



King's Bay Announces Closing of Convertible Promissory Notes

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August 7, 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 \$65,000 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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