



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2014

TABLE OF CONTENTS

Introduction	3
Forward-looking information.....	3
Company overview	3
Corporate structure.....	3
James Bay direct interest in oil and gas field	4
Summary of Sproule report	5
James Bay mineral property.....	20
Additional disclosure for venture issuer without significant revenue	21
Results of operations and cash flows.....	22
Selected quarterly financial information	24
Liquidity and outlook.....	25
Capital Resources	25
Financial instruments	26
Recent accounting pronouncements and changes in accounting policies	27
Related party disclosures	28
Non-controlling interest	28
Commitments and contingencies	29
Subsequent events.....	30
Off balance sheet arrangements	30
Risks and uncertainties	30
Corporate information	33

INTRODUCTION

The management's discussion and analysis ("MD&A") of James Bay Resources Limited (the "Company" or "James Bay") should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2013, together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2014, prepared using International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). All amounts in this MD&A are in Canadian dollars unless otherwise specified. This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on November 24, 2014.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's exploration property. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

COMPANY OVERVIEW

James Bay is a junior resource company originally focused on the acquisition and exploration of base and precious metal mineral properties, with activities centered in Canada. The Company has exclusive rights in the mining claims known as the James Bay Lowlands property (the "Property"), located approximately 60 km southeast of the First Nations community of Webequie, and approximately 600 km northwest of Timmins, Ontario, Canada. The Property consists of 75 unpatented claims covering a total of approximately 974 claim units or approximately 15,648 ha of mineral exploration rights.

In 2011 the Company entered into a preliminary agreement to conduct due diligence to identify potential oil and gas acquisition targets in Nigeria.

In 2012, the Company signed an agreement to acquire a 47% interest in the Ogedeh Marginal Field Award on the Farmed-Out Area within the Oil Mining Licence 90 ("OML 90 Project" or the "Ogedeh Project"). As a result of the Company's change in focus to pursuing oil and gas assets in Nigeria, the Property was written off. On October 11, 2012, the Company filed a National Instrument 51-101 report concerning the Ogedeh Project to pursue conditional approval of its change of business under the policies of the TSX Venture Exchange.

The Company's shares were voluntarily delisted from the TSXV on October 29, 2014. Upon the de-listing of its common shares from the TSXV, the Company will not be completing its previously announced Change of Business (as that term is defined in TSXV policies) as that process is a specific procedure under TSXV policies and rules. Effective October 30, 2014, the Company's shares are listed on the CSE listing under the symbol "JBR". The Company is listed as an oil and gas issuer.

CORPORATE STRUCTURE

On February 27, 2012, the Company incorporated a wholly-owned Nigerian subsidiary, James Bay Energy Nigeria Limited ("JBENL"). Pursuant to an agreement signed with D&H Solution AS, 100% share ownership interest of DHENL and Ondobit Limited ("OL") were transferred to JBENL on March 9, 2012.

In April 2012, 2255431 Ontario Inc. (a wholly owned subsidiary of the Company) assigned its 100% ownership interest of James Bay Coal LLC ("JBC LLC") to James Bay. JBC LLC is a US entity and a wholly owned subsidiary of James Bay. JBC LLC was later converted from a Delaware corporation to a Delaware limited liability company called James Bay Energy Nigeria LLC ("JBEN LLC"). Subsequently, 2255431 Ontario Inc. was wound up in June 2013.

In September 2013, Crestar Integrated Natural Resources Limited (“CINRL”) was incorporated. The Company has a 45% ownership interest in Crestar through its wholly-owned subsidiary, James Bay Energy Nigeria Limited (“JBENL”). As at September 30, 2014, the Company and one of its officers held the majority of voting shares of the Company and thus, effectively, controlled Crestar.

Effective June 17, 2014, the Financial and Technical Services Agreement was amended to reflect a change of party from CINRL to Crestar Hydrocarbon Exploration and Production Company Limited (“CHEPCL”). All terms in the November 6, 2013 agreement between JBENL and CINRL remain in effect.

The condensed interim consolidated financial statements include the financial statements of the Company and its subsidiaries. Their respective ownership percentages are listed in the following table:

James Bay Energy Nigeria LLC, USA	100%
James Bay Energy Nigeria Limited, Nigeria	100%
D&H Energy Nigeria Limited, Nigeria	100%
Ondobit Limited, Nigeria	100%
Crestar Integrated Natural Resources Limited, Nigeria	45%

JAMES BAY DIRECT INTEREST IN OIL AND GAS FIELD

Pursuant to a deed of assignment between DHENL and Bicta Energy & Management System Limited (“Bicta”) dated March 9, 2012 (the “DOA”), the Company has acquired a 47% interest in the Ogedeh Project subject to all regulatory approval. On May 28, 2012, the Company also entered into a Joint Operating Agreement (JOA) with Bicta. The JOA and DOA have been filed with the Department of Petroleum Resources (DPR). On May 17, 2013, the HMPR granted approval for the assignment of the 47% participating interest in the Ogedeh Project.

The Company has retained Sproule International Limited (“Sproule”) to evaluate the oil and gas leases included under the DOA and the JOA for the Ogedeh Project.

Evaluating Report, Author, Date

Sproule, an independent qualified resource evaluator, has prepared a report in respect of the evaluation of the Ogedeh Project entitled "Evaluation of the Contingent Oil Resources of James Bay Resources Limited in Ogedeh Field, Nigeria" dated as of December 31, 2013 (the "Sproule Report").

The information set forth below is derived from the Sproule Report which has been prepared by Sproule in accordance with the standards contained in the Oil and Gas Evaluation Handbook (COGEH) and the definitions contained in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI-51-101"). In preparing the Sproule Report, Sproule reviewed the available technical data including the geological interpretation presented by the Company, the ownership terms provided by the Company, information from relevant nearby wells or analogous reservoirs and the proposed program for the Ogedeh Project. Sproule also reviewed this material with respect to the estimated contingent resources and productivity that would be expected of successful wells, the anticipated capital cost (including drilling, completion and equipment), the average operating costs in the area and expected product prices. Sproule has assumed that there were no market restrictions on the produced resources.

All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of future capital expenditures for wells to which contingent resources have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of fair market value of the Company's properties. There is no assurance that such price and cost assumptions will be attained, and variances could be material. The recovery and contingent resource estimates of crude oil, NGLs and natural gas provided herein are estimates only and there is no guarantee that the estimated resources will be recovered. Actual crude oil, NGLs and natural gas production may be greater or less than the estimates provided herein. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 Bbl is based on an energy conversion equivalency method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources have an associated chance of development (economic, regulatory, market and facility, corporate commitment or political risks). The estimates presented herein have not been risked for the chance of development. There is no certainty that any portion of the contingent resources will be developed or, if developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources. No reserves have been attributed to the Ogedeh Property.

SUMMARY OF SPROULE REPORT

Table S-1 below summarizes Sproule's evaluation after income taxes, and Table S-1A summarizes Sproule's evaluation before income taxes, of the contingent oil resources of James Bay Resources Limited in the Ogedeh Field of Nigeria, as of December 31, 2013. The Company's interests are located in Block OML 90. A map showing the location of the Company's property is included as Figure S-1.

The resource definitions and ownership classification used in this evaluation are the standards defined by COGEH resource definitions and consistent with NI 51-101 and used by Sproule. The oil resources are presented in thousands of barrels, at stock tank conditions.

The recoverable oil volumes presented in this report have been classified as Contingent Resources. Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. The contingency that prevents the classification of contingent resources as reserves is the support of commercial productivity through analogue data. There is no certainty that it will be commercially viable to produce any portion of the reported resources.

For contingent resources, the risk factor related to the chance of commerciality is equal to the chance of development. The volumes and values presented in this report have not been risked for chance of development.

Well Ogedeh-1 was drilled in 1993, targeting the Agbada Formation. Well logs indicated the existence of hydrocarbons; however the well has not been tested, and it was suspended due to mechanical problems. Under COGEH, “confirmation of commercial productivity of an accumulation by production or a formation test is required for classification of reserves as proved. In the absence of production or formation testing, probable and/or possible reserves may be assigned to an accumulation on the basis of well logs and/or core analysis that indicates that the zone is hydrocarbon bearing and is analogous to other reservoirs in the immediate area that have demonstrated commercial productivity by actual production or formation testing”. The Company was unable to provide detailed information regarding commercial productivity from offsetting fields; therefore, Sproule has assigned contingent resources in the absence of such information.

Although the B1 sand shows a gas bearing zone over oil, no gas volumes were assigned due to the limited information available and the lack of gas market.

The net present values of the resources are presented in thousands of United States dollars and are based on annual projections of net revenue, which were discounted at various rates including 5, 10, 15 and 20 percent and undiscounted.

The price forecasts that formed the basis for the revenue projections in the evaluation were based on Sproule’s December 31, 2013 pricing model. Table S-2 presents a summary of selected forecasts. Operating and capital costs were escalated to the dates incurred at 1.5 percent per year.

Well abandonment and disconnect costs were included in this report for wells which have contingent resources assigned. No allowances for reclamation or salvage values were made. No provision for abandonment or decommissioning of platforms, facilities or pipelines has been included in this evaluation.

There are no outstanding tax pools to be considered for the Company’s interests under the marginal field program in Nigeria.

Summary forecasts of production and net revenue for the various resource categories are presented in Tables S-3 through S-3B.

Property Description and Location

The Ogedeh Field is located in approximately 40 feet of water in the extreme southwestern corner of NNPC (Nigerian National Petroleum Corporation) Block OML 90 (Oil Mining Lease) in the western Nigeria Delta basin.

The field is bounded to the north by the Efon Field, to the northeast by the Ajapa Field (discovered in 1984), to the southeast by the Akepo Field (discovered in 1993) and to the east by Nigerian Agip Oil Company’s (NAOC) Beniboye Field. A location map is provided as Figure S-1.

The Ogedeh Field was discovered by Chevron in 1993 by the drilling of the Ogedeh-1 well in shallow water offshore OML 90. Hydrocarbons were found in both the B and D sands of the Agbada Formation. However, the well encountered mechanical problems and has not been tested. Well Ogedeh-2 was drilled in 1994, in a separate fault block, about 9 kilometres southeast of Ogedeh-1. The Ogedeh-2 well was dry.

In 2004, 100 percent of the field was awarded to Bicta Energy & Management Systems Limited during the federal government discretionary bid round of 2003. Then, Bicta assigned 47 percent of the participating interest to D&H Energy Nigeria Limited through a joint operating agreement prepared in 2012. D&H Energy Nigeria Limited is a wholly owned subsidiary of James Bay Energy Nigeria LLC, which is wholly owned by James Bay Resources Limited. As a result, the Company currently owns a 47 percent interest in the Ogedeh Field. The remaining interests are held by Bicta Energy & Management Systems Limited.



Ogedeh Field Location Map (Figure S-1)

Geology and Resources Estimates

Geoscience

The Ogedeh Field structure is mapped at shallow levels (e.g., the thin “A” gas sands over oil) as small, narrow, elongated and asymmetrical northwest-southeast trending anticlines, located downthrown to similarly trending normal growth faults.

At intermediate and deeper levels (e.g., the oil and gas “B” and “D” sands), the structure has evolved into up-dipping closures against the downthrown side of the normal growth faults.

The field is dissected into small, narrow and semi-parallel fault blocks by a system of northwest-southeast trending normal growth faults which also control the hydrocarbon accumulations.

The Ogedeh-1 discovery well was drilled as a directional hole, almost parallel to the fault planes within one of the many fault blocks in the field. The well encountered 50 feet TVD of oil in five sands, 26 feet TVD of gas in two sands, and 37 feet TVD of unknown hydrocarbons in one sand. The Ogedeh-1 discovery well was prematurely suspended due to safety considerations at about 10,000 feet MD, while drilling through a sequence of high pressured reservoir sands with mudlog hydrocarbon “shows” and experiencing some mechanical problems.

The Ogedeh-2 well was drilled on a different structure and fault block about 8 kilometres southeast of the discovery well and was water wet at all its objective levels.

Stratigraphically, the field has good alternating sequences of paralic, clean reservoir sands and marine shales in the objective Agbada Formation, which is ideal for commercial hydrocarbon generation, migration and entrapment in the Niger Delta basin.

Data Control

A Petrel project with 3D seismic data was provided. Seismic time picks for B1, B3 and D4; depth grids for B1, B3 and D4; fault sticks; fault polygons in depth; and a time-depth relationship table were provided. The well data provided included well header and various logs of the Ogedeh-1 well in las format. The location coordinates for the Ogedeh-1 and -2 wells, Ogedeh concession coordinates and reports of all the previous work done in the field were also provided.

Seismic Audit

The seismic data audit included the verification of the defined structural framework of the field and audit of structure maps to determine the extent of the hydrocarbon-bearing reservoir sands in the field.

The 3D seismic data provided in Schlumberger’s Petrel software was quality controlled. The seismic data quality is generally good.

The B1, B3 and D4 time horizons provided in Petrel were coarse gridded. These horizons were finely gridded. Sproule considered the fault sticks and fault polygons provided to be reasonable. The three time horizons were converted to depth using the time-depth relationship provided.

The oil tops and bases for the three horizons were generated using the tops information from the Ogedeh-1 well. In the case of the B1 sand, the gas/oil contact surface also was generated and the P90 and P1 (spill point) areas were created. Using these prospective area boundaries, gross rock volumes were calculated.

Petrophysics

Sproule conducted an independent petrophysical analysis of the B1, B2 and D4 sands using the PRIZM module in Geographix software. The objective of the analysis was to estimate the effective porosity and water saturation for the Ogedeh-1 well, having open-hole log data to estimate the oil initially-in-place. This well is deviated; however, the deviation survey data are not available. Conventional open-hole logs are recorded covering the B sand package. The underlying D sand package has only the logging-while-drilling gamma ray and resistivity logs.

The B sands were evaluated using all available logs. The volume of shale was computed as the minimum of two indicators: gamma ray and neutron-density combination. The apparent porosity was calculated using the average of the neutron and density porosity values. The effective porosity was calculated by correcting the apparent porosity for the estimated volume of shale within the formation. For the D sands, porosity logs were not available. The effective porosity was estimated from the gamma ray log to provide an approximate mean porosity value. For both sand packages, a value of 0.15 ohm-meters at 75 degrees Fahrenheit was used for formation water resistivity. The water saturation was calculated using the modified Simandoux equation, with values of a, m and n set to 1, 2 and 2, respectively. The net pay was computed using the cut-off values of effective porosity greater than 10 percent, volume of shale less than 50 percent, and water saturation of less than 50 percent. The well log interpretation results are illustrated in Figures 1, 2 and 3 for the B1, B2 and D4 sands, respectively.

Fluid Properties

No PVT data were available for the Ogedeh-1 well. The oil properties were estimated based on standard correlations, in addition to certain regional case studies for different fields located in the Niger Delta basin. The following tables summarize the oil properties used in this evaluation for both the B and D4 sands of the Agbada Formation.

Estimated Oil Properties of the Agbada B Sands

Oil Gravity at standard conditions	40 deg API
Reservoir Temperature	160 deg F
Initial Reservoir Pressure	2,400 psia
Reference Depth	5,665 ft-TVD
Initial Formation Volume Factor	1.363 rb/stb
Oil Viscosity at initial reservoir conditions	0.413 cp
Initial Solution Gas-Oil Ratio	688 scf/bbl
Saturation Pressure	2,375 psia
Formation Volume Factor at saturation pressure	1.362 rb/stb
Oil Viscosity at saturation pressure	0.409 cp

Estimated Oil Properties of the Agbada D4 Sand

Oil Gravity at standard conditions	40 deg API
Reservoir Temperature	292 deg F
Initial Reservoir Pressure	3,875 psia
Reference Depth	8,837 ft-TVD
Initial Formation Volume Factor	1.502 rb/stb
Oil Viscosity at initial reservoir conditions	0.201 cp
Initial Solution Gas-Oil Ratio	688 scf/bbl
Saturation Pressure	3,105 psia
Formation Volume Factor at saturation pressure	1.510 rb/stb
Oil Viscosity at saturation pressure	0.190 cp

Resource Volumes and Production Forecasts

The oil resources in the Ogedeh Field, Block OML 90, were estimated probabilistically. The gross rock volumes were calculated within Petrel. Reservoir rock and fluid property data were obtained from available well logs, PVT correlations and published information, either from the pool in question or from a similar reservoir producing from the same zone. Recovery factors were selected from the results of analytical reservoir analyses.

Annual production volumes were forecast taking into account the conceptual development plans proposed by the Company.

Table 1 presents the volumetric inputs of the probabilistic analysis. Table 2 presents a summary of the recoverable contingent oil resources, both economic and sub-economic volumes. Detailed forecasts of production are presented in Tables 3, 3-A and 3-B.

Pricing

Sproule's oil price forecast as of December 31, 2013 for Nigeria Bonny Light formed the basis for the prices used in Sproule's evaluation of the Ogedeh oil resource volumes, as presented in Table S-2.

The Ogedeh crude is expected to be sweet with a gravity of approximately 40 degrees API. No quality adjustment was applied to the Nigeria Bonny Light crude oil price forecast. Transportation costs were included in the operating costs.

Operating and Capital Costs

The Company has supplied Sproule with capital and operating cost budgets. The Company plans to re-enter the suspended Ogedeh-1 well and perform an extended well test for six months. Production tests incorporated with pressure measurements may confirm the potential commerciality of the hydrocarbons from the Agbada Formation. The anticipated cost for the re-entry, testing up to three separate zones and a dual completion is estimated at approximately \$US 18.0 million.

Once the well test is completed, and if the resource assessment is confirmed with these production tests, the potential well resources will be completed and developed through the existing wellbore. The Company then plans to drill two offsetting appraisal wells in order to drain the remaining recoverable oil volumes from both the B and D sands of the Agbada

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Once the well test is completed, and if the resource assessment is confirmed with these production tests, the potential well resources will be completed and developed through the existing wellbore. The Company then plans to drill two offsetting appraisal wells in order to drain the remaining recoverable oil volumes from both the B and D sands of the Agbada

Taxes and Royalties

The tax and royalty terms used in this evaluation were provided by the Company and are as follows:

Marginal field royalties were calculated incrementally based on the following tranches:

Equal or less than (bopd)	Royalty (%)
5,000	2.5
10,000	7.5
15,000	12.5
25,000	18.5

The overriding royalties paid to the farmer are calculated incrementally based on the following tranches:

Equal or less than (bopd)	Royalty (%)
2,000	2.5
5,000	3.0
10,000	5.5
15,000	7.5

The fiscal terms also indicate deductions including:

- Nigerian Export Supervision Scheme (NESS) fees of 0.2 percent were applied against the Company net revenue;
- a Central Bank of Nigeria (CBN) commission of 0.25 percent was applied against the marginal field royalty;
- import duties of 7 percent were applied against facility capital expenditures;
- a Niger Delta Development Commission (NDDC) fee was applied at 3 percent of operating and capital expenditures;
- an education tax of 2 percent was applied against assess.

Petroleum Profit Tax was applied at a rate of 65.75 percent for the first five years of production, and at a rate of 85 percent thereafter. Tangible drilling costs are assumed to be 33 percent of the drilling capital expenditures, with the remainder designated as intangible. A Petroleum Investment Allowance (PIA) of 10 percent was applied to all qualifying tangible capital expenditures. All tangible expenditures are depreciated based on five-year straight line depreciation, though the depreciation is only 19 percent in the fifth year, as per Nigerian law. All other costs were expensed.

**Summary of the Evaluation of the Contingent Oil Resources (Unrisked)
and Net Present Values of the Ogedeh Field, Nigeria
(As of December 31, 2013)**

	Discovered Oil Initially-In-Place Mbbbl	Contingent ¹ Oil Resources (Unrisked)			Net Present Values				
		Mbbbl			After Nigerian Income Taxes (M\$US)				
		Project Gross ²	Company Gross ³	Company Net ⁴	At 0%	At 5%	At 10%	At 15%	At 20%
Ogedeh Field (Block OML 90)									
Economic									
C2 (P50)	24,600	6,603	3,234	3,071	43,011	36,133	30,412	25,644	21,656
C2 + C3 (P10)	40,800	11,604	5,594	5,308	83,562	68,677	57,259	48,300	41,132
Sub-Economic									
C2 (P50)	-. ⁵	247	118	113	no values assigned (sub-economic)				
C2 + C3 (P10)	-. ⁵	396	182	179					
Total									
C2 (P50)	24,600	6,850	3,352	3,184	43,011	36,133	30,412	25,644	21,656
C2 + C3 (P10)	40,800	12,000	5,776	5,487	83,562	68,677	57,259	48,300	41,132

Notes:

- 1) Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources have an associated chance of development to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, and regulatory matters, or a lack of markets. The contingency that prevents the classification of contingent resources as reserves is the support of commercial productivity through analogue data. There is no certainty that it will be commercially viable to produce any portion of the reported resources.
- 2) "Project Gross" means 100% working interest volumes before deducting royalties and burdens.
- 3) "Company Gross" means the Company working interest volumes before deducting royalties and burdens.
- 4) "Company Net" means Company working interest volumes after deducting royalties and burdens.
- 5) Included in economic oil initially-In-Place
- 6) Due to rounding, certain totals may not be consistent from one presentation to the next.

**Summary of the Evaluation of the Contingent Oil Resources (Unrisked)
and Net Present Values of the Ogedeh Field, Nigeria
(As of December 31, 2013)**

	Discovered Oil Initially-In-Place Mbbbl	Contingent ¹ Oil Resources (Unrisked)			Net Present Values				
		Mbbbl			Before Nigerian Income Taxes (M\$US)				
		Project Gross ²	Company Gross ³	Company Net ⁴	At 0%	At 5%	At 10%	At 15%	At 20%
Ogedeh Field (Block OML 90)									
Economic									
C2 (P50)	24,600	6,603	3,234	3,071	191,907	155,164	127,436	106,060	89,274
C2 + C3 (P10)	40,800	11,604	5,594	5,308	398,592	300,000	234,219	188,077	154,381
Sub-Economic									
C2 (P50)	- ⁵	247	118	113	no values assigned (sub-economic)				
C2 + C3 (P10)	- ⁵	396	182	179					
Total									
C2 (P50)	24,600	6,850	3,352	3,184	191,907	155,164	127,436	106,060	89,274
C2 + C3 (P10)	40,800	12,000	5,776	5,487	398,592	300,000	234,219	188,077	154,381

Notes:

- 1) Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources have an associated chance of development to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, and regulatory matters, or a lack of markets. The contingency that prevents the classification of contingent resources as reserves is the support of commercial productivity through analogue data. There is no certainty that it will be commercially viable to produce any portion of the reported resources.
- 2) "Project Gross" means 100% working interest volumes before deducting royalties and burdens.
- 3) "Company Gross" means the Company working interest volumes before deducting royalties and burdens.
- 4) "Company Net" means Company working interest volumes after deducting royalties and burdens.
- 5) Included in economic oil initially-In-Place
- 6) Due to rounding, certain totals may not be consistent from one presentation to the next.

**Table S-2
Summary of Selected Price Forecasts
and Inflation Rate Assumptions
(Effective December 31, 2013)**

Year	UK Brent ^a (\$US/bbl)	Nigeria Bonny Light ^b (\$US/bbl)	Inflation Rate ^c (%/Yr)
Historical			
2009	61.53	62.74	2.0
2010	79.48	80.76	1.2
2011	111.22	113.10	1.6
2012	111.44	113.25	1.3
2013	108.52	109.79	0.8
Forecast			
2014	108.06	110.09	1.5
2015	102.73	104.79	1.5
2016	97.42	96.80	1.5
2017	106.14	108.26	1.5
2018	107.73	109.88	1.5
2019	109.34	111.53	1.5
2020	110.98	113.20	1.5
2021	112.65	114.90	1.5
2022	114.34	116.63	1.5
2023	116.05	118.38	1.5
Escalation rate of 1.5% thereafter			

Notes:

- a. 38 degrees API, 1.0% sulphur
- b. 36.7 degrees API, 0.33% sulphur
- c. Inflation rates for forecasting costs

Economic Summary
Ogedeh Field, Nigeria - C2+C3: Contingent (unrisked)
Prod'n Start: 2015/02, As Of: December 31, 2013. Escalated Prices and Costs

Table S-3

Company Description		Company Economic Indicators							
	Net Revenue	Net Expl	Net Dev	Net Opex	Disc. Rate	BT NPV	AT NPV	BT PIR	AT PIR
					(%)	(M\$US)	(M\$US)	(fraction)	(fraction)
Company (% of Total)	45.68	0.00	100.00	48.05					
Company (% of Contr)	48.13	0.00	100.00	48.05	0	398,592	83,562	5.30	1.11
Partner (% of Contr)	0.00	0.00	0.00	0.00	5.0	300,000	68,677	4.42	1.01
Contr	94.92	0.00	100.00	100.00	10.0	234,219	57,259	3.75	0.92
NOC	0.00	0.00	0.00	0.00	15.0	188,077	48,300	3.23	0.83
					20.0	154,381	41,132	2.82	0.75
					25.0	128,960	35,302	2.50	0.68
Model	Nigeria R/T (2000)James Bay								
Global Params	SIL as of December 31, 2013								
Escalation Date	2014/01				AT ROR (%)	>800.00		Contr Take (%)	11.22
Discount Date	2014/01				AT Payout (yrs)	1.33		NOC Take (%)	0.00
Economic Limit	2034/12				F&D (\$US/BOE)	12.58		Gov't Take (%)	88.78

Company Economics (per Unit)				Company Prod and Investments				
	(M\$US)	(%)	(\$US/BOE)			Project	Company Gross	Company Net
Net Revenue	591,155	100.00	111.36	Oil	(MSTB)	11,604	5,594	5,308
Less:				Gas	(MMSCF)	0	0	0
Bonuses & Fees	0	0.00	0.00	NGL	(MSTB)	0	0	0
Operating Costs	102,117	17.27	19.24	Tax	(MSTB)	-	0	0
Tariffs	0	0.00	0.00	Total	(MBOE)	11,604	5,594	5,308
Prod & Asset Taxes	13,861	2.34	2.61					
Capital Costs	75,185	12.72	14.16	Acquisition	(M\$US)	-	-	0
Plus: Other Income/Expense	0	0.00	0.00	Exploration	(M\$US)	0	0	0
Before Tax Cash Flow	398,592	67.43	75.09	Development	(M\$US)	66,795	66,795	66,795
Less Income Tax	305,990	51.76	57.64	Abandonment	(M\$US)	8,390	8,390	8,390
After Tax Cash Flow	83,562	14.14	15.74	Total	(M\$US)	75,185	75,185	75,185

Company Cash Flow											
Date	Comp Net Revenue Total	WI Operating Costs	WI Government Capital	WI Duties & Fees	Education Tax	NDDC Levy	Bitca Oil Royalty (Non-esc)	Aband	BTCF	PPT	ATCF
	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US
2014(12)	0	0	13,000	24	0	358	0	343	-13,725	0	-13,725
2015(12)	85,417	6,607	53,795	195	1,211	1,186	0	348	22,074	23,198	-1,124
2016(12)	80,566	4,448	0	174	1,519	138	0	353	73,933	45,583	28,350
2017(12)	70,415	4,495	0	153	1,315	140	0	359	63,953	39,037	24,916
2018(12)	56,936	4,547	0	126	1,044	142	0	364	50,713	39,275	11,438
2019(12)	46,685	4,604	0	105	838	143	0	369	40,626	31,565	9,061
2020(12)	38,872	4,665	0	88	681	145	0	375	32,919	27,898	5,022
2021(12)	32,536	4,728	0	73	553	147	0	381	26,655	22,586	4,069
2022(12)	27,583	4,793	0	63	452	149	0	386	21,739	18,417	3,322
2023(12)	23,589	4,861	0	55	371	151	0	392	17,759	15,042	2,717
2024(12)	20,392	4,930	0	49	306	154	0	398	14,557	12,326	2,230
2025(12)	17,651	5,001	0	43	249	156	0	404	11,799	9,988	1,811
2026(12)	15,423	5,073	0	39	203	158	0	410	9,540	8,072	1,468
2027(12)	13,556	5,147	0	35	164	160	0	416	7,634	6,455	1,178
2028(12)	12,015	5,223	0	32	132	163	0	422	6,044	5,107	937
2029(12)	10,641	5,299	0	29	103	165	0	429	4,616	3,896	720
2030(12)	9,496	5,377	0	27	78	167	0	435	3,411	2,874	537
2031(12)	8,511	5,457	0	25	57	170	0	442	2,361	1,983	378
2032(12)	7,681	5,538	0	23	39	172	0	448	1,460	1,219	241
2033(12)	6,918	5,620	0	22	22	175	0	455	625	510	115
2034(12)	6,271	5,704	0	21	7	178	0	462	-99	0	-99
Total	591,155	102,117	66,795	1,400	9,343	4,518	0	8,390	398,592	315,030	83,562

Economic Summary
Ogedeh Field, Nigeria - C2: Contingent (unrisked)
Prod'n Start: 2015/02, As Of: December 31, 2013. Escalated Prices and Costs

Table S-3A

Company Description					Company Economic Indicators				
	Net Revenue	Net Expl	Net Dev	Net Opex	Disc. Rate	BT NPV	AT NPV	BT PIR	AT PIR
	(M\$US)	(%)	(\$/US/BOE)	(M\$US)	(%)	(M\$US)	(M\$US)	(fraction)	(fraction)
Company (% of Total)	46.46	0.00	100.00	49.10	0	191,907	43,011	2.57	0.58
Company (% of Contr)	48.94	0.00	100.00	49.10	5.0	155,164	36,133	2.26	0.53
Partner (% of Contr)	89.40	0.00	0.00	0.00	10.0	127,436	30,412	2.00	0.48
Contr	94.95	0.00	100.00	100.00	15.0	106,060	25,644	1.78	0.43
NOC	0.00	0.00	0.00	0.00	20.0	89,274	21,656	1.60	0.39
Model	Nigeria R/T (2000)James Bay				25.0	75,877	18,304	1.44	0.35
Global Params	SIL as of December 31, 2013								
Escalation Date	2014/01				AT ROR (%)	>800.00		Contr Take (%)	15.29
Discount Date	2014/01				AT Payout (yrs)	1.33		NOC Take (%)	0.00
Economic Limit	2025/11				F&D (\$/US/BOE)	21.75		Gov't Take (%)	84.71

Company Economics (per Unit)				Company Prod and Investments				
	(M\$US)	(%)	(\$/US/BOE)		(M\$US)	Project	Company Gross	Company Net
Net Revenue	328,571	100.00	107.00	Oil	(MSTB)	6,603	3,234	3,071
Less:				Gas	(MMSCF)	0	0	0
Bonuses & Fees	0	0.00	0.00	NGL	(MSTB)	0	0	0
Operating Costs	53,114	16.17	17.30	Tax	(MSTB)	-	0	0
Tariffs	0	0.00	0.00	Total	(MBOE)	6,603	3,234	3,071
Prod & Asset Taxes	8,138	2.48	2.65					
Capital Costs	74,620	22.71	24.30	Acquisition	(M\$US)	-	-	0
Plus: Other Income/Expense	0	0.00	0.00	Exploration	(M\$US)	0	0	0
Before Tax Cash Flow	191,907	58.41	62.50	Development	(M\$US)	66,795	66,795	66,795
Less Income Tax	139,623	42.49	45.47	Abandonment	(M\$US)	7,825	7,825	7,825
After Tax Cash Flow	43,011	13.09	14.01	Total	(M\$US)	74,620	74,620	74,620

Company Cash Flow											
Date	Comp Net	Total	WI		Education	NDDC	Bitca	Aband	BTCF	PPT	ATCF
	Revenue	Operating	Government	Duties			Oil				
	Total	Costs	Capital	& Fees	Tax	Levy	Royalty				
	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	(Non-esc)	M\$US	M\$US	M\$US	M\$US
2014(12)	0	0	13,000	24	0	365	0	600	-13,989	0	-13,989
2015(12)	74,826	6,631	53,795	173	982	1,221	0	609	11,415	16,204	-4,788
2016(12)	64,424	4,430	0	141	1,194	142	0	618	57,900	35,066	22,834
2017(12)	51,454	4,476	0	114	934	143	0	627	45,160	26,709	18,450
2018(12)	37,931	4,528	0	86	662	145	0	637	31,873	23,299	8,574
2019(12)	28,334	4,586	0	67	469	147	0	646	22,420	16,126	6,294
2020(12)	21,470	4,647	0	52	330	149	0	656	15,636	13,241	2,395
2021(12)	16,325	4,711	0	40	226	151	0	666	10,531	8,913	1,618
2022(12)	11,841	4,777	0	31	135	153	0	676	6,069	5,129	940
2023(12)	9,298	4,846	0	26	83	155	0	686	3,503	2,953	550
2024(12)	7,337	4,917	0	22	42	157	0	696	1,504	1,257	246
2025(12)	5,331	4,565	0	17	9	147	0	707	-114	0	-114
Total	328,571	53,114	66,795	792	5,065	3,073	0	7,825	191,907	148,897	43,011

Economic Summary
Ogedeh Field, Nigeria - C3: Contingent (unrisked)
Prod'n Start: 2015/02, As Of: December 31, 2013. Escalated Prices and Costs

Table S-3B

Company Description	Company Economic Indicators				Disc. Rate	BT NPV	AT NPV	BT PIR	AT PIR
	Net Revenue	Net Expl	Net Dev	Net Opex					
Company (% of Total)	44.74	0.00	0.00	46.97	(%)	(M\$US)	(M\$US)	(fraction)	(fraction)
Company (% of Contr)	47.16	0.00	0.00	46.97	0	206,685	40,551	365.71	71.75
Partner (% of Contr)	-107.80	0.00	0.00	0.00	5.0	144,836	32,544	-190.07	-42.71
Contr	94.87	0.00	0.00	100.00	10.0	106,783	26,847	-93.42	-23.49
NOC	0.00	0.00	0.00	0.00	15.0	82,017	22,656	-68.97	-19.05
					20.0	65,107	19,476	-57.95	-17.34
					25.0	53,083	16,998	-51.62	-16.53
Model	Nigeria R/T (2000)James Bay								
Global Params	SIL as of December 31, 2013								
Escalation Date	2014/01				AT ROR (%)	100.58	Contr Take (%)	6.80	
Discount Date	2014/01				AT Payout (yrs)	2.25	NOC Take (%)	0.00	
Economic Limit	2034/12				F&D (\$US/BOE)	0.00	Gov't Take (%)	93.20	

Company Economics (per Unit)				Company Prod and Investments				
	(M\$US)	(%)	(\$US/BOE)			Project	Company Gross	Company Net
Net Revenue	262,584	100.00	117.34	Oil	(MSTB)	5,001	2,359	2,238
Less:				Gas	(MMSCF)	0	0	0
Bonuses & Fees	0	0.00	0.00	NGL	(MSTB)	0	0	0
Operating Costs	49,003	18.66	21.90	Tax	(MSTB)	-	0	0
Tariffs	0	0.00	0.00	Total	(MBOE)	5,001	2,359	2,238
Prod & Asset Taxes	5,723	2.18	2.56					
Capital Costs	565	0.22	0.25					
Plus: Other Income/Expense	0	0.00	0.00	Acquisition	(M\$US)	-	-	0
				Exploration	(M\$US)	0	0	0
Before Tax Cash Flow	206,685	78.71	92.36	Development	(M\$US)	0	0	0
Less Income Tax	166,367	63.36	74.35	Abandonment	(M\$US)	565	565	565
After Tax Cash Flow	40,551	15.44	18.12	Total	(M\$US)	565	565	565

Company Cash Flow												
Date	WI		WI			NDDC	Bitca		Aband	BTCF	PPT	ATCF
	Comp Net Revenue	Total Operating	Government Capital	Duties & Fees	Education Tax		Royalty (Non-esc)	Oil				
	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	M\$US	
2014(12)	0	0	0	0	0	-7	0	-257	264	0	264	
2015(12)	10,590	-24	0	22	229	-34	0	-261	10,659	6,995	3,664	
2016(12)	16,142	18	0	34	325	-3	0	-265	16,033	10,517	5,516	
2017(12)	18,961	19	0	39	381	-3	0	-269	18,794	12,328	6,466	
2018(12)	19,005	19	0	39	382	-3	0	-273	18,840	15,976	2,864	
2019(12)	18,351	19	0	38	369	-3	0	-277	18,206	15,439	2,767	
2020(12)	17,403	18	0	36	350	-3	0	-281	17,283	14,656	2,627	
2021(12)	16,212	16	0	33	327	-4	0	-285	16,124	13,673	2,451	
2022(12)	15,742	16	0	33	317	-4	0	-290	15,670	13,288	2,382	
2023(12)	14,291	15	0	30	288	-4	0	-294	14,256	12,090	2,167	
2024(12)	13,055	13	0	27	264	-4	0	-298	13,053	11,069	1,984	
2025(12)	12,320	436	0	26	241	9	0	-303	11,912	9,988	1,925	
2026(12)	15,423	5,073	0	39	203	158	0	410	9,540	8,072	1,468	
2027(12)	13,556	5,147	0	35	164	160	0	416	7,634	6,455	1,178	
2028(12)	12,015	5,223	0	32	132	163	0	422	6,044	5,107	937	
2029(12)	10,641	5,299	0	29	103	165	0	429	4,616	3,896	720	
2030(12)	9,496	5,377	0	27	78	167	0	435	3,411	2,874	537	
2031(12)	8,511	5,457	0	25	57	170	0	442	2,361	1,983	378	
2032(12)	7,681	5,538	0	23	39	172	0	448	1,460	1,219	241	
2033(12)	6,918	5,620	0	22	22	175	0	455	625	510	115	
2034(12)	6,271	5,704	0	21	7	178	0	462	-99	0	-99	
Total	262,584	49,003	0	608	4,278	1,445	0	565	206,685	166,134	40,551	

The Company's near term goal is to re-enter the well with the goal of commercial production in 2015 subject to financing. After re-entry of the discovery well and an expected Long Term Test (LTT), a new well will be drilled as an appraisal well to define the in-place volumes.

In order to earn its interest in the Project, James Bay is required to pay an aggregate amount of US\$2,500,000 as follows:

- US\$100,000 due 90 days from the date of execution of the JOA or within 24 hours of the execution of the JOA and Deed of Assignment ("DOA"), whichever is earlier (paid in 2012).
- US\$200,000 due upon approval from Department of Petroleum Resources ("DPR") of the assignment of direct interest in the OML 90 Project to the Company (paid in 2013).
- US\$300,000 to be released upon the grant of government permit for drilling activity at the OML 90 project. Of this amount, US\$100,000 (\$104,050) was paid in 2013. The remaining US\$200,000 has not yet been paid as the permit has not yet been granted.
- US\$1,000,000 upon completion of a final independent report of P1 reserves of at least 7,000,000 proven recoverable barrels of oil, or if such reserve levels are not attained, the Company shall pay US\$0.10 per barrel of oil produced, to a maximum of US\$1,000,000.
- US\$900,000 upon the completion of 60 days of commercial production.

Included in long-term prepaid as at September 30, 2014 and December 31, 2013 is US\$100,000 (\$104,050) payment made in advance of the receipt of the grant of government permit for drilling activity and arrival of a drill rig at the OML 90 Project.

Included in restricted cash as at December 31, 2013 was US\$200,000 (\$212,720), with US\$100,000 (\$106,360) of that amount held in an escrow account and the remaining US\$100,000 (\$106,360) held in a trust account with the Company's legal representatives.

Furthermore, the Company will pay a monthly management retainer of US\$30,000 which will commence upon the date of the drill rig arriving at the OML 90 project and ending on the commencement of commercial production. The Company will provide funds required to finance the OML 90 project to its initial production of hydrocarbons (oil) on a commercially viable scale. Any sunk costs incurred exclusively by the Vendor will be reimbursed up to a maximum of US\$500,000.

The Company is entitled to a preferential return of 80% of the available cash flow from oil production at OML 90 until all costs of the joint operation (capital and operating expenditures) incurred by the Company to get the first oil have been fully reimbursed. The remaining 20% of available cash flow during this stage of production is shared between the Company and the Vendor in proportion to their relative percentage interest. After all joint operation costs have been fully recovered by the Company, the remaining revenue shall be shared between the Company and Vendor in proportion to their relative percentage interests.

The following are the total costs incurred to date on Ogedeh project (OML-90):

Description	Nine months ended	Twelve months ended	Twelve months ended	Twelve months ended	Total
	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011	
	\$	\$	\$	\$	\$
Acquisition costs ⁽ⁱ⁾	-	207,080	247,941	100,000	555,021
Management and consulting fees	67,122	707,332	1,528,703	494,809	2,797,966
Environmental	92,161	-	-	-	92,161
Technical report	261	-	-	118,356	118,617
Travel, meals and accommodation	1,351	141,791	370,733	271,143	785,018
Professional fees	9,621	23,296	236,417	-	269,334
Legal fees	11,291	22,639	142,983	89,889	266,802
Share-based payments	1,417	18,199	-	-	19,616
Amortization	3,874	35,039	4,282	-	43,195
General and administrative expense	55,371	413,134	254,742	159,107	882,354
Balance ⁽ⁱⁱ⁾	242,469	1,568,510	2,785,801	1,233,304	5,830,084

- (i) In addition to the above acquisition costs, the Company paid US\$100,000 (\$104,500) which is included in long-term prepaid. See Note 7 of condensed interim consolidated financial statements for the nine months ended September 30, 2014 for details.
- (ii) Effective May 17, 2013, the Company capitalized all costs related to Ogedeh project. For the twelve months ended December 31, 2013, the Company capitalized \$959,817 (December 31, 2012 - \$Nil; December 31, 2011 - \$Nil) in exploration and evaluation assets and expensed \$608,693 (December 31, 2012 - \$2,568,077; December 31, 2011 - \$Nil) in evaluation costs and \$Nil (December 31, 2012 - \$217,724; December 31, 2011 - \$1,233,304) in due diligence.

JAMES BAY MINERAL PROPERTY

James Bay Lowlands property (the “Property”)

The McFauld’s Lake area has been the focus of many junior exploration companies, beginning with the discovery of significant VMS-style mineralization by Spider Resources in 2003 and more recently with the discovery of high-grade Ni-Cu mineralization in two separate areas by Noront Resources in 2007 and 2008, in addition to Chromite discoveries by Noront and Freewest Resources in 2008 and 2009. The area was previously explored by DeBeers for diamonds in which VMS mineralization was intersected during a drill program for kimberlites. Prior to these exploration activities, the McFauld’s Lake area was not extensively explored.

The exploration targets sought in the McFauld’s Lake area are nickel (Ni), copper (Cu) and platinum group elements (PGE) – known as Ni-Cu-PGE deposits – Chrome (Cr) found in chromite or chromitite deposits – copper, lead (Pb) and zinc (Zn) or Cu-Pb-Zn deposits – known as volcanogenic massive sulphide (VMS) deposits – gold (Au) associated with high sulphide iron formation, gold associated with low sulphide concentrations, and possible diamond deposits associated with kimberlite pipes.

The Company drilled the property during the fall of 2008. A total of 373 samples were collected from 11 holes totalling just over 2100 metres. The drilling program was designed to test airborne geophysical EM conductors discovered through 5 separate surveys.

The Company capitalized a total of \$2,433,662 in exploration and evaluation assets. On June 29, 2012, the Company announced that it had signed an agreement to acquire a 47% interest in a Nigerian oil and gas project (see below). As a result of the Company’s change in focus to pursuing oil and gas assets in Nigeria, the James Bay Property was written off.

In February 2013, the Company engaged MacDonald Mines Exploration Ltd. (“MacDonald”) to complete a GPS survey of all corner claim posts following the proper protocol as defined by the Ministry of Northern Development and Mines. This survey formed the basis for a report of work, which was submitted for assessment credits in March 2014. During the nine months ended September 30, 2014, the Company incurred \$3,010 of interest on consulting fees payable (September 30, 2013 - \$172,921 of consulting fees) to MacDonald to complete the GPS survey. These costs were expensed in the statement of loss.

As part of the MacDonald agreement, the Company will issue 50,000 warrants to MacDonald exercisable for five years with an exercise price equal to the issue price of the financing required to be completed in relation to the change of business. This warrant issuance is subject to TSXV approval of the change of business and as such approval has not yet been received, no amounts have been recorded in these condensed interim consolidated financial statements relating to these warrants.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE

Exploration and Evaluation Asset

In 2013, the Company received licensing approval on the OML 90 Project. All expenditures incurred pre-licensing are not eligible exploration and evaluation asset expenditures and have thus been expensed as evaluation costs. Since the license to explore the area has been secured, all expenditures directly associated with finding specific mineral resources subsequent to May 17, 2013 have thus been capitalized to exploration and evaluation assets.

As at September 30, 2014, the Company capitalized a total of \$1,202,286 in exploration and evaluation assets.

Description	Nine months ended	Twelve months ended	Total
	September 30, 2014	December 31, 2013	
	\$	\$	\$
Acquisition costs	-	207,080	207,080
Management and consulting fees	67,122	410,544	477,666
Environmental	92,161	-	92,161
Technical report	261	-	261
Travel, meals and accommodation	1,351	17,205	18,556
Professional fees	9,621	8,790	18,411
Legal fees	11,291	5,067	16,358
Share-based payments	1,417	24,574	25,991
Amortization	3,874	21,760	25,635
General and administrative expense ⁽ⁱ⁾	55,371	264,797	320,167
Balance	242,469	959,817	1,202,286

⁽ⁱ⁾ Included in general and administrative expense for the nine months ended September 30, 2014 was \$25,926 (December 31, 2013 - \$65,557) in consulting and salaries, \$15,238 (December 31, 2013 - \$70,880) in rent, \$2,938 (December 31, 2013 - \$49,379) in telephone and internet, \$1,982 (December 31, 2013 - \$10,651) in insurance expense and \$9,287 (December 31, 2013 - \$68,330) in other office expenses.

Evaluation Costs

In accordance with IFRS 6 "Exploration for and evaluation of mineral resources", only expenditures that can be directly associated with finding specific mineral resources can be capitalized to exploration and evaluation assets. Deferred exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. The Company's due diligence costs related to its search for a suitable oil and gas property in Nigeria have been expensed as they relate to work performed in advance of the Company securing a license to explore any specific project.

As a result of making certain introductions and helping to arrange for the financing of an indigenous oil and gas company in Nigeria, the Company, through JBENL, is the owner of a minority interest in such company (the "Indigenous Company"). The Indigenous Company has entered into an agreement to acquire a material interest in a substantial oil and gas property in Nigeria (the "Project"). The acquisition of the Project remains subject to funding and ministerial approval in Nigeria. There is no guarantee that it will be completed and subject to completion of the acquisition of the Project it is anticipated that the Company (through JBENL) will be the owner of a minority interest in the shares of the Indigenous Company, resulting in it holding less than 9% of the Project through its share ownership. James Bay will not advance any funds to cover the cost of the acquisition of the Project, and all costs will be borne by a third party and recovered from the operating profits, if any, from the Project. Returns to James Bay are dependent on the success of the acquisition and subsequent operation of the Project. As all costs are to be borne by a third party, any dividends which may be payable to James Bay (through JBENL) will be delayed pending repayment in full of its pro-rata share of any costs and expenses. The agreement with the Indigenous Company contains provisions as to confidentiality, and complete details of the proposed acquisition of the

Project will be provided once permitted. The Company's involvement with the Project remains subject to TSXV approval.

During the nine months ended September 30, 2014, the Company incurred \$2,801,562 (September 30, 2013 - \$626,214) in pre-licensing costs related to pursuing certain oil and gas assets and pre-licensing costs related to a mineral property in Nigeria. Details are as follows:

Description	September 30, 2014	September 30, 2013
	\$	\$
Management fees ⁽ⁱ⁾	441,575	318,986
Consulting fees	51,448	20,470
Travel, meals and accommodation	293,667	122,944
Professional fees	340,749	30,028
Technical reports	168,727	7,102
Environmental	61,599	-
Due diligence	10,944	-
License and permit	3,327	-
Commitment fee	1,080,423	-
Amortization	21,010	-
General and administrative expense ⁽ⁱⁱ⁾	328,093	126,684
Balance	2,801,562	626,214

⁽ⁱ⁾ Included in management fees is \$11,338 (September 30, 2013 - \$23,576) for non-cash share-based payments to an officer of the Company.

⁽ⁱⁱ⁾ Included in general and administrative expense was \$92,628 (September 30, 2013 - \$27,968) in consulting and salaries, \$87,624 (September 30, 2013 - \$38,101) in rent, \$35,672 (September 30, 2013 - \$24,774) in telephone and internet, \$11,327 (September 30, 2013 - \$4,652) in insurance expense and \$100,842 (September 30, 2013 - \$31,189) in other office expense.

RESULTS OF OPERATIONS AND CASH FLOWS

Revenue

The Company is in the exploration and evaluation stage and therefore, did not have revenues from operations. Interest expense for the three months ended September 30, 2014, was \$4,831 (September 30, 2013 - \$Nil).

Year to date interest expense was \$19,621, reflecting an increase of \$22,329 of expense from the same period in 2013. Interest expense is derived from interest on due to shareholders.

Expenses

The Company recorded total expenses of \$2,068,716 for the three months ended September 30, 2014 (September 30, 2013 - \$478,525). The increase of \$1,590,191 in expenses is mainly due to the increase of evaluation cost of \$1,083,378 (September 30, 2013 - \$Nil) and due diligence of \$624,391 (September 30, 2013 - \$Nil) which is mainly related to pre-licensing costs in pursuing certain oil and gas assets in Nigeria. In addition, the Company incurred \$195,048 in management salaries and benefits, an increase of \$159,048 from the same period in 2013, mainly due to the Board's approval of directors' fees for a total of \$140,000, which covers the period of January 1, 2013 to July 31, 2014. The increase is offset by the reduction in professional fees, which the Company incurred \$55,716 (September 30, 2013 - \$197,416). This is mainly due to legal fees attributable to the change of business process in the comparative period in 2013.

Year to date expense was \$4,088,373, reflecting an increase of \$2,353,052 from the same period in 2013. The Company incurred \$2,801,562 in evaluation costs in Nigeria as compared to \$626,214 in the comparative period in 2013. As the Company shifted its focus to oil and gas assets in Nigeria, the Company incurred \$15,454 in exploration costs on James Bay

Lowlands as compared to \$185,272 in the same period in 2013. In February 2013, the Company engaged MacDonald Mines to complete a GPA survey to keep the claims in James Bay Lowlands in good standing. MacDonald Mines completed the assessment in March 2014.

Net loss and comprehensive loss

For the three months ended September 30, 2014, the Company recorded net loss and comprehensive loss of \$2,111,244 (September 30, 2013 - \$445,706) with basic and diluted loss per share of \$0.05 (September 30, 2013 - \$0.02). As noted above, the increase is mainly attributable to an increase of \$1,083,378 of evaluation costs and \$624,391 of due diligence incurred in Nigeria compared to the same period in 2013.

Year to date net loss and comprehensive loss was \$4,161,226, reflecting an increase of \$2,443,428 from the same period in 2013.

CASH FLOWS

Operating Activities

The Company had a net cash outflow of \$3,317,620 (September 30, 2013 - \$1,141,326) from operating activities for the nine months ended September 30, 2014. The decrease in cash outflow of \$2,176,294 is mainly attributable to the increase of evaluation and due diligence costs as mentioned above.

Investing Activities

The Company had a net cash outflow of \$1,257,662 (September 30, 2013 - \$581,218) from investing activities for the nine months ended September 30, 2014. The Company received a US\$30,000,000 (\$33,165,000) letter of credit from a lender through its subsidiary, Crestar Integrated Natural Resources Limited in relation to an oil and gas project in Nigeria. In July 2014, the Company returned the letter of credit of US\$30,000,000 (\$33,022,000). The letter of credit was unsecured, non-interest bearing and due on demand.

Financing Activities

The Company had a net cash inflow of \$5,265,700 (September 30, 2013 - \$560,000) from financing activities for the nine months ended September 30, 2014. The Company completed non-brokered private placements on January 31, 2014, June 10, 2014 and July 28, 2014 with total gross proceeds of \$4,992,330. For the nine months ended September 30, 2014, the Company received loans of approximately \$1,212,435 from two shareholders and directors of the Company and repaid a total of \$1,500,654, including \$644,190 outstanding as at December 31, 2013. The loans were unsecured; bearing interest at 6% per annum and due on demand. Finally, the Company received and returned US\$30,000,000 from a letter of credit, as mentioned above.

SELECTED QUARTERLY FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS

	Quarter-ended			
	September 30, 2014 \$	June 30, 2014 \$	March 31, 2014 \$	December 31, 2013 \$
Working capital (deficiency)	91,457	(1,336,282)	(909,376)	(1,177,030)
Exploration and evaluation assets	1,202,286	1,182,752	1,013,615	959,817
Operating expenses	2,068,716	696,134	1,323,523	313,989
Interest expense	(4,831)	(9,791)	(4,999)	-
Net loss and comprehensive loss attributable to:				
Non-controlling interest	588,203	290,772	634,188	113,405
Common Shareholders	1,523,041	414,399	710,623	55,663
Net loss and comprehensive loss per share attributable to the common shareholders of James Bay	0.05	0.01	0.02	0.01

	Quarter-ended			
	September 30, 2013 \$	June 30, 2013 \$	March 31, 2013 \$	December 31, 2012 \$
Working capital (deficiency)	(360,817)	309,497	1,033,582	1,789,835
Exploration and evaluation assets	597,318	320,492	-	-
Operating expenses	478,523	461,014	795,784	677,335
Interest income	-	262	2,446	4,915
Net loss and comprehensive loss	445,704	479,467	792,627	658,423
Net loss and comprehensive loss per share	0.02	0.02	0.03	0.02

LIQUIDITY AND OUTLOOK

The Company had opening cash balance of \$36,571 and restricted cash of \$1,076,728 at December 31, 2013. At September 30, 2014, the Company had cash of \$775,749 and restricted cash of \$200,000. The Company has working capital of \$91,457 (December 31, 2013 working capital deficiency of \$1,177,030).

As at September 30, 2014, the Company had no source of operating cash inflows and reported a net loss and comprehensive loss for the nine months period ended of \$4,161,226 and a deficit of \$12,090,239. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain equity capital and financing for its working capital and for the exploration, development and operation of its properties.

The Company's near-term goal is to seek further financing to fund working capital and to enable the Company to further the foundation of its proposed oil and gas business in Nigeria including well planning (approximately \$500,000) and jack up rig deposits (approximately \$2.5 million), pending raising up to an additional \$20 million which it is anticipated will be raised through debt financing to fully fund the re-entry costs for the Ogedeh Project. It is not possible to predict whether financing efforts will continue to be successful or if the Company will attain profitable levels of operations. The Company is also seeking additional opportunities which may include acquisitions or joint ventures.

The Company's opinion concerning liquidity and its ability to avail itself in the future of the financing options mentioned above are based on currently available information. To the extent that this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that could affect the availability of financing include the Company's performance (as measured by various factors including the progress and results of its exploration work) and equity markets, investor perceptions and expectations of past and future performance, the global financial climate.

CAPITAL RESOURCES

Share Capital

At September 30, 2014, the Company had 34,251,444 of issued and outstanding common shares. On October 31, 2014, the Company closed a non-brokered private placement of 520,000 units ("Units") at a price of \$1.00 per Unit, for an aggregate gross proceeds of \$520,000. Each Unit is comprised of one common share and one common share purchase warrant. As at November 24, the Company has 34,771,444 of issued and outstanding common shares.

Warrants

At September 30, 2014, the Company had 6,528,331 warrants outstanding (including 317,237 finders' warrants) with expiry date ranges from January 31, 2017 to July 28, 2017. The weighted average exercise price for all warrants is \$1.24. Each warrant entitles holder to purchase one common shares of the Company. In connection with the non-brokered private placement closed on October 31, 2014, the Company has issued 31,200 finder's warrants. Each Finder's warrant is exercisable to acquire one common share at a price of \$1.00 per common share for thirty-six months from the date of issuance. As at November 24, the Company has 7,079,531 warrants (including 348,437 finders' warrants) outstanding with expiry date ranges from January 31, 2017 to October 31, 2017.

Stock options

At September 30 and November 24, 2014, a total of 800,000 stock options are issued and outstanding with expiry dates ranging from June 11, 2015 to June 1, 2017. The weighted average exercise price for all stock options is \$0.66. Each stock option entitles the holder to purchase one common shares of the Company.

FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to amounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2014, the Company had cash and restricted cash of \$975,749 (December 31, 2013 - \$1,113,299) to settle current liabilities of \$1,127,997 (December 31, 2013 - \$2,673,447). The Company has working capital of \$91,457 (December 31, 2013 working capital deficiency of \$1,177,030). The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Currency Risk

The reporting currency of the Company is in Canadian dollars. The Company enters into transactions denominated in United State dollars, Nigerian naira for which the related expenses accounts payable balances are subject to exchange rate fluctuations. The functional currency of each of the Company's operating subsidiaries is the United State dollar. The Company does not specifically hedge its exposure to foreign currency.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt other than due to shareholders as described in Note 9 of the condensed interim consolidated financial statements. The Company's current policy is to invest excess cash in investment-grade short-term guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Price risk

The ability of the Company to pursue its resource interests and the future profitability of the Company is directly related to the market price of oil and gas.

(c) Foreign currency risk

The Company is subject to foreign exchange risk as the Company has certain assets and liabilities, and makes certain expenditures, in US dollars and Nigerian Naira. The Company is therefore subject to gains and losses due to fluctuations in the US dollar and the Naira relative to the Canadian dollar. The Company does not hedge its foreign exchange risk.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period.

As at September 30, 2014, the Company has net monetary liabilities denominated in US dollars of approximately US\$351,416 (December 31, 2013 – net monetary liabilities of US\$351,500). A 10% change in the value of the Canadian dollar relative to the US dollar would result in a corresponding change in net loss of approximately US\$35,142 (December 31, 2013 – US\$35,150) based on the balance of these amounts held in US dollars at September 30, 2014.

Fair Value

The carrying value of cash, restricted cash, amounts receivable and accounts payable and accrued liabilities, and due to shareholders approximate their fair value due to the relatively short periods to maturity of the financial instruments.

Fair value hierarchy and liquidity risk disclosure

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). As at September 30, 2014 and December 31, 2013, the Company have no financial instruments carried at fair value.

RECENT ACCOUNTING PRONOUNCEMENTS AND CHANGES IN ACCOUNTING POLICIES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has not yet been adopted and is being evaluated to determine its impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The adoption of this standard did not result in any changes to the Company’s disclosure of its financial instruments.

IAS 36 – Impairments of Assets (“IAS 36”) was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The adoption of this standard did not result in any changes to the Company’s disclosure of its assets.

RELATED PARTY DISCLOSURES

The condensed interim consolidated financial statements include balances and transactions with directors and officers of the company and/or corporations related to them. During the nine months ended September 30, 2014 and 2013, the Company entered into the following transactions involving related parties:

The Company rents office space from a corporation with common directors and officers. During the nine months ended September 30, 2014, approximately \$40,535 (September 30, 2013 - \$38,144) was charged by this corporation. The amount is included in office and general expense on the statement of loss and comprehensive loss. As of September 30, 2014, included in accounts payable and accrued liabilities is \$589 (December 31, 2013 - \$44,147) owing to this corporation.

During the nine months ended September 30, 2014, the Company incurred legal fees of approximately \$75,791 (September 30, 2013 - \$227,187) with a law firm of which a partner is a director of the Company. As of September 30, 2014, included in accounts payable and accrued liabilities is \$56,500 (December 31, 2013 - \$191,620) owing to this law firm.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel for the nine months ended September 30, 2014 and 2013 were as follows:

	September 30, 2014 \$	September 30, 2013 \$
Management salaries and benefits	513,041	591,717
Share-based payments	14,167	71,137

Included in accounts payable and accrued liabilities as at September 30, 2014 is approximately \$148,126 (December 31, 2013 - 185,240) for management travel expenses reimbursement and salaries.

All of the above amounts payable to related parties are unsecured, non-interest bearing, with no fixed terms of repayment.

See also Notes 9 and 10 of the condensed interim financial statements for the three and nine months ended September 30, 2014 and 2013.

NON-CONTROLLING INTEREST

The Company, through its subsidiary JBENL has 45% ownership interest in Crestar Integrated Natural Resources Limited ("CINRL") and the remaining 55% portion represents a non-controlling interest. For the nine months ended September 30, 2014, losses attributable to the non-controlling interest of \$1,513,163 (September 30, 2013 - \$Nil) have been recognized in the condensed interim consolidated financial statements.

The Company has fully consolidated with CINRL even though it owns less than 50% of the shares for the following reasons: The Company has entered into a Financial and Technical Service Agreement with CINRL whereby the Company is appointed the Financial and Technical Partner with respect to acquiring oil and gas projects in Nigeria. The Company shall provide the funding to CINRL and shall meet all required financial obligations. The Company is responsible for providing technical assistance, appointing personnel and carrying out the evaluation, development and production from the projects. JBENL's President and Chief Executive Officer is also the President and Chief Executive Officer of CINRL.

In consideration of the Company's obligations to provide the funding to CINRL, the revenue proceeds from the contract area or any asset of CINRL shall be allocated in the following manners:

- a. The parties shall first deduct any amounts owing to third parties in accordance with their participatory interest under the project document;
- b. 80% of the remaining revenue proceeds (after deductions under (a) above) shall be allocated to the Company;
- c. The remaining 20% of revenue proceeds (after deductions under (a) and (b) above) shall be shared between CINRL and the Company in accordance with their respective ownership interest.

Summarized financial information for CINRL is as follows:

	September 30, 2014	December 31, 2013
	\$	\$
Current and total assets	44,778	59,639
Current and total liabilities	2,735,961	202,362
Net loss and comprehensive loss	2,751,205	206,190

Effective June 17, 2014, the Financial and Technical Services Agreement was amended to reflect a change of party from CINRL to Crestar Hydrocarbon Exploration and Production Company Limited ("CHEPCL"). All terms in the November 6, 2013 agreement between JBENL and CINRL remains in effect.

COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$1,584,000 be made upon the occurrence of certain events such as a change of control and termination. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements. Under these management contracts, \$840,000 is due within one year.

The Company is subject to a lease commitment for premises in Nigeria expiring in September 2017. Additional minimum lease payments required under this lease total approximately \$420,000, of which \$140,000 will be incurred within one year. Lease for the period October 2014 to September 2015 were paid in advance and \$137,650 is included in current prepaid expenses as at September 30, 2014.

During 2012, the Company entered into a lease agreement for office space in Canada expiring on November 30, 2014. Minimum lease payments under this lease total approximately \$8,000 will be incurred within one year.

During 2013, the Company entered into an agreement with a corporation which will work with the Company to facilitate the acquisition of oil and gas projects. Pursuant to the agreement, the Company will pay a fee of 2% of the transaction cost on the closing of an acquisition. The Company may also be required to pay an additional fee of 2% of the transaction cost in equal quarterly payments over 10 years. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

SUBSEQUENT EVENT

Canadian Securities Exchange ("CSE") listing

The Company's shares were voluntarily delisted from the TSXV on October 29, 2014. Upon the de-listing of its common shares from the TSXV, the Company will not be completing its previously announced Change of Business (as that term is defined in TSXV policies) as that process is a specific procedure under TSXV policies and rules. Effective October 30, 2014, the Company's shares are listed on the CSE listing under the symbol "JBR". The Company is listed as an oil and gas issuer.

Private placement

On October 31, 2014, the Company announced that it has closed a non-brokered private placement (the “Offering”) of 520,000 units (“Units”) at a price of \$1.00 per Unit, for an aggregate gross proceeds of \$520,000. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant comprising part of the Units is exercisable for a common share at a price of \$1.25 for thirty-six months from the date of issuance.

In connection with the Offering, the Company has paid eligible persons (the “Finders”) a cash finder’s fee of an aggregate of \$31,200 and has issued 31,200 finder’s warrants (Finder’s warrants) equal to 6% of the aggregate number of Units placed by the Finders in the Offering. Each Finder’s warrant is exercisable to acquire one common share at a price of \$1.00 per common share for thirty-six months from the date of issuance.

The common shares and warrants issued as Units pursuant to the Offering, and the Finder’s warrants and common shares underlying the Finder’s warrants, will be subject to a four month regulatory hold period commencing from the date of closing.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RISKS AND UNCERTAINTIES

The Company, through its subsidiary, holds interest in a petroleum property in Nigeria. As such, it is exposed to the laws governing the Nigerian petroleum industry with respect to matters such as taxation, environmental compliance, and other regulatory and political factors as well as shifts in politics and labor unrest. Any of which could adversely affect the Company and its future exploration and production activities.

Additional Capital

The Company conducted due diligence to identify potential acquisition targets of onshore/offshore Nigerian oil and gas projects. If the results are favourable, Company will require additional capital which may come from future financings. There can be no assurance that the Company will be able to raise such additional capital if and when required on terms it considers acceptable.

No History of Profitability

The Company is an exploration company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

Government Regulations

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. For the Company to carry out mining activities, exploitation licenses must be obtained and kept current. There is no guarantee that the Company's exploitation licenses would be extended or that new exploitation licenses would be granted. In addition, such exploitation licenses could be changed and there can be no assurances that any application to renew any existing licenses will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for resources, the rate of inflation, the inventory of resources producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with resources, and increased production due to improved extractor and production methods. The resources industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of resources are discovered, a market will exist for profitable sale. Commercial viability of precious and base metals and oil and gas deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors which may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

Mining Risks and Insurance

The Company is subject to the risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator of its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and could have a material adverse effect on the financial position of the Company.

Competition

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investments and other capital. The ability of the Company to acquire attractive properties in the future depends not only on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety which may adversely affect the Company or require it to expend significant funds.

Aboriginal Claims

Aboriginal rights may be claimed on Crown or other types of tenure with respect to which mining rights have been granted. The Company is not aware of any aboriginal claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral claims in which the Company has an interest. Should aboriginal claims be made against the Property and should such a claim be resolved by government or the courts in favour of the aboriginal people, it could materially adversely affect the business of James Bay only for the James Bay lowlands property. The Company is fully aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is fully supportive of measures established to achieve such cooperation.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare, and refrain from voting on any matters in which such directors may have a conflict of interest.

Additional Information

Additional information relating to the Company can also be found on SEDAR.

CORPORATE INFORMATION

Board of Directors

Stephen Shefsky	President and CEO, Founder and Director
Wayne Egan	Non-Executive Chairman
Mark Brennan	Founder and Director
Mike Sylvestre	Director
Jon Pereira	Director
Adeniyi Olaniyan	Director
Jean Gauthier	Director

Office locations

Corporate Office
20 Victoria Street, 8th Floor
Toronto, Ontario, Canada
M5C 2N8

Subsidiary Companies

James Bay Energy Nigeria Limited
D&H Energy Nigeria Limited
Ondobit Limited
Crestar Integrated Natural Resources Limited
2 Obudu Close, Osborne Foreshore Estate
Iyoki Lagos, Lagos, Nigeria

Legal Counsels

Weirfoulds LLP
Toronto, Ontario, Canada

Detail Solicitor
Lekki Phase 1, Lagos, Nigeria

Auditors

McGovern, Hurley, Cunningham, LLP
Toronto, Ontario, Canada

KPMG
Falomo, Lagos, Nigeria

Registrar & Transfer Agent

TMX Equity Transfer Services Inc.
Toronto, Ontario, Canada

Bankers

CIBC
Toronto, Ontario, Canada

Ecobank
Ilupeju, Lagos, Nigeria

Stock Exchange Listing

TSX Venture Exchange - Symbol: JBR