

# James Bay Resources Limited Announces Investment in Cerrado Gold Inc.

Toronto, Ontario--(Newsfile Corp. - November 8, 2018) - James Bay Resources Limited (**CSE: JBR**) ("**James Bay**" or the "**Company**") announced that its Board of Directors has approved an investment (the "**Investment**") of US\$1.5 million to acquire 3,333,334 common shares from the treasury of Cerrado Gold Inc. ("**Cerrado Gold**"), a privately owned Ontario company. James Bay will hold approximately 14% of the issued and outstanding common shares of Cerrado Gold after the Investment, which was completed on November 7, 2018.

Cerrado Gold has executed an agreement to acquire a gold exploration project in Brazil (the "**Acquisition**"). The Acquisition is expected to close in mid November 2018. Upon closing of the Acquisition, James Bay will hold approximately 8.89% of the issued and outstanding common shares of Cerrado Gold. The dilution of James Bay's ownership percentage will be the result of Cerrado Gold's issuance of shares from treasury to the third party sellers as part of the agreed terms of the Acquisition.

## Related Party Transaction

Mr. Stephen Shefsky, President, Chief Executive Officer and a director of James Bay, is also a director and a shareholder of Cerrado Gold, holding 2,000,000 common shares and 1,000,000 warrants in the capital of Cerrado Gold, representing approximately 8%. Mr. Mark Brennan, a director of James Bay, is also a director and a shareholder of Cerrado Gold, beneficially holding 2,972,222 common shares and 1,000,000 warrants in the capital of Cerrado Gold, representing approximately 12%. As a result, each of Mr. Shefsky and Mr. Brennan has declared a conflict of interest and abstained from voting on any matters relating to the Investment by the James Bay Board.

The Board of Directors of James Bay appointed an independent committee, consisting of three independent directors, to review the proposed Investment in Cerrado Gold. In reaching its conclusions and formulating its recommendations, the independent committee considered, among other factors: (i) information in respect of Cerrado Gold with respect to its assets and operations contained in a Cerrado presentation presented to the Independent Committee; (ii) the information provided by the common directors about Cerrado; (iii) the ongoing offering of Cerrado common shares with participation by arm's length investors on the same terms of the Investment; and (iv) current industry, economic and market conditions and trends.

Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Investment by James Bay in Cerrado Gold, given the interest in each company of Messrs. Shefsky and Brennan, is a "related party transaction". James Bay is exempt from the requirements to obtain a formal valuation in connection with the Investment in reliance on sections 5.5(b) of MI 61-101, as James Bay is not listed on a stock exchange specified in section 5.5(b) of MI 61-101.

## About Cerrado Gold Inc.

Cerrado Gold Inc. ("Cerrado") is a private junior mining company focused on the exploration of the Serra Alta gold deposit at the Monte do Carmo property in Tocantins, Brazil, an agricultural region with good infrastructure and topography. Cerrado is developing Serra Alta as a potential large, open-pit, high grade, low cost mine. Cerrado is currently focussed on an extensive exploration program to produce an updated Technical Report and Resource Estimate prepared in accordance with National Instrument 43-101 - Standards for Disclosure for Mineral Projects by the end of 2018. The Monte Do Carmo project hosts 5 concessions totaling 17,353 hectares with multiple analogous targets identified from historical mining workings.

## About James Bay Resources Limited

James Bay is a Canadian resource company with 46,697,405 shares outstanding and trades on the Canadian Securities Exchange under the symbol "JBR". Please visit the James Bay website at [www.jamesbayresources.com](http://www.jamesbayresources.com).

## Disclaimer

*This news release includes certain statements that may be deemed "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Corporation's operations, exploration and development plans, expansion plans, estimates, expectations, forecasts, objectives, predictions and projections of the future. Generally, these forward-looking statements can be identified by the forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "projects", "intends", "anticipates", or "does not anticipate", or "believes", or "variations of such words and phrases or state that certain actions, events or results "may", "can", "could", "would", "might", or "will" be taken, "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of James Bay Resources Limited to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the Company's business generally and the Investment in Cerrado Gold, risks related to operations, construction delays and cost overruns, the actual results of exploration, development and construction activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future commodity prices, as well as those factors discussed in the sections relating to risk factors of our business filed in James Bay Resources Limited's required securities filings on SEDAR. Although James Bay Resources*

*Limited has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended.*

*There can be no assurance that any forward-looking statements will prove accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. James Bay Resources Limited does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.*

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***The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this news release.***