

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

James Bay Resources Limited (“**James Bay**” or the “**Company**”)
79 Wellington Street, West, Suite 2100
P.O. Box 139, TD South Tower
Toronto, Ontario
M5K 1H1

Item 2. Date of Material Change

November 7, 2018.

Item 3. News Release

Press release issued by the Company on November 8, 2018 via a Canadian news wire service.

Item 4. Summary of Material Change

The Board of Directors of James Bay approved an investment to acquire common shares of Cerrado Gold Inc.

Item 5. Full Description of Material Change

The Board of Directors of James Bay 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 holds 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 results from Cerrado Gold’s issuance of shares from treasury to the third party sellers as part of the agreed terms of the Acquisition.

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 of Directors.

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. James Bay is exempt from the requirement to obtain minority approval in connection with the Investment pursuant to section 5.7(a) of MI 61-101, as neither the fair market value of the Investment nor the fair market value of the consideration paid for the Investment exceeds 25% of James Bay's market capitalization

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Senior Officer

The following senior officer of the Company is knowledgeable about the material change and the Material Change Report, and may be contacted by the Commission as follows:

Stephen Shefsky, President and CEO
Telephone: 416-366-4200
Facsimile: 416 366-4201
Internet: www.jamesbayresources.com

Item 9. Date of Report

November 15, 2018.