JAMES BAY RESOURCES LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim consolidated financial statements by an entity's auditor.

JAMES BAY RESOURCES LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

JAMES BAY RESOURCES LIMITED

Unaudited Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars

As at

	September 30, 2023 $	December 31, 2022 $
ASSETS		
Current assets		
Cash	18,866	6,293
Prepaid expenses	14,985	14,985
Amounts receivable	10,015	10,957
Investment in Cerrado Gold Inc. (Note 7)	408,280	1,415,920
Total current assets	452,146	1,448,155
Equipment and ROU (Note 6)	82,058	122,937
Total non-current assets	82,058	122,937
Total assets	534,204	1,571,092
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 17)	316,674	1,308,124
Shareholder loans (Note 10)	272,766	431,620
Current portion of lease payable (Note 9)	61,018	58,201
Canada emergency business account loan (Note 11)	60,000	60,000
Total current liabilities	710,458	1,857,945
Non-current		
Lease payable (Note 9)	41,609	82,944
Total liabilities	752,067	1,940,889
SHAREHOLDER’S EQUITY		
Share capital (Note 12)	19,839,156	18,378,620
Common share to be issued (Note 14)	-	74,993
Warrants reserve (Note 14)	-	157,955
Share based payment reserve (Note 13)	372,300	372,300
Deficit	(20,429,319)	(19,353,665)
Total common shareholders’ (deficit) equity	(217,863)	(369,797)
Total liabilities and shareholders’ equity	534,204	1,571,092

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Note 18)
APPROVED ON BEHALF OF THE BOARD:

Signed "STEPHEN SHEFSKY" ,Director

Signed "JEAN J. GAUTHIER" , Director

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED
Unaudited Condensed Interim Consolidated Statements of (Loss) and Comprehensive (Loss)
Expressed in Canadian dollars

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	$	$	$	$
Expenses				
Management salaries and benefits (Note 17)	57,758	51,463	264,886	160,947
Professional fees (17)	71,523	192,854	525,788	243,251
Office and general	17,104	25,059	61,244	52,256
Travel	-	10,547	-	20,908
Transfer agent and listing fees	7,135	3,559	16,887	13,574
Depreciation	13,777	13,435	40,879	28,878
(Loss) before the undernoted	(167,297)	(296,917)	(909,684)	(519,814)
Foreign exchange (loss) gain	90,409	22,175	90,409	21,652
Interest (expense) recovery	(4,155)	(3,971)	(11,129)	(7,250)
(Impairment) Reversal of impairment on equity investment in CINRL (Note 8)	-	-	-	(352,169)
Income (loss) from equity investment (Note 7)	-	-	-	(288,138)
Gain (loss) from equity investment in Cerrado Gold (Note 7)	(192,091)	(1,218,553)	(245,250)	(984,692)
Net income (loss) and comprehensive income (loss) for the period	(273,134)	(1,497,266)	(1,075,654)	(2,130,411)
Income (loss) per share				
Basic and diluted	(0.00)	(0.03)	(0.02)	(0.04)
Weighted average number of shares outstanding				
Basic and diluted	77,922,121	54,014,068	65,018,238	54,014,068

See accompanying notes to the unaudited condensed interim consolidated financial statements

JAMES BAY RESOURCES LIMITED

Unaudited Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

	For the nine months ended	
	September 30, 2023	September 30 2022
	$	$
Cash used in operating activities:		
Net income (loss) for the period	(1,075,654)	(2,130,411)
Add (deduct) items not affecting cash:		
Foreign exchange gain (loss)	(90,409)	21,652
Depreciation	40,879	28,878
Loss from equity investment in CINRL (Note 8)	-	288,138
Impairment on equity investment in CINRL (Note 8)	-	352,169
Interest accretion	3,942	7,250
Loss (gain) from equity investment in Cerrado Gold Inc. (Note 7)	241,308	958,770
Net change in non-cash working capital	5,141	(5,410)
Net cash (used in) provided by operating activities	(874,793)	(478,964)
Cash provided by (used in) investing activities:		
Cash generated from the sale of shares of Cerrado Gold	780,135	1,087,997
Advances to equity investment in CINRL (Note 8)	-	(609,571)
Net cash provided by (used in) investing activities	780,135	478,426
Cash provided by financing activities:		
Lease payments	(57,269)	-
Shareholder loan (Note 10)	(30,500)	(6,768)
Proceeds from warrants exercised (Note 14)	195,000	-
Net cash (used in) provided by financing activities	107,231	(6,768)
Increase (decrease) in net cash flow during the period	12,573	(7,306)
Cash, beginning of the period	6,293	30,520
Cash, end of the period	18,866	23,214

See accompanying notes to the unaudited condensed interim consolidated financial statemen

JAMES BAY RESOURCES LIMITED

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian dollars

	Common Shares $	Share-based payments reserve $	Warrants reserve $	Common share to be issued $	Deficit $	Total Shareholders' equity $
Balance, December 31, 2022	18,378,620	372,300	157,955	74,993	(19,353,665)	(369,797)
Common share to be issued	-		-	(74,993)	-	(74,993)
Warrant exercised	356,594	-	(86,602)	-	-	269,992
Warrant expired unexercised	-	-	(71,353)	-	-	(71,353)
Common share issued in Share for Debt Transaction	1,103,942					1,103,942
Net loss for the period	-	-	-	-	(1,075,654)	(1,075,654)
Balance, September 30, 2023	19,839,156	372,300	-	-	(20,429,319)	(217,863)

	Common Shares $	Share-based payments reserve $	Warrants reserve $	Deficit $	Total Shareholders' equity $
Balance, December 31, 2021	18,378,620	372,300	178,781	(17,026,260)	1,903,441
Net income for the period	-	-	-	(2,130,411)	(2,130,411)
Balance, September 30, 2022	18,378,620	372,300	178,781	(19,156,671)	(226,970)

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

James Bay Resources Limited (the "Company" or "James Bay") was incorporated on November 5, 2007. The Company's shares are listed on the Canadian Securities Exchange ('CSE') under the symbol "JBR".

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.

As at September 30, 2023, the Company had a working capital deficiency of $258,312 (December 31, 2022 - $409,790) and had an accumulated deficit of $20,429,319 (December 31, 2022 - $19,353,665) which has been funded primarily by the issuance of equity and debt. The ability of the Company to continue as a going concern is dependent upon its ability to raise sufficient funds to meet its obligations as they become due. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material. The material uncertainties noted above together may cast significant doubt upon the Company's ability to continue as a going concern.

The head office, principal address and records office of the Company is located at 77 Bloor Street West, Suite 1200 and 1210, Toronto, Ontario, Canada, M5S 1M2.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim financial reporting. These unaudited condensed interim consolidated financial statements do not include all of the information required for the full annual consolidated financial statements and should be read in conjunction with the most recent audited annual consolidated financial statements of the Company as at and for the year December 31, 2022.

In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The policies set out below were consistently applied to all the periods presented unless otherwise noted below. These condensed interim consolidated financial statements were approved by the Board of Directors on November 16, 2023.

3. RECENT ACCOUNTING PRONOUNCEMENTS AND CHANGES IN ACCOUNTING POLICIES

Recent accounting pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Standards and amendments issued but not yet effective or adopted

IAS 1, Presentation of Financial Statements

The IASB issued an amendment to IAS 1, Presentation of Financial Statements to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes: (i) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (ii) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (iii) clarifying how lending conditions affect classification; and (iv) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Company has adopted the standard on January 1, 2023. There was no impact in the adoption of the standard.

Expressed in Canadian dollars

4. PRINCIPLES OF CONSOLIDATION

The condensed interim consolidated financial statements comprise the financial statements of the Company. As of September 30, 2023, the Company has no subsidiaries.

The prior year/period consolidated financial statement comprise the financial statements of the Company and the following subsidiaries.

James Bay Energy Nigeria Limited, Nigeria	100%
D&H Energy Nigeria Limited, Nigeria	100%

On April 5, 2023, the Company received a letter from the Corporate Affairs Commission of Nigeria (the "CAC") indicating that the commission has approved and registered the final accounts for the winding up of JBENL. JBENL was deemed to be dissolved 90 days from April 4, 2023.

On April 12, 2023, the Company received a letter from the CAC indicating that the commission has approved and registered the final accounts for the winding up of CINRL. CINRL was deemed to be dissolved 90 days from April 11, 2023.

Subsidiaries

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods. Such estimates and assumptions affect the carrying value of assets, the determination of impairment charges of non-current assets, impact decisions as to when exploration and evaluation costs should be capitalized or expensed and affect estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of share-based payments, warrants and income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(a) Income taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(b) Share-based payments and warrants
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Warrants are valued in a similar way. Changes in these assumptions affect the fair value estimates.

(c) Contingencies
Refer to Note 18.

(d) Estimated useful life of property and equipment and ROU, depreciation
Management estimates the useful lives of equipment and ROU based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of equipment and ROU for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's equipment and ROU in the future.

Expressed in Canadian dollars

6. EQUIPMENT and ROU

Cost	Office equipment $	Furniture and fixtures $	Computer equipment $	Vehicles $	ROU $	Total $
Balance, December 31, 2021	17,390	125,697	46,253	22,946	200,499	412,785
Disposal	-	-	-	(22,946)	(200,499)	(223,445)
Addition	-	-	-	-	168,758	168,758
Balance December 31, 2022 and September 30, 2023	17,390	125,697	46,253	-	168,758	358,098

Accumulated amortization	Office equipment $	Furniture and fixtures $	Computer equipment $	Vehicles $	ROU $	Total $
Balance, December 31, 2021	17,390	125,697	46,253	21,145	189,362	399,847
Disposal	-	-	-	(21,145)	(189,362)	(210,507)
Depreciation	-	-	-	-	45,821	45,821
Balance, December 31, 2022	17,390	125,697	46,253	-	45,821	235,161
Depreciation	-	-	-	-	40,879	40,879
Balance, September 30, 2023	17,390	125,697	46,253	-	86,700	276,040

Carrying value	Office equipment $	Furniture and fixtures $	Computer equipment $	Vehicles $	ROU $	Total $
Balance December 31, 2022	-	-	-	-	122,937	122,937
Balance, September 30, 2023	-	-	-	-	82,058	82,058

As at September 30, 2023, the net book value of the Company's equipment by geographic location is as follows: Canada $82,058 (December 31, 2022 - $122,937).

Expressed in Canadian dollars

7. INVESTMENT IN CERRADO GOLD INC.

The Company recorded a $245,250 loss (September 30, 2022 - $984,692 loss) on sale of Cerrado Gold shares in the condensed interim consolidated statements of (loss) income and comprehensive (loss) income for the nine-month period ended September 30, 2023.

During the nine-month period ended September 30, 2023, the Company sold 917,000 shares (September 30, 2022 – 767,400 shares) for total net proceeds of $780,135 (September 30, 2022 – $1,087,997). At September 30, 2023, the fair value of the 692,000 common shares (September 30, 2022 – 1,775,500 shares) of Cerrado Gold held by the Company was $408,280 (September 30, 2022 – $1,544,685).

8. PETROLEUM PROPERTY INTERESTS

The Company, through its wholly owned subsidiary JBENL had a 45% ownership interest in CINRL with the remaining 55% portion held by an indigenous Nigerian corporation, Crestar Hydrocarbon Exploration and Production Company Limited ("CHEPCL"). In July 2023, both JBENL and CINRL were wound-up.

During the nine-month period ended September 30, 2023, the Company recorded a loss on equity investment in CINRL of $Nil (September 30, 2022 - $288,138). As of September 30, 2023, the Company recorded impairment of equity investment of $Nil (September 30, 2022 - $352,169).

9. LEASES

	September 30, 2023	December 31, 2022
	$	**$**
Total lease payable	124,006	191,564
Effect of discounting	(3,716)	(29,647)
Present value of lease payable	120,291	161,917
Less: Lease payments	(17,664)	(20,772)
Less: current portion	(61,018)	(58,201)
Long-term lease payable	41,609	82,944

10. SHAREHOLDER LOANS

The President and CEO of the Company had extended a loan to finance the working capital of the Company. The loan bears an interest rate of 10%, and is due on demand.

As at September 30, 2023, the Company owed an aggregated balance of $272,766 (December 31, 2022 - $431,620) which includes accrued interest in the amount of $53,957.

A director of the Company had extended a $225,000 loan to finance the working capital of the Company. The Company repaid $67,000 in April 2023, reducing the balance to $158,000. In July 2023, the Company issued 1,160,000 common shares at a deemed price of $0.05 per share to the director as full and final payment of debt in the aggregate amount of $58,000. The remaining $100,000 is payable in cash and included in the above $272,766 shareholder loan balance. The loan is non-interest bearing and is due on demand.

11. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

On April 15, 2020 and December 18, 2020, the Company received a loan of $40,000 and $20,000 respectively pursuant to the Canada Emergency Business Account ("CEBA"). The CEBA provides zero-interest, partially forgivable loans of up to $60,000 to small businesses that have experienced diminished revenues due to COVID-19 but face ongoing non-deferrable costs, such as rent, utilities, insurance, taxes, and employment costs. If the balance of the loan is repaid on or before December 31, 2023, 25% of the loan will be forgiven. The loan bears no interest until December 31, 2023, at which point if unpaid, it will convert to a three-year term loan bearing interest at 5% per annum.

Expressed in Canadian dollars

12. SHARE CAPITAL

(a) Authorized - Unlimited common shares, with no par value
(b) Issued – 81,076,241 common shares

	#	$
Balance, December 31, 2020	51,014,068	18,209,835
Private placement (i)	3,000,000	300,000
Warrants attached to units	-	(127,500)
Share issue costs	-	(3,715)
Balance, December 31, 2022	54,014,068	18,378,620
Warrants exercised (ii)	4,983,333	356,594
Common shares issued in share for debt transaction(iii)	22,078,840	1,103,942
Balance, September 30, 2023	81,076,241	19,839,156

(i) On July 8, 2021, the Company closed a non-brokered private placement (the "Offering") of 3,000,000 units ("Units") at a price of $0.10 per Unit, for aggregate gross proceeds of $300,000. Each Unit is comprised of one common share and one common share purchase warrant in the capital of James Bay. Each warrant is exercisable for a common share at a price of $0.15 for 2 years from the date of issuance. The Company paid a total of $6,461 for legal and filing fees and other cash-related share issue costs.

(ii) In January 2023, 4,983,333 warrants were exercised at a price of $0.05 per share. The increase in share capital of $356,594 consisted of the cash proceeds on the exercise of warrants ($249,167) and the Black Scholes valuation ($107,427) of the warrants.

(iii) In June 2023, the Board of Directors approved a share for debt arrangement. In July 2023, the Company issued 22,078,840 common shares (each, a "Share") at a deemed price of $0.05 per Share to certain directors, officers, and creditors of the Company (the "Creditors") as full and final payment of debt in the aggregate amount of $1,103,942 (the "Debt Settlement"), which debt was for certain expenses and unpaid remuneration for services performed by the Creditors.

The 12 million Shares issuable to the Company's CEO, Stephen Shefsky, for amounts owing to him as part of the Debt Settlements, will be held in escrow and only released upon James Bay entering into an agreement to acquire an active business.

Expressed in Canadian dollars

13. SHARE-BASED PAYMENTS RESERVE

The Company has an incentive stock option plan (the "Plan") whereby the Company can grant to directors, officers, employees and consultants, options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 20% of the Company's issued and outstanding capital at the time of granting of options for a maximum term of five years. In no case (calculated at the time of grant) shall the Plan result in:

- the number of options granted in a 12-month period to any one consultant exceeding 2% of the issued shares of the Company;
- the aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- the number of options granted in any 12-month period to employees or consultants undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Company;
- the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants exceeding 5% of the issued shares of the Company in any 12-month period.

The following reconciles the share options outstanding:

	September 30, 2023		December 31, 2022	
	Number of options #	Weighted average exercise price $	Number of options #	Weighted average exercise price $
Balance, beginning of period/year	5,000,000	0.10	5,000,000	0.10
Granted	-	-	-	-
Balance, end of period/year	5,000,000	0.10	5,000,000	0.10

On December 22, 2021, the Company granted 5,000,000 stock options to directors, officers and a consultant of the Company. The fair value of the options was estimated using the Black-Scholes option-pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk free interest rate of 1.25%; expected life of 5 years. An amount of $372,300 was recorded relating to these stock options for the year ended December 31, 2021.

Expressed in Canadian dollars

14. WARRANT RESERVE

	#	$
Balance, December 31, 2021	7,316,667	178,781
Warrants exercised[(i)]	(1,083,333)	(20,826)
Balance, December 31, 2022	6,233,334	157,955
Warrants exercised[(ii)]	(3,900,000)	(86,602)
Warrants expired[(iii)]	(2,233,334)	(71,353)
Balance, September 30, 2023	-	-

(i) In December 2022, the Company amended the exercise price of an aggregate of 7,316,667 warrants which are exercisable to acquire common shares in the capital of the Company.

The original warrant terms were as follows:

i. 4,316,667 warrants exercisable at a price of $0.12 per share until July 31, 2023 and
ii. 3,000,000 warrants exercisable at a price of $0.15 per share until June 29, 2023

The above warrants were repriced from $0.12 and $0.15 respectively to $0.05 provided that the exercise of such warrants occurs on or before January 31, 2023. The expiry date of the warrants remains unchanged. Any warrant that remains outstanding and unexercised after January 31, 2023 be reverted back to the original exercise price of $0.12 and $0.15 respectively.

During 2022, 1,083,333 warrants were exercised by the President and CEO and a Director of the Company.

(ii) In January 2023, 3,900,000 additional warrants were exercised for a total of 4,983,333 warrants exercised. Of that total, the President and CEO and two directors of the Company exercised 1,083,333 and 1,150,000 warrants respectively.

(iii) On June 29, 2023 and July 31, 2023, 833,334 warrants and 1,450,000 warrants expired unexercised, respectively.

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of its properties. The capital structure of the Company consists of equity attributable to common shareholders comprised of common shares, warrant reserve, share-based payments reserve, and deficit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended September 30, 2023, and 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the CSE which requires adequate working capital of $50,000. As of September 30, 2023, the Company is not in compliance with the policies of the CSE.

16. 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 cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents and amounts receivable is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have liquidity to meet liabilities when due. As of September 30, 2023, the Company had cash of $18,866 (December 31, 2022 - $6,293) to settle current liabilities of $710,458 (December 31, 2022 - $1,857,945). The Company had a working capital deficiency of $258,312 (December 31, 2022 - $409,790). The Company's current financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk
(a) Interest rate risk

The Company has cash balances. 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) 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 Nigerian Naira relative to the Canadian dollar. The Company does not hedge its foreign exchange risk.

Expressed in Canadian dollars

16. FINANCIAL INSTRUMENTS

Fair value
The carrying value of cash, amounts receivable, CEBA loan, shareholder loan, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments. Management believes the carrying value of the convertible debentures approximates its fair value. The derivative liabilities are recorded at their estimated fair values.

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).

17. RELATED PARTY DISCLOSURES

These condensed interim consolidated financial statements include balances and transactions with directors and officers of the Company and/or corporations related to them. During the period ended September 30, 2023 and 2022, the Company entered into the following transactions involving related parties:

During the period ended September 30, 2023, approximately $83,500 was charged by a law firm of which a partner is a director of the Company. In July 2023, the Company issued 2,865,240 common shares at a deemed price of $0.05 per share to the law firm as full and final payment of debt in the aggregate amount of $143,262. As of September 30, 2023, included in accounts payable and accrued liabilities is an accumulated balance of $21,768 (December 31, 2022 - $251,377) 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 key management personnel for period ended September 30, 2023 and 2022 were as follows:

	September 30, 2023	September 30, 2022
Management salaries	$149,000	$189,000
Director fees	45,000	45,000
	$194,000	$ 234,000

During the period ended September 30, 2023, the Company paid $69,000 and accrued $80,000 (September 30, 2022 - paid $88,200 and accrued $100,800) to three executive officers. The $69,000 was paid in the combination of cash ($43,000) and the issuance of the Company's shares ($26,000).

For the $45,000 of directors' fees due at September 30, 2023, the Company paid $30,000 in shares and accrued $15,000 (September 30, 2022 - $90,000 accrued). In July 2023, the Company issued 2,700,000 common shares at a deemed price of $0.05 per share to the directors as full and final payment of directors' fees debt in the aggregate amount of $135,000, for directors' fees owing from April 1, 2021 to June 30, 2023.

At September 30, 2023, the Company has accrued a total of $80,000 (September 30, 2022 - $545,000) in management salary to the President and CEO. The amounts are included in accounts payable and accrued liabilities. Effective July 1, 2023, the President and CEO stop taking a salary from the Company.

In July 2023, the Company issued 12,000,000 common shares at a deemed price of $0.05 per share to the President and CEO as full and final payment of debt in the aggregate amount of $600,000.

18. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts, which contain clauses requiring additional payments of up to $864,000 be made upon the occurrence of certain events such as a change of control and additional payments of up to $872,000 be made upon termination of contracts. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements. As of September 30, 2023, under these management contracts, management has committed to $522,000 of salaries and benefits due within one year.

The Company is party to legal proceedings in the ordinary course of its operations related to legally binding agreements with a third party. As at September 30, 2023, one such proceeding was ongoing. The Company believes this claim to be without merit. Management does not expect the outcome of this proceeding to have a materially adverse effect on the results of the Company's financial position or results of operations and therefore this amount has not been reflected in these condensed interim consolidated financial statements. Should any losses result from the resolution of this dispute, that amount will be charged to operations in the year that it is determined.

In April 2023, the Company initiated a negligence claim against the lawyer who acted for CB Holdings and related companies in relation to the US$3.5M loans made by James Bay in 2018, seeking damages incurred from the lawyer's negligent conduct. The claim has been filed in California and has been served on the defendants.

James Bay has made legal filings in April 2023 to pursue 1782 disclosure under Nevada law from Wynn Casinos in Nevada, in efforts to obtain evidence to substantiate the claim that Wynn Casinos did not properly fulfill its duty to know your client and to properly investigate sources of funding from designated guests spending excessively at the casinos and other facilities extensively.