

January 14, 2013

Symbol: **JBR (TSX.V)**
www.jamesbayresources.com

JAMES BAY ANNOUNCES CONDITIONAL ACCEPTANCE OF ITS CHANGE OF BUSINESS AND FILING OF NI 51-101 REPORT

TORONTO, ONTARIO – **James Bay Resources Limited (TSX.V: JBR)** ("**James Bay**" or the "**Company**") is pleased to announce that the TSX Venture Exchange (the "**Exchange**") has conditionally accepted the Company's change of business ("**COB**") from a mining issuer to an oil and gas issuer.

As previously disclosed, James Bay has entered into an agreement to acquire from Bicta Energy & Management Systems Limited ("**Bicta**") a 47% direct interest in the Ogedeh Project in Nigeria (the "**Ogedeh Project**"). The Ogedeh Project is a marginal field located in the south western corner of the Nigerian National Petroleum Corporation Block OML 90 (oil mining lease) in the western Niger Delta Basin, Nigeria. The Ogedeh field was discovered by Chevron in 1993 by the drilling of the Ogedeh-1 well, in shallow water offshore from OML 90.

In order to acquire the interest James Bay has entered into a joint operating agreement with Bicta dated May 28, 2012 (the "**JOA**") and deed of assignment dated March 9, 2012 (the "**DOA**") in respect of the Ogedeh Project, which have been filed with the Department of Petroleum Resources in Nigeria (the "**DPR**"). Subject to receipt of all required approvals, including approval from the DPR in respect of the JOA and the DOA and the Exchange, James Bay intends to re-enter an existing well on the Ogedeh Project to facilitate two drill stem tests and up to a six month extended well test, all designed to determine the next steps in its exploration and development of the Ogedeh Project.

The transactions are subject to: (i) the approval of the Company's shareholders of the acquisition and COB; (ii) Exchange final acceptance of regulatory filings; and (iii) regulatory approval, including that of the DPR. In connection with the final acceptance of the Exchange to the COB, the Company will be required to complete a financing raising proceeds of not less than \$13,500,000, details of which will be the subject of a further press release once finalized. The Company intends to seek shareholder approval of the COB transaction at a special meeting of shareholders to be held on February 4, 2013. The management information circular (the "**Circular**") to be mailed to the Company's shareholders in respect of the approval of the acquisition and COB is now available at www.SEDAR.com. Additional information is also available in the Company's press releases dated June 28, 2012 and October 10, 2012, copies of which are available at www.SEDAR.com.

James Bay is also pleased to announce that in connection with the COB it has incorporated into the Circular and also filed separately a National Instrument 51-101 compliant report (the "**Sproule Report**") prepared by Sproule International Limited in respect of the Ogedeh Project. The Sproule Report dated effective June 30, 2012 has been filed with the Exchange and is now available at www.SEDAR.com. The Sproule Report reviews James Bay's plans with regard to re-entering an existing well on the Ogedeh Project and performing an extended well test for six months. The

anticipated costs for the re-entry, testing up to two separate zones, and a minimum of a dual completion of the well is estimated at approximately US\$12.7 million. James Bay plans to finance this portion of the planned program from an equity raise of US\$13.5M. Once the well test is completed, and subject to the resource assessment received from these production tests, the potential well resources would be completed and developed through the existing well bore. James Bay would then propose to drill up to two offsetting commercial wells in order to drain the remaining recoverable oil volumes from this formation. The expected cost of drilling to complete the new offsetting commercial wells required for these purposes is currently estimated at approximately US\$15 million to US\$20 million per well.

About James Bay Resources

James Bay is a well-financed Canadian resource company with 28,040,350 shares outstanding and trades on the TSX Venture Exchange under the symbol “JBR”. Please visit the James Bay website at www.jamesbayresources.com.

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The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Completion of the acquisition is subject to a number of conditions including, but not limited to, Exchange acceptance and, if applicable, pursuant to Exchange requirements, majority of minority share approval. The acquisition cannot close until the required shareholder approval is obtained. There can be no assurance that the acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular prepared in connection with the transaction, any information released or received with respect to the COB may not be accurate or complete and should not be relied upon. Trading in the securities of James Bay should be considered highly speculative.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.