

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

King's Bay Gold Corporation (the "**Company**")
Suite 1450 – 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2. Date of Material Change

August 30, 2017

Item 3. News Release

The News Release dated August 30, 2017 was disseminated by FS Wire Services on August 30, 2017.

Item 4. Summary of Material Change

The Company announced that further to its news releases dated June 26, 2017 and July 14, 2017, it has completed a second and final tranche of a non-brokered, non-flow through private placement (the "**NFT Private Placement**") of 615,000 units (each, a "**Unit**") at a price of \$0.10 per Unit for gross proceeds of \$61,500 and a non-brokered, flow-through private placement (the "**FT Private Placement**") of 200,000 flow-through shares (each, a "**FT Share**") at a price of \$0.125 per FT Share for gross proceeds of \$25,000 (collectively, the "**Financing**"). The Company has raised a total of \$402,750 from the closing of the first and second tranches of the Financing.

The NFT Private Placement consisted of one common share (each, a "**Share**") of the Company and one non-transferable common share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to purchase one Share of the Company at a price of \$0.15 until August 30, 2019.

In connection with the FT Private Placement, the Company paid cash finder's fees of \$2,000 to certain finders.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in Item 4 above and in the attached News Release which has been filed on SEDAR.

Disclosure Required by MI 61-101

Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), the Financing constitutes a "related party transaction" as a related party of the Company participated in the Financing.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Company entered into a subscription agreement with Kevin Bottomley, the Chief Executive Officer, President and a director of the Company, whereby Mr. Bottomley agreed to purchase 50,000 Units of the Company at a price of \$0.10 per Unit.

The Company entered into a subscription agreement with Jody Bellefleur, the Chief Financial Officer and a director of the Company, whereby Ms. Bellefleur agreed to purchase 50,000 Units of the Company at a price of \$0.10 per Unit.

(b) the purpose and business reasons for the transaction:

Proceeds from the Financing will be used by the Company for exploration expenditures on their 100% owned Lynx Lake Copper-Cobalt property in Labrador, the Trump Island property in Newfoundland as well as working capital.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

Proceeds from the Financing will be used by the Company for exploration expenditures on their 100% owned Lynx Lake Copper-Cobalt property in Labrador, the Trump Island property in Newfoundland as well as working capital.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

See item (a).

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Financing on the percentage of securities of the Company beneficially owned or controlled by Kevin Bottomley and Jody Bellefleur:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Financing	Percentage of Issued and Outstanding Shares prior to Closing of the Financing	No. of Shares Held After Closing of the Financing	Percentage of Issued and Outstanding Shares After Closing of the Financing
Kevin Bottomley President, CEO and Director	\$5,000	50,000 Units	Undiluted: 1,219,333 Diluted: 1,619,333 ⁽¹⁾	Undiluted: 2.74% ⁽²⁾ Diluted: 3.61% ⁽³⁾	Undiluted: 1,269,333 Diluted: 1,719,333 ⁽⁴⁾	Undiluted: 2.81% ⁽⁵⁾ Diluted: 3.76% ⁽⁶⁾
Jody Bellefleur CFO and Director	\$5,000	50,000 Units	Undiluted: 300,000 Diluted: 500,000 ⁽⁷⁾	Undiluted: 0.68% ⁽²⁾ Diluted: 1.13% ⁽⁸⁾	Undiluted: 350,000 Diluted: 600,000 ⁽⁹⁾	Undiluted: 0.77% ⁽⁵⁾ Diluted: 1.32% ⁽¹⁰⁾

⁽¹⁾ Comprised of: (i) 1,219,333 Shares held directly and (ii) 400,000 stock options (each, an “Option”) held directly, each of which is exercisable into one Share at a price of \$0.075 per Share until October 27, 2018.

⁽²⁾ Based on 44,436,423 Shares outstanding prior to the completion of the Financing.

⁽³⁾ Based on 44,836,423 Shares outstanding on a partially-diluted basis prior to the completion of the Financing, comprised of: (i) 44,436,423 outstanding prior to the completion of the Financing, and (ii) 400,000 Shares that may be issued on exercise of Options held directly.

⁽⁴⁾ Comprised of: (i) 1,269,333 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (3) above, and (iii) 50,000 Warrants held directly, each of which is exercisable into one Share at a price of \$0.15 per Share until August 30, 2019.

⁽⁵⁾ Based on 45,251,423 Shares outstanding following the completion of the Financing.

⁽⁶⁾ Based on 45,701,423 Shares outstanding on a partially diluted-bases following the completion of the Financing, comprised of: (i) 45,251,423 Shares outstanding following the completion of the Financing, (ii) 50,000 Shares that may be issuable on exercise of Options held directly and (iii) 50,000 Shares that may be issuable on exercise of Warrants held directly.

⁽⁷⁾ Comprised of: (i) 300,000 Shares held directly and (ii) 200,000 Options held directly, each of which is exercisable into one Share at a price of \$0.075 per Share until October 27, 2018.

⁽⁸⁾ Based on 44,636,423 Shares outstanding on a partially-diluted basis prior to the completion of the Financing, comprised of: (i) 44,436,423 outstanding prior to the completion of the Financing, and (ii) 400,000 Shares that may be issued on exercise of Options held directly.

⁽⁹⁾ Comprised of: (i) 350,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (7) above, and (iii) 50,000 Warrants held directly, each of which is exercisable into one Share at a price of \$0.15 per Share until August 30, 2019.

⁽¹⁰⁾ Based on 45,501,423 Shares outstanding on a partially diluted-bases following the completion of the Financing, comprised of: (i) 45,251,423 Shares outstanding following the completion of the Financing,

(ii) 50,000 Shares that may be issuable on exercise of Options held directly and (iii) 50,000 Shares that may be issuable on exercise of Warrants held directly.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee.

A resolution of the board of directors was passed on August 30, 2017 which approved the Financing, with each of Kevin Bottomley and Jody Bellefleur abstaining from voting in part. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Financing is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Financing, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Financing, there is a requirement under MI 61-101 to explain why the shorter period was

reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

Please contact Kevin Bottomley, President and Chief Executive Officer of the Company, at 604-681-1568.

Item 9. Date of Report

August 31, 2017

King's Bay Resources Corp. Announces Closing of Second and Final Tranche of Private Placements

August 30, 2017 – King's Bay Resources Corp. (the "**Company**") (TSXV: **KBG**)(FSE:**KGB1**) is pleased to announce that further to its news releases dated June 26, 2017 and July 14, 2017, it has completed the second and final tranche of a non-brokered, non-flow through private placement (the "**NFT Private Placement**") of 615,000 units (each, a "**Unit**") at a price of \$0.10 per Unit for gross proceeds of \$61,500 and a non-brokered, flow-through private placement (the "**FT Private Placement**") of 200,000 flow-through shares (each, a "**FT Share**") at a price of \$0.125 per FT Share for gross proceeds of \$25,000 (collectively, the "**Financing**"). The Company has raised a total of \$402,750 from the closing of the first and second tranches of the Financing.

The NFT Private Placement consisted of one common share of the Company and one non-transferable common share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to purchase one common share of the Company at a price of \$0.15 until August 30, 2019.

In connection with the FT Private Placement, the Company paid cash finder's fee of \$2,000 to certain finders.

The Company intends to use the proceeds of the Financing for exploration expenditures and working capital.

All securities issued in connection with the Financing are subject to a statutory hold period expiring four months and one day after the closing of the Financing.

Two Insiders of the Company subscribed for an aggregate of 100,000 Units under the Financing, which is a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The participation of the insiders in the private placement was exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(a) of MI 61-101 in that the fair market value of the consideration of the shares to be issued to the insider did not exceed 25% of the Company's market capitalization.

ON BEHALF OF THE BOARD OF DIRECTORS

King's Bay Resources Corp.

"Kevin Bottomley"

Kevin Bottomley

President and Chief Executive Officer

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For investment inquiries please contact

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