

## EXECUTIVE COMPENSATION

### General

For the purpose of this Statement of Executive Compensation:

“**Company**” means King’s Bay Resources Corp.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“CEO”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“CFO”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Kevin Bottomley <sup>(1)</sup> President, CEO and Director	2017	\$70,000	Nil	Nil	Nil	Nil	\$70,000
	2016	\$8,500	Nil	Nil	Nil	Nil	\$8,500
Jody Bellefleur <sup>(2)</sup> CFO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 <sup>(11)</sup>	Nil	Nil	Nil	\$2,000
Bradley Hoepfner <sup>(3)</sup> Former Director	2017	\$42,500	Nil	Nil	Nil	Nil	\$42,500
	2016	\$27,500 <sup>(10)</sup>	Nil	Nil	Nil	Nil	\$27,500
Nicholas Rodway <sup>(4)</sup> Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 <sup>(11)</sup>	Nil	Nil	Nil	\$2,000
Dusan Berka <sup>(5)</sup> Former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 <sup>(11)</sup>	Nil	Nil	Nil	\$2,000
Peter Brooks <sup>(6)</sup> Former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	\$85,260 <sup>(12)</sup>	Nil	Nil	Nil	Nil	\$85,260 <sup>(12)</sup>
Douglas Bundy <sup>(7)</sup> Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
David Gural <sup>(8)</sup> Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Art Stacey <sup>(9)</sup> Former CFO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Kevin Bottomley was appointed a director on February 10, 2016. Mr. Bottomley was appointed as President & CEO on September 23, 2016.
- (2) Jody Bellefleur was appointed as CFO on February 10, 2016. Ms. Bellefleur was appointed as a director on August 21, 2017.
- (3) Bradley Hoepfner was appointed a director on February 10, 2016. Mr. Hoepfner resigned as a director on August 21, 2017.
- (4) Nicholas Rodway was appointed as a director on January 5, 2016.
- (5) Dusan Berka was appointed as CEO on February 10, 2016. Mr. Berka was appointed as a director on January 5, 2016. Mr. Berka resigned as President and CEO on September 23, 2016.
- (6) Peter Brooks resigned as CEO, President a director on February 10, 2016.
- (7) Douglas Bundy resigned as a director on February 10, 2016
- (8) David Gural resigned as a director on January 5, 2016.
- (9) Art Stacey resigned as CFO and a director on February 10, 2016.
- (10) Management Fees paid by the Company.
- (11) Christmas bonus paid by the Company.
- (12) The Company paid 7851235 Canada Ltd., a business controlled by Peter Brooks for consulting services relating to marketing and administrative services.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2017 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Kevin Bottomley President, CEO and Director	Stock Options	100,000 <sup>(1)</sup>	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Jody Bellefleur CFO and Director	Stock Options	325,000 <sup>(2)</sup>	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Bradley Hoepfner Former Director <sup>(2)</sup>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Nicholas Rodway Director	Stock Options	250,000 <sup>(4)</sup>	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Dusan Berka Director	Stock Options	150,000 <sup>(5)</sup>	September 27, 2017	\$0.075	\$0.10	\$0.09	September 27, 2022
Peter Brooks Former President, CEO and Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Bundy Former Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
David Gural Former Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Art Stacey Former CFO and Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil

- (1) As at December 31, 2017, Mr. Bottomley held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018; Mr. Bottomley held 100,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022;
- (2) As at December 31, 2017, Ms. Bellefleur held 325,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022;
- (3) As at December 31, 2017, Mr. Hoepfner held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018. Subsequent to Mr. Hoepfner's resignation on August 21, 2017, Mr. Hoepfner's 400,000 options terminated on November 21, 2017.
- (4) As at December 31, 2017, Mr. Rodway held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018; Mr. Rodway held 250,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022; and
- (5) As at December 31, 2017, Mr. Berka held 150,000 stock options indirectly through Duster Capital Corp., a company wholly owned and controlled by Mr. Berka, which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022.

### **Exercise of Compensation Securities by Directors and NEOs**

Other than as set out below, no director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended December 31, 2017.

On November 29, 2017, Jody Bellefleur, the CFO and a director of the Company, exercised 200,000 stock options of the Company at an exercise price of \$0.075.

On November 29, 2017, Dusan Berka, a director of the Company, exercised 300,000 stock options of the Company at an exercise price of \$0.075.

### **Stock Option Plans and Other Incentive Plans**

The Company's current stock option plan (the "Plan") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase shares of the Company. As at the date hereof, there are 2,589,893 options outstanding under the Plan. The Plan was last approved by the shareholders of the Company on July 19, 2017.

A copy of the Plan is available for review on the Company's profile at [www.sedar.com](http://www.sedar.com) and at the office of the Company at Suite 1450 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – *Re-Approval of Stock Option Plan*".

### **Employment, Consulting and Management Agreements**

The Company or any subsidiary thereof has not entered into any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

### **Oversight and Description of Director and NEO Compensation**

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

**Pension Plan Benefits**

The Company has no pension, defined benefit or defined contribution plans in place.