

James Bay Resources Limited Announces Legal Action Commenced Under Secured Loan Made to California-based Cannabis Vaping Company

Toronto, Ontario--(Newsfile Corp. - October 30, 2019) - James Bay Resources Limited (**CSE: JBR**) ("**James Bay**" or the "**Company**") announced today that it has commenced legal proceedings in the State of California to recover overdue amounts owed pursuant to a secured loan agreement (the "**Secured Loan Agreement**") with CB Holding Group Corp., a California-based company (the "**Borrower**") involved in arranging both CBD and THC vape pens for sale to licensed distributors (see previous disclosure from James Bay about the Secured Loan Agreement made December 21, 2018). The legal proceeding is also commenced against companies related to the Borrower (collectively, the "**Borrowers**"), along with David Bunevacz, a consultant of the Borrower, Mary Hayca Bunevacz, an executive and major shareholder of the Borrower, and 2 individuals who personally guaranteed the obligations of the Borrowers. The legal action involves filing a Complaint with the Superior Court of the State of California, County of Los Angeles, for breach of contract, unjust enrichment, fraud, recovery of possession of personal property, and appointment of a receiver.

Under the terms of the Secured Loan Agreement, James Bay advanced in aggregate US\$3.5 million to the Borrower (the "**Secured Loan**"), with the Secured Loan plus all accrued and unpaid interest repayable on the six-month anniversary of advancing the funds (the "**Maturity Date**"). The Secured Loan is fully secured by all of the assets, undertaking and business of the Borrowers, and personally guaranteed by Mary Hayca Bunevacz along with 2 other individuals associated with the Borrowers. Up to and since the Maturity Date, James Bay had been working with the Borrower and its management in attempts to sell various inventory and receive payment of its Secured Loan, but those efforts have proven fruitless. With interest and expenses, the total amount currently outstanding under the Secured Loan Agreement is approximately US\$4.3 million, all of which is being claimed by James Bay in the legal proceedings.

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.

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 Company'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 Secured Loan repayment, 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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