013. The Corporation sold 589,500 Mega Precious Metals Inc. (TSX.V: MGP) and 250,000 Mainstream Minerals (TSX.V:MJO) common shares during fiscal 2014. The cumulative effect of these sales reduced its MGP securities holdings from 874,500 common shares on December 31st, 2013 to 285,000 common shares on December 31st, 2014. No warrants or stock options were exercised during fiscal 2014, 2013 and 2012.

Trade and Other payables increased by $114,116 to $ 732,717 on December 31st, 2014 from $618,601 on December 31st, 2013 (December 21st, 2012: $285,577).

General and administrative expenditures included: (i) $3,865 for Depreciation (2013: $5,214; 2012: $7,658; 2011: $18,027, 2010: $24,364 and 2009: $32,815 – trending lower as result of the ongoing sell-off of field exploration equipment over the last five years); (ii) $768 for the General Meeting (2013:$1,455); (iii) $337 for Insurance (2013:

$6,223; 2012: $8,900); (iv) $15,730 for Office expenditures (2013:$23,043); (v) $57,988 for Professional Fees (2013:$81,671); (vi) $29,015 for Regulatory Filings and related services (2013:$39,393; 2012: $31,064); (vii) $10,126 for Travel (2013:$10,040); and (viii) $5,093 for all other general and administrative expenditures (2013: $4,632). Non-capitalized Consulting Fees $181,423 (a figure that includes $94,010 payable to Raymond L. Préfontaine Advisory Services for accumulated unpaid overtime from December 2010 to April 2013) As a result of these non-capitalized expenditures, the company incurred a Loss from operations of $304,345 (2013:$601,387; 2012: $377,275) and a comprehensive Net loss for the year of $231,398 (2013: $1,010,161 ; 2012: $496,723), after interest income of $5 (2013: $5; 2012: $157), a Loss on the sale of equipment of $4,027 (2013: $1,242: 2012: $Nil) Gain of $86,976 on the April 10th, sale of its 20% ownership stake in the Meston and Sullivan Prospects property at Cameron Lake (formerly known as the Nucanolan property) in Northwest Ontario to Cameron Gold Operations Limited, a wholly owned subsidiary of Chalice Gold Mines Limited ("Chalice Gold Mines") (T: CXN and AUX: CHN) of Perth, Western Australia for the sum of $100,000 (2013: no Gain or Loss on sale of exploration and evaluation assets: 2012: Gain on the sale of exploration and evaluation assets of $372,477 for the sale of the Headway Project to Mega Precious Metals Inc.), (2013: no Gain or Loss for Exploration and evaluation (mineral exploration properties due to write-downs. An unrealized loss in the value of marketable securities of $14,250 (2013: Unrealized loss in the value of marketable securities of $165,538), a Gain on the sale of marketable securities $25,243 (2013:Loss on the sale of marketable securities of $243,999), and a deferred income tax expense, net of flow-through premiums of $21,000 (2013: a deferred income tax recovery, net of flow-through premiums, of $2,000; 2012: a deferred income tax recovery, net of flow-through premiums, of $61,275). The 2012 write-down amount of $366,353 against mineral exploration properties (aka exploration and evaluation assets) represents the total expenditures that were previously capitalized for the Raleigh Lake property. The cumulative loss per share, basic and diluted, for the fiscal year ended December 31st, 2014 was $0.01 (versus $0.01 in 2013). The amount of cash and restricted cash on hand as at December 31st, 2013 was 9,127 (2013: $32,589). Being mostly below the minimum deposit threshold as required by the Assiniboine Credit Union to pay interest on cash deposits, interest income in 2014 was minimal at $5 (2013:$5).

OPERATING RESULTS for the SECOND QUARTER, ENDED JUNE 30TH, 2015

For the three months ended June 30th, 2015, the Corporation had a comprehensive gain of $21,216 (2014 2nd quarter loss: $148,520), after General and administrative expenses of $61,044 (2014 2nd quarter: $105,937), Interest income of $Nil (2014 2nd quarter: $Nil), a gain on the valuation of Marketable securities of $15,650 (2014 2nd quarter gain: 42,377), no realized Gain nor loss on the sale of Marketable securities (2013 2nd quarter Loss: $25,141); no gain nor loss on the sale of an exploration and evaluation assets (2014 2nd quarter: $86,976 gain) and a Deferred income tax recovery, net of flow-through premiums of $Nil (2014 2nd quarter Deferred income tax recovery of $Nil).

The Corporation sold its remaining 285,000 shares of Mega Precious Metals on May 22nd 2015 at $.095 for net proceeds of $27,050.

SUMMARY of QUARTERLY RESULTS

All amounts are shown in Canadian dollars.

Quarter	2015 Second	2015 First	2014 Fourth	2014 Third	2014 Second	2014 First	2013 Fourth	2013 Third
Revenue	$0	$0	$0	$0	$0	$0	$3	$0
Income (loss) from continuing operations	-$61,044	-$46,137	-$76,949	-$42,728	-$105,973	-$78,695	-$91,080	-$181,646
Net (loss) and comprehensive (loss)	$21,216	-$47,562	-$75,466	-$64,834	-$148,520	$78,422	-$289,086	-$12,468
Basic and Fully Diluted Earnings per Share	$0.01	-$0.01	-$0.01	-$0.01	-$0.01	$0.01	-$0.01	-$0.01
Cash and Restricted Cash	$3,014	$4,264	$9,127	$10,685	$9,055	$11,916	$32,589	$1,018
Total Current Assets	$ 9,432	$24,114	$25,102	$57,997	$65,260	$220,033	$129,377	$461,654
Total Current Liabilities	$745,211	$779,290	$732,717	$688,620	$634,717	$639,123	$618,601	$635,684
Working Capital	-$735,779	-$755,156	-$707,615	-$630,623	-$569,457	-$419,090	-$489,224	-$174,030
Working Capital Ratio : 1.00	0.11	0.03	0.03	0.08	0.11	0.34	0.21	0.73
Total Assets	$2,330,898	$2,343,954	$2,344,942	$2,376,831	$2,387,242	$2,540,168	$2,441,224	$2,747,393
Total Liabilities	$1,100,211	$1,134,290	$1,066,717	$1,001,620	$947,717	$952,123	$931,601	$950,684
Share Capital	$16,102,036	$16,102,036	$16,102,036	$16,102,036	$16,102,036	$16,102,036	$16,102,036	$16,102,036
Share-based payments reserve	$1,310	$1,310	$1,310	$5,180	$5,180	$5,180	$5,180	$963,095
Accumulated Deficit	-$14,872,659	*$14,893,682*	*$14,825,121*	*$14,732,005*	-$14,667,691	-$14,519,171	-$14,597,593	-$15,268,422
Debt / Equity Ratio : 1.00	0.66	.85	.83	.72	0.66	0.60	0.62	0.53

LIQUIDITY & CAPITAL RESOURCES

The Corporation closed out its last eight quarters with a working capital deficiency, (current assets less current liabilities) as follows: September 30th, 2013: $174,030; December 31st , 2013: $489,224; March 31st 2014: $419,090; June 30th 2014: $569,457; September 30th 2014: $630,623 December 31st , 2014; $707,615; March 31st 2015; $755,156 : June 30th , 2015 $735,779. As at June 30th, 2015, the Corporation had current assets consisting of $3,014 cash and cash equivalents, $3,472 - GST/HST refund for expenses incurred second quarter .(March 31st, 2015: $4,264 in cash and cash equivalents, $4,831 in other receivables, December 31st, 2014:$9,127 in Cash and cash equivalents, $2,477 in Other Receivables). As at June 30th, 2015, current liabilities consisted of various normal-course-of-business Trade payables of $725,211 and other payables of $20,000 for total accounts payable of $745,211 (March 31st, 2015: $779,290,December 31st, 2014: $732,717)

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 other 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 $355,000 as duly noted on the Balance Sheet and in the Notes to Financial Statements of December 31st, 2014 (December 31st, 2013: $313,000; December 31st, 2012: $315,000; 2011: $327,000; 2010: $361,000; and 2009: $477,000).

For details on the number of currently issued and outstanding Options and Warrants, their respective Exercise Prices and Expiry Dates as at December 31st, 2014, see Note 12. *Share purchase warrants* and Note 13. *Share-based payments* or the section herein entitled *Disclosure of Outstanding Share Data as at December 31st, 2014.*

As at the date of this Management Discussion & Analysis of June 30th, 2015, the Corporation had $3,014 in reconciled cash. This amount has been reconciled for all of the issued and outstanding cheques in circulation as at that date.

The Corporation does not have any cash flow from operations.

TRANSACTIONS with RELATED PARTIES

During the three month period ended June 30th, 2015, the Corporation paid $42,005 (second quarters of 2014: $44,722; 2013: $56,158; 2012: $51,000; and 2011: $70,350) of consulting, administrative and exploration fees to incorporated and unincorporated business entities of current directors and officers, and persons related to current directors and officers, as self-employed contractors. 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.

Kings Bay Gold Related Party Transactions - Consulting, administrative and exploration fees	Total for each listed herein for the 2nd[t] Quarter of the Fiscal Year to End December 31st, 2015	Total for each listed herein for the 1st Quarter of the Fiscal Year to End December 31st, 2015	Total Year-to-Date for each listed herein for the Fiscal Year to End December 31st, 2014	Total for each listed herein for the 1st Quarter of the Fiscal Year Ended December 31st, 2014	
Raymond L. Préfontaine Advisory Services, a sole proprietorship owned by Ray Préfontaine, a former director and an officer for consulting services relating to a position of office for the company	-		$70,678	$25,500	
7851235 Canada Ltd., a business owned by Peter Brooks, a current director for consulting services related to marketing and administrative support	$42,005	$35,540	$123,560	$27,200	
Kyle Picard Advisory Services, a sole proprietorship owned by Kyle Picard, a former director and officer for consulting services relating to a position of office		$0	$0	$0	
Robert Gagné, a former director for consulting services relating to website maintenance / updates and information technology support		N/A	$1998	$1,105	
James Rogers, a former director and a former officer for consulting services relating to a position of office		N/A	N/A	0	
Total	**$42,005**	**$35,540**	**$196,236**	**$53,805**	

EMPLOYEES and CONSULTANTS

King's Bay Gold Corporation currently has no employees; however it has engaged the services of two management consultants as contractors to fulfill the duties of (i) Corporate Secretary & Acting Chief Financial Officer and (ii) CEO & President and the services of one field consultant. Russell Crosby M.Sc., P.Geo is the Qualified Person as defined under NI 43-101 for those projects that are directly and entirely operated by the Corporation. The Corporation hires other consultants from time-to-time on an as needed basis.

EXPLORATION and EVALUATION ASSETS – CAPITALIZED AMOUNTS to MINERAL PROPERTIES

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, 2015.

	June 30th, 2015	**December 31st, 2014**
ACQUISITION COSTS – PROPERTIES ACTIVE or ON HOLD (as at June 30th, 2015):		
Halkirk-Watten Project	$ 115,500	$ 115,500
TOTAL ACQUISITION COSTS	$ 115,500	$ 115,500
DEFFERRED EXPLORATION COSTS – ACTIVE PROPERTIES (as at June 30th, 2015):		
Menary Gold Project	1,455,322	1,455,322
Darkwater Gold Mine at Sturgeon Lake	89,508	89,508
Gold Hill-Blackjack (acquired on January 20th, 2013)	35,968	35,968
	$ 1,580,798	$ 1,580,798
DEFFERRED EXPLORATION COSTS – ON HOLD or DISCONTINUED (as at June 30th, 2015):		
Halkirk-Watten Project	$ 525,090	$ 525,090
Brooks Lake (aka Hook Bay of Helena Lake)	88,754	88,754
TOTAL PROPERTIES ON HOLD	$ 613,844	$ 613,844
TOTAL DEFFERED EXPLORATION COSTS	$ 2,194,642	$ 2,194,642
GRAND TOTAL (2)	$ 2,310,142	$ 2,310,142

INCOME TAXES

Canadian development and exploration expenditures

As at December 31st, 2014, the company had $745,829. (2013 - $816.921) Of unused Canadian exploration and development expenses available to offset future taxable income. The tax benefit of these expenses carries forward indefinitely.

Flow-through shares

During the 2014 & 2013 fiscal years, the company renounced $Nil. The Company completed its flow-through expenditure obligations in fiscal 2012

FINANCIAL INSTRUMENTS

The Corporation’s financial instruments consist of cash and cash equivalents, other receivables, 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 therefore are not exposed to currency risk.

(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 counterparty will default on its contractual obligations resulting in a financial loss to the company. The company is exposed to credit risk on its financial assets. Cash is held with an established Canadian financial institution 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 recorded in the financial statements in the amount of $7,316 (June 30st, 2014 - $14,975) 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. As at June 30th 2015 the company had a working capital deficiency in the amount of $735,779 (March 31st, 2015:755,156, June 30th, 2014 – deficit working capital of $569,457)

The contractual maturities of financial liabilities, at June 30th, 2015 and December 31st, 2014, based on the earliest date on which payment can be required, are as follows:

As at June 30th, 2015	Total amount	Six month or less	More than six months
Trade payables	$ 725,211	$ 725,211	$ -

Accrued liabilities		20,000		20,000		-
	$	745,211	$	745,211	$	-

Total		Six month		More than		
As at March 31st, 2015		amount		or less		six months
Trade payables	$	759,290	$	759,290	$	-
Accrued liabilities		20,000		20,000		-
	$	779.290	$	779,290	$	-
As at December 31st, 2014						
Trade payables	$	662.717	$	662,717	$	-
Accrued liabilities		70,000		70,000	-	
	$	732,717	$	732,717	$	-

(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

The company had cash and cash equivalents as at June 30th, 2015 subject to interest rate risk of approximately $3,014 (March 31st,2014-$4,264: December 31st, 2014 - $9,127).

(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 statement of financial position, have been prioritized into the following three levels:

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.

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $Nil (2014 - $Nil).

STATEMENT of COMPLIANCE with IFRS

The condensed interim management-prepared financial report for the second quarter ended on June 30th, 2015 are unaudited and have been prepared in accordance with International Accounting Standard ("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 condensed interim management-prepared financial report for the second quarter ended on June 30th, 2015 should be read in conjunction with the Corporation’s comparative audited IFRS-compliant financial statements for the years ended December 31st, 2014 and 2013.

The condensed interim management-prepared financial report of King’s Bay Gold Corporation for the three months ended on June 30th, 2015 was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 25th, 2015. Any subsequent changes to IFRS that are given effect in the company's annual financial statements for the year ended December 31st, 2015 could result in the restatement of any one of or all of the fiscal 2015 quarterly unaudited condensed interim financial reports.

SUMMARY of SIGNIFICANT ACCOUNTING ESTIMATES and POLICIES

The condensed management-prepared interim financial report for the second quarter ended on June 30th, 2015 and the comparative audited financial statements of King’s Bay Gold Corporation for the years ended December 31, 2014 and 2013 should be read in conjunction with the audited financial statements for the four years ended December 31, 2012, 2011, 2010, and 2009.

(a) **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 operations.
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 and has current exploration expenditure commitments in excess of its liquid assets on hand. 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 exploration and evaluation assets. 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 second quarter ended on June 30th, 2015 does 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.

(b) **Machinery and equipment**

Recognition and measurement

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

	Rate	Method
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 derecognized 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 profit or loss.

(c) **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.

Capitalized costs

Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are established.

The company follows the full cost method whereby all costs associated with the acquisition, exploration and development of reserves are capitalized into cost centers from the time the company obtains legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling, production and gathering equipment and facilities, carrying costs directly related to unproven properties and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers 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.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to machinery and equipment as exploration and evaluation assets. If the company decides not to continue the exploration and evaluation activity, then the accumulated costs are expensed as impairment losses in the period in which the event occurs.

Impairment test

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. 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 profit or loss.

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to machinery and equipment, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, 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.

(d) **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 these costs 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.

(e) **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 a 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 obligation is depleted 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 expectations 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.

(f) **Flow-through shares**

Under current 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 the value of the tax assets renounced is recorded as a deferred tax expense.

(g) **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 exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties of the arrangement.

(h) **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.

(i) **Revenue recognition**

Revenue from sales of precious metals will be recognized when the significant risks and rewards of ownership are transferred to the buyer, which is when legal title passes to the buyer and when collectability is reasonably assured. Interest income is recognized as accrued.

(j) **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 the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(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 or receivable 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 in the future. 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.

(k) **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 an annual 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 the Black-Scholes option-pricing model. The fair value of the options is adjusted by the estimate of the number of options are expected to vest as a result of non-market conditions. At each reporting date, the company revises its estimate of the number of options that are expected to vest.

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 retained earnings or 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.

(l) **Financial instruments**

(i) Non-derivative financial assets

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.

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 FVTPL which are initially measured at fair value.

Financial assets at fair value through profit or loss

A financial asset is classified as FVTPL if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at FVTPL 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 FVTPL 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 or loss.

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 FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss 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 or loss 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.

De-recognition of financial assets

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.

(ii) Non-derivative financial liabilities

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

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

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 derecognizes 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 flows.

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 financial assets

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 or loss, and presented in the fair value reserve in equity, to profit or loss. The cumulative income or 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 or loss.

(ii) Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, other than exploration and evaluation 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. 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 or loss.

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.

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

The preparation of financial statements in accordance with IFRS 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. Actual amounts may differ from such estimates. Significant areas requiring the use of management estimates are as follows:

Valuation of exploration and evaluation assets

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future precious metals and mineral prices, future capital expenditures and environmental and regulatory restrictions. The decision to transfer assets from exploration and evaluation assets to machinery and equipment is based on estimated proven and probable reserves which are in part used to determine a project’s technical feasibility and commercial viability.

Deferred income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted.

They are also based on estimates of the probability of the company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proven and probable reserves, production rates, future precious metals and mineral prices and changes in legislation, tax rates and interpretations by taxation authorities.

The availability of tax pools is subject to audit and further interpretations by taxation authorities. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Share-based payments

The amounts recorded relating to the fair value of stock options and warrants issued are based on estimates of the future volatility of the company’s share price, market price of the company's shares at grant date, expected lives of the options, expected forfeiture rate, expected dividends and other relevant assumptions.

(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.

CHANGES in ACCOUNTING POLICIES during the second quarter ended June 30th, 2015 including INITIAL ADOPTION

There were no changes in accounting policies, including initial adoption, during the second quarter of fiscal 2015.

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 significant.

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, 2015. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and de-recognition. The adoption of the first phase of IFRS 9 may have an effect on the classification and measurement of the financial assets.

RISKS and UNCERTAINTIES

Going Concern

The condensed interim management-prepared financial report for the second quarter ended on June 30th, 2015, the comparative audited financial statements for the fiscal years ended December 31st, 2014 and 2013, and the audited financial statements for the four years ended December 31st, 2012, 2011, 2010, and 2009 were all 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 second quarter ended June 30th, 2015 the Corporation incurred a Net and Comprehensive gain of $21,216 before income taxes and future income tax recovery and had an accumulated deficit of $14,872,659 (versus a Net and Comprehensive loss of $148,520 before income taxes and future income tax recovery and had an accumulated deficit of $14,667,691 for the second quarter ended June 30th, 2014).

During the fiscal year ended December 31st, 2014, the Corporation incurred a Net and Comprehensive Loss for the year of $231,398 after income taxes and future income tax recovery (versus a Net and Comprehensive Losses for 2013 of $1,010,161 and 2012 of $496,723; a 2010 IFRS-reconciled Net and Comprehensive Loss of $2,212,386; and pre-IFRS-compliant Net and Comprehensive Losses for 2009 of $2,251,813). At December 31st, 2014, the Corporation also had an IFRS-compliant accumulated deficit of $14,825,121 (versus an IFRS-compliant accumulated deficits of $14,597,593 for 2013, $14,545,347 for 2012 and $14,048,624 for 2011; a 2010 IFRS-reconciled accumulated deficit of $13,502). 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.

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.

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.

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. 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 Corporation is presently covered by 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.

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.

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.

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 **Art Stacey** (Corporate Secretary, *performing functions similar to a Chief Financial Officer*), **Dave Gural** (a Director), **Doug Bundy** (a Director), **Peter Brooks** (a Director, President and CEO) 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.

Conflicts of Interest

Certain of the directors and officers of Corporation are also directors and / or officers of other 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.

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.

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 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.

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. Significant accounting policies are described in the Notes to Financial Statements in the audited year-end financial statements for the five years ended December 31st, 2014, 2013, 2012, 2011, 2010, and in the Notes to Condensed Interim Financial Statements in the financial report for the second quarter ended on June 30th, 2015. 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.

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 or restrictions. Management is of the opinion that the amounts and changes in the company’s capital are readily determinable from information provided in its financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements other than what is disclosed in the Notes to Financial Statements in the comparative audited IFRS-compliant financial statements for the years ended December 31st, 2014 and 2013 and in the Notes to Condensed Interim Financial Statements in the condensed management-prepared interim financial report for the second quarter ended on June 30th, 2015.

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Class A voting 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.

CONTINGENT LIABILITY

During the months of May through September 2013, the Corporation was subjected to an Employer Compliance Audit by the Canada Revenue Agency (CRA) for certain contractor transactions that occurred during the calendar and taxation years of 2010 and 2011. The CRA determined through the Audit and the Rulings process that the Corporation was responsible for employer and employee remittances for the Canada Pension Plan (CPP) and Employment Insurance (EI) for certain individuals operating as self-employed independent contractors, the great majority of whom were no longer engaged by the Corporation. The quantified monetary outcome of the Audit and Rulings, inclusive of interest and penalties, was determined to be $121,340 as per a Statement of Account issued on and dated October 4th, 2013. This amount of $121,340 was fully expensed as *Government remittances* on the *Condensed Interim Statements of Operations and Comprehensive Loss for the three months ended September 30th, 2013* and accrued as *other payables* on the *Condensed Interim Statements of Financial Position of September 30th, 2013*.

On October 24th, 2013, the Corporation filed a 52 page Appeal of the Rulings and Assessments with the Chief of Appeals, CPP & EI Section, in Edmonton, AB. The Corporation also opened a file with the Prairie Region Taxpayer Relief Centre (the “PRTRC”) in Winnipeg, MB on November 5th, 2013 in order to have the $21,300 assessed in interest and penalties, plus the future accruals thereof, reversed in the event that Appeal of the Rulings and Assessments of October 24th, 2013 is unsuccessful. In both cases, the Corporation has been advised by the CRA that the combined Appeals and Relief processes could take anywhere from up to 18 to 24 months given the large number of Employer Compliance Audit cases presently being handled at the CRA. A letter was received on December 24th, 2013 from the PRTRC acknowledging receipt of the company’s request for penalties and interest relief and that a file was now open with them.

In the interim, and given that the assessed amount of $121,340 is considered to be a “trust debt” pending the outcomes of the Appeal of the Rulings and Assessments, the Corporation made repayment arrangements with the CRA for instalment payments of $25,000 per month on the first business day of each and every month from November 2013 forward. These payment arrangements were subsequently postponed and modified in January 2014. As a result of the two $25,000 instalment payments of November 1st and December 1st, 2013, one instalment payments of $22,000 on April 15th, the application of the Q4 2013 GST / HST Input Tax Credit Refund of $6,917 on

January 10th, 2014, and the application of the Q1 2014 GST / HST Input Tax Credit Refund of $5,332 as was applied towards the balance on April 28th, 2014, the balance now owing as a Trust Debt to the Canada Revenue Agency for unpaid remittances for Canada Pension Plan (CPP) and Employment Insurance (EI) for the 2011 and 2010 taxation years has been effectively reduced from the $121,340 that was owing as at October 4th, 2013 to an estimated $37,850 plus accrued interest as at May 14th, 2014.

An instalment payment of $22,000 towards this “Trust Debt” was made on May 15th, 2014 thus reducing the balance to an estimated $15,850 plus accrued interest. It is noted that the amount owing for the CPP and EI Source Deduction Arrears increased due to further interest accruals and penalties and due to a “Trust Audit” to be conducted at a later date for the 2014, 2013 and 2012 taxation years.

The Trust Audit now has been completed, a claim was filed with Tax Court Canada, and a favourable ruling was reached one week before the scheduled court date of March 18th 2015. The settlement check of $66,615 was received June 6, 2015.

There are no other contingent liabilities or other such claims, including environmental, health or safety, against the Corporation that management is aware of as at the date of this Management Discussion & Analysis of June 30th, 2015.

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 as Schedule A to the Notice of Annual and Special General Meeting and Information Circular for September 5th, 2013, as dated July 30th, 2013, and as filed on www.sedar.com on August 2nd, 2013). The Plan was subsequently 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 Plan was approved for renewal by both (i) the disinterested shareholders at the most recent Annual General and Special Meeting of Shareholders as held in Winnipeg Manitoba on September 5th, 2013 and (ii) the TSX Venture Exchange Inc. on October 25th, 2013. 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.

CORPORATE GOVERNANCE

The Board of Directors is currently comprised of the four individuals as appointed, elected or re-elected and as noted below. The Corporations by-laws provide that each director is elected to serve until the next Annual and Special Meeting of Shareholders or until a successor is elected or appointed. The next Annual and Special Meeting of Shareholders is scheduled to be held in Winnipeg, Manitoba sometime in the fall of 2015. The Board of Directors has established two committees: the Audit Committee and the Compensation Committee. Directors, Officers and Committee Members are identified as follows:

- **Art Stacey** – Director (since July 31st, 2014), Corporate Secretary and acting Chief Financial Officer
- **Peter Brooks** – Director (since June 24th, 2011), President & CEO, Audit Committee (Chairman and non-independent member), Compensation Committee (Chairman and non-independent member)
- **Douglas Bundy** – Director (since September 5th, 2013), Audit Committee (independent member), Compensation Committee (independent member)
- **David Gural** – Director (since September 5th, 2013), Audit Committee (independent member), Compensation Committee (independent member)

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."

REPORTING JURISDICTIONS

British Columbia, Alberta, Saskatchewan and Manitoba

MARKET FOR THE SECUR1TIES OF THE CORPORATION

The common shares of the Corporation are listed for trading on the TSX Venture Exchange Inc. under the symbol "KBG".

PROPOSED TRANSACTIONS

There were no proposed transactions contemplated at the time that this Management Discussion & Analysis of June 30th 2015 was prepared.

DISCLOSURE of OUSTANDING SHARE DATA as at June 30th, 2015

	Number	Share Capital	52 Week Trading Range
Common Shares – Class A Voting	99,226,914	$16,102,036	$0.005 to $0.025

Stock Options	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Outstanding	800,000	$0.10	$0.10	all expire in 2016

Warrants	Number Outstanding	Price Range	Weighted Average Exercise Price per share	Expiry Dates
Outstanding	0 (Nil)	N/A	N/A	N/A

Notes – There were no transactions subsequent to the end of the second quarter ended on June 30th, 2015 and up to the date of this Management Discussion & Analysis of August 31st, 2015, that would materially affect the number of issued and outstanding common shares, warrants and stock options.

DISCLOSURE of CONTROLS & PROCEDURES

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 refiled Form 52-109F2r - Venture Issuer Basic Certificates* dated August 25th 2015, each respectively signed by the Corporate Secretary, *performing functions similar to a Chief Financial Officer*, and the President &Chief Executive Officer and filed concurrently on www.sedar.com with: (i) this Management Discussion & Analysis for the second quarter ended June 30th, 2015 and dated as at August 31st, 2015 and (ii) the condensed management-prepared interim financial report for the second quarter ended June 30th, 2015, 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.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's condensed management-prepared interim financial report for the second quarter ended June 30th, 2015, in the comparative audited financial statements for the years ended December 31st, 2014 and in the audited financial statements for the four years ended December 31st, 2013, 2012, 2011, and 2010. 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 and Special 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

The Corporation's condensed management-prepared interim financial report for the second quarter ended June 30th, 2015, the comparative audited financial statements for the years ended December 31st, 2014 and 2013, and the audited financial statements for the four years ended December 31st, 2012, 2011, 2010, and 2009, and this accompanying MD & A 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.