FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

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

Item 2. Date of Material Change

August 8, 2019

Item 3. News Release

The News Release dated August 8, 2019 was disseminated by BayStreet and Stockwatch on August 8, 2019.

Item 4. Summary of Material Change

The Company announced that further to its news release dated July 4, 2019, it has closed (the "**Closing**") its private placement offering (the "**Offering**") of unsecured convertible notes (each, a "**Note**") for gross proceeds of $142,500.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that further to its news release dated July 4, 2019, it has closed its Offering of Notes for gross proceeds of $142,500.

The Notes have a maturity date of twelve (12) months from Closing and bear interest at the rate of 12% per annum, payable at maturity. Pursuant to the terms of the Notes, and subject to adjustment, the Subscribers may convert all or any part of the principal amount outstanding under the Notes, and any accrued but unpaid interest thereon, into units (each, a "**Conversion Unit**") of the Company at a conversion price of $0.20 per Conversion Unit.

Each Conversion Unit will consist of one common share (each, a "**Conversion Share**") of the Company and one non-transferable common share purchase warrant (each, a "**Conversion Warrant**"). Each whole Conversion Warrant shall entitle the holder thereof to purchase one common share (each, a "**Warrant Share**") for a period of 24 months from the Closing date at an exercise price of $0.35 per Warrant Share for twelve (12) months following the Closing date and thereafter at $0.60 per Warrant Share. There is an acceleration clause whereby, if for any 10 consecutive trading days the closing trading price of the Company's common shares on the stock exchange exceeds $0.45 in the first year after Closing or exceeds $0.75 in the second year after Closing, then the remaining term of the Conversion Warrants will be reduced to 30 days.

Proceeds of the Offering are being used for working capital and to pay its expenses of the proposed S&S Company, LLC acquisition as further described in the Company's news release dated March 29, 2019.

The securities issued under the Offering, and the shares that may be issuable on exercise of the Warrants, are subject to a statutory hold period.

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 $25,000 Notes of the Company.

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 $4,000 Notes of the Company.

The Company entered into a subscription agreement with Zimtu Capital Corp., a 10% shareholder, whereby Zimtu agreed to purchase $50,000 Notes of the Company.

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

Proceeds from the Financing will be used by the Company for working capital and to pay its expenses of the proposed S&S Company, LLC acquisition as further described in the Company's news release dated March 29, 2019.

(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 working capital and to pay its expenses of the proposed S&S Company, LLC acquisition as further described in the Company's news release dated March 29, 2019.

(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, Jody Bellefleur and Zimtu Capital Corp.:

Name and Position	Dollar Amount of Shares Purchase d	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	$10,000	$10,000 Convertible Note	Undiluted: 3,507,833 Diluted: 3,607,833[(1)]	Undiluted: 5.09%[(2)] Diluted: 5.23%[(3)]	Undiluted: 3,507,833 Diluted: 3,707,833[(4)]	Undiluted: 5.09%[(5)] Diluted: 5.37%[(6)]
Jody Bellefleur CFO and Director	$4,000	$4,000 Convertible Note	Undiluted: 500,000 Diluted: 825,000[(7)]	Undiluted: 0.72%[(2)] Diluted: 1.19%[(8)]	Undiluted: 500,000 Diluted: 865,000[(9)]	Undiluted: 0.72%[(5)] Diluted: 1.25%[(10)]
Zimtu Captial Corp. 10% Shareholder	$50,000	$50,000 Convertible Note	Undiluted: 5,600,000 Diluted: 11,611,703[(11)]	Undiluted: 8.13%[(2)] Diluted: 15.51%[(12)]	Undiluted: 5,600,000 Diluted: 12,111,703[(13)]	Undiluted: 8.13%[(5)] Diluted: 16.13%[(14)]

(1) Comprised of: (i) 3,507,833 Shares held directly and (ii) 100,000 stock options (each, an "**Option**") held directly, each of which is exercisable into one Share at a price of $0.10 per Share until September 27, 2022.

(2) Based on 68,810,214 Shares outstanding prior to the completion of the Financing.

(3) Based on 68,910,214 Shares outstanding on a partially-diluted basis prior to the completion of the Financing, comprised of: (i) 68,810,214 outstanding prior to the completion of the Financing, and (ii) 100,000 Shares that may be issued on exercise of Options held directly.

(4) Comprised of: (i) 3,607,833 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (3) above, and (iii) 100,000 Warrants held directly, each of which is exercisable into one Share at a price of $0.35 per Share until August 8, 2020 and at a price of $0.60 per Share thereafter.

(5) Based on 68,810,214 Shares outstanding following the completion of the Financing.

(6) Based on 68,960,214 Shares outstanding on a partially diluted-bases following the completion of the Financing, comprised of: (i) 68,810,214 Shares outstanding following the completion of the Financing, (ii) 100,000 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) 500,000 Shares held directly and (ii) 325,000 Options held directly, each of which is exercisable into one Share at a price of $0.10 per Share until September 27, 2022.

[8] Based on 69,135,214 Shares outstanding on a partially-diluted basis prior to the completion of the Financing, comprised of: (i) 68,610,214 outstanding prior to the completion of the Financing, and (ii) 325,000 Shares that may be issued on exercise of Options held directly.

[9] Comprised of: (i) 520,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (7) above, and (iii) 20,000 Warrants held directly, each of which is exercisable into one Share at a price of $0.35 per Share until August 8, 2020 and at a price of $0.60 per Share thereafter.

[10] Based on 69,155,214 Shares outstanding on a partially diluted-bases following the completion of the Financing, comprised of: (i) 68,810,214 Shares outstanding following the completion of the Financing, (ii) 325,000 Shares that may be issuable on exercise of Options held directly and (iii) 20,000 Shares that may be issuable on exercise of Warrants held directly.

[11] Comprised of: (i) 5,600,000 Shares held directly and (ii) 6,011,703 Warrants held directly, 3,386,703 of which is exercisable into one Share at a price of $0.12 per Share until December 30, 2019, and 2,625,000 of which is exercisable into one Share at a price of $0.10 per Share until June 12, 2020.

[12] Based on 74,821,917 Shares outstanding on a partially-diluted basis prior to the completion of the Financing, comprised of: (i) 68,810,214 outstanding prior to the completion of the Financing, and (ii) 6,011,703 Shares that may be issued on exercise of Warrants held directly.

[13] Comprised of: (i) 5,850,000 Shares held directly, (ii) all of the convertible securities of the Company set out in footnote (11) above, and (iii) 250,000 of which is exercisable into one Share at a price of $0.35 per Share until August 8, 2020 and at a price of $0.60 per Share thereafter.

[14] Based on 75,071,917 Shares outstanding on a partially diluted-bases following the completion of the Financing, comprised of: (i) 68,810,214 Shares outstanding following the completion of the Financing, and (ii) 6,261,703 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 7, 2019 which approved the Offering, 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 16, 2019

King's Bay Announces Closing of Convertible Promissory Notes

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES NOR FOR DISSEMINATION IN THE UNITED STATES

August 8, 2019 - King's Bay Resources Corp. (TSXv: **KBG**)(FSE: **KGB1**) (the "**Company**" or "**King's Bay**") announces that, further to its news release dated July 4, 2019, it has closed (the "**Closing**") its private placement offering (the "**Offering**") of unsecured convertible notes (each, a "**Note**") for gross proceeds of $142,500.

The Notes have a maturity date of twelve (12) months from Closing and bear interest at the rate of 12% per annum, payable at maturity. Pursuant to the terms of the Notes, and subject to adjustment, the Subscribers may convert all or any part of the principal amount outstanding under the Notes, and any accrued but unpaid interest thereon, into units (each, a "**Conversion Unit**") of the Company at a conversion price of $0.20 per Conversion Unit.

Each Conversion Unit will consist of one common share (each, a "**Conversion Share**") of the Company and one non-transferable common share purchase warrant (each, a "**Conversion Warrant**"). Each whole Conversion Warrant shall entitle the holder thereof to purchase one common share (each, a "**Warrant Share**") for a period of 24 months from the Closing date at an exercise price of $0.35 per Warrant Share for twelve (12) months following the Closing date and thereafter at $0.60 per Warrant Share. There is an acceleration clause whereby, if for any 10 consecutive trading days the closing trading price of the Company's common shares on the stock exchange exceeds $0.45 in the first year after Closing or exceeds $0.75 in the second year after Closing, then the remaining term of the Conversion Warrants will be reduced to 30 days.

Proceeds of the Offering are being used for working capital and to pay its expenses of the proposed S&S Company, LLC acquisition as further described in the Company's news release dated March 29, 2019.

The securities issued under the Offering, and the shares that may be issuable on exercise of the Warrants, are subject to a statutory hold period.

Insiders of the Company subscribed for a principal amount of $64,000 under the Offering, 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 insider 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"

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