UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 AND 2023

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 financial statements by an entity's auditor.

JAMES BAY RESOURCES LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

JAMES BAY RESOURCES LIMITED

Consolidated Statements of Financial Position

Expressed in Canadian dollars

As at

	March 31, 2024 $	December 31, 2023 $
ASSETS		
Current assets		
Cash	14,036	17,765
Prepaid expenses	34,301	14,985
Amounts receivable	20,955	20,037
Investment in Cerrado Gold Inc. (Note 8)	66,440	340,500
Total current assets	135,732	393,287
Right-of-use asset (Note 7)	54,655	68,282
Total assets	190,387	461,569
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 17)	389,310	385,016
Shareholder loans (Note 10)	285,236	305,578
Current portion of lease payable (Note 9)	65,952	62,556
Canada emergency business account loan (Note 11)	60,750	60,000
Convertible debentures (Note 12)	257,469	125,500
Total current liabilities	1,058,717	938,650
Non-current		
Lease payable (Note 9)	-	21,962
Total liabilities	1,058,717	960,612
SHAREHOLDER'S EQUITY		
Share capital (Note 13)	19,507,973	19,507,973
Share based payment reserve (Note 14)	372,300	372,300
Deficit	(20,748,603)	(20,379,316)
Total common shareholders' deficit	(868,330)	(499,043)
Total liabilities and shareholders' equity	190,387	461,569

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

Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars

For the three months ended March 31,

	2024	2023
	$	$
Expenses		
Management salaries and benefits (Note 17)	70,500	102,134
Professional fees (Note 16)	58,153	286,311
Office and general	36,636	20,755
Transfer agent and listing fees	3,194	3,745
Depreciation	13,626	13,476
Loss before the undernoted	(182,109)	(426,421)
Foreign exchange gain (loss)	2,586	-
Interest (expense) income (Note 9, 10)	(12,805)	(4,489)
Loss from investment in Cerrado Gold (Note 8)	(176,959)	(92,902)
Total comprehensive loss for the period	(369,287)	(523,812)
Loss per share		
Basic and diluted	(0.01)	(0.01)
Weighted average number of shares outstanding		
Basic and diluted	81,076,241	56,680,763

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED

Consolidated Statements of Cash Flows

Expressed in Canadian dollars

For the three months ended March 31,

	2024	2023
	$	$
Cash provided (used) by operating activities:		
Net loss for the period	(369,287)	(523,812)
Add (deduct) items not affecting cash:		
Depreciation	13,626	13,476
Unrealized loss from investment in Cerrado Gold Inc. (Note 8)	114,760	-
Interest expense	12,805	-
Loss (Gain) on investment in Cerrado Gold (Note 8)	-	92,902
Foreign exchange loss	(2,586)	-
Net change in non-cash working capital:	50,377	(46,356)
Net cash used in operating activities	(180,305)	(463,790)
Cash provided by (used in) investing activities:		
Proceeds from the sale of Cerrado Gold (Note 8)	97,101	364,384
Net cash provided by investing activities	97,101	364,384
Cash provided by (used in) financing activities:		
Lease payments	(20,525)	(35,214)
Shareholder loans, net (Note 10)	(25,000)	(30,500)
Proceeds from convertible debentures (Note 12)	125,000	-
Proceeds from warrants exercised	-	195,000
Net cash provided by financing activities	79,475	129,286
Increase (decrease) in net cash flow during the period	(3,729)	29,880
Cash, beginning of the period	17,765	6,293
Cash, end of the period	14,036	36,173
Supplementary Disclosure		
Funds Held in Trust	-	115,833

See accompanying notes to the consolidated financial statemen

JAMES BAY RESOURCES LIMITED
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
Expressed in Canadian dollars

	Common Shares $	Share-based payments reserve $	Deficit $	Total Shareholders' equity $
Balance, December 31, 2023	19,507,973	372,300	(20,379,316)	(499,043)
Net loss for the period	-	-	(369,287)	(369,287)
Balance, March 31, 2024	19,507,973	372,300	(20,748,603)	(868,330)

	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
Net loss for the period	-	-	-	-	(523,812)	(523,812)
Balance, March 31, 2023	18,735,214	372,300	71,353	-	(19,877,477)	(698,610)

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. In 2011, the Company entered into a preliminary agreement to conduct due diligence to identify potential oil and gas acquisition targets in Nigeria. The Company, through its wholly owned subsidiary, James Bay Energy Nigeria Limited ("JBENL") had a 45% ownership interest in Crestar Integrated Natural Resources Limited ("CINRL" or "Crestar") with the remaining 55% portion held by an indigenous Nigerian corporation, Crestar Hydrocarbon Exploration and Production Company Limited ("CHEPCL"). Effective July 2023, JBENL and CINRL were wound-up. The Company no longer has any ownership interest in JBENL or CINRL.

As at March 31, 2024, the Company had a working capital deficiency of $922,985 (December 31, 2023 - $545,363) and had an accumulated deficit of $20,748,603 (December 31, 2023 - $20,379,316) 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 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 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

Statement of compliance

The Company consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee. These consolidated financial statements were approved by the Board of Directors on May 28, 2024.

These consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IFRS on a going concern basis, under the historical cost basis except for those financial instruments carried at fair value. In addition, these 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.

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, 2023 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

New standards adopted by the Company

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.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) effective for annual periods beginning on or after January 1, 2023.

Definition of Accounting Estimates (Amendments to IAS 8) effective for annual periods beginning on or after January 1, 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes) effective for annual periods beginning on or after January 1, 2023.

The Company adopted the above standards on January 1, 2023.

Standards and amendments issued and effective or adopted.

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2023:

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) effective for annual periods beginning on or after January 1, 2024.

The Company adopted the above standards on January 1, 2024.

Expressed in Canadian dollars

4. PRINCIPLES OF CONSOLIDATION

The consolidated financial statement comprise the financial statements of the Company and the following subsidiaries.

James Bay Energy Nigeria LLC, USA (“JBEN LLC”)	100%
James Bay Energy Nigeria Limited, Nigeria (“JBENL”)	100%
D&H Energy Nigeria Limited, Nigeria (“DHENL”)	100%

JBEN LLC is a Delaware limited liability company and a wholly owned subsidiary of James Bay. JBEN LLC has been inactive for several years. Management completed the wind up JBEN LLC on February 2, 2023.

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.

In June 2023, the Company filed for dissolution of DHENL. On February 27, 2024, 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 will be deemed to be dissolved 90 days from February 27, 2024. DHENL has been dormant for many years.

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 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 consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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.

(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) Estimated useful life of 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.

(d) Valuation of liability components of the convertible debentures
Refer to Note 12.

6. MATERIAL ACCOUNTING POLICIES

(a) Reporting and functional currencies

The presentation currency of the Company and the functional currency of the Company and each of its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statements of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on translation are charged to the consolidated statements of loss and comprehensive loss.

(b) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payments note.

The fair value is determined at the grant date of the equity-settled share-based payments and is recognized on a graded-vesting basis over the period during which the employee becomes unconditionally entitled to the equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised

estimate, with a corresponding adjustment to the share-based payments reserve. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in common shares. Unexercised stock options and warrants are transferred to deficit.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(c) Income Tax

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

6. MATERIAL ACCOUNTING POLICIES (continued)

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(d) Right-of-use-asset (“ROU”)

ROU is carried at cost less accumulated amortization. Amortization is calculated over the estimated useful life of the assets at the following annual rates:

Right of use asset	-	lesser of expected useful life or the lease term

(e) Impairment of non-financial assets

The carrying values of capitalized exploration and evaluation assets and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset’s recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset’s value in use. For exploration and evaluation assets, indicators of impairment would include exploration of a right to explore, no budgeted or planned material expenditures in an area or a decision to discontinue exploration in a specific area.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to profit or loss to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the consolidated statements of loss and comprehensive loss in the period of reversal.

6. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments

Financial assets:

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at fair value through profit or loss (FVTPL)
Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss. Cerrado Gold shares are recorded at fair value through profit or loss (FVTPL).

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's cash and amounts receivable are classified as financial assets measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities, and shareholder loans are classified as measured at amortized cost.

Financial liabilities recorded fair value through profit or loss ("FVTPL")

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions detailed above. The Company's convertible debentures are classified as FVTPL.

6. MATERIAL ACCOUNTING POLICIES (continued)

Expected Credit Loss Impairment Model:

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For amounts receivable, the Company uses a combined approach of specific account identification and a provision matrix to estimate lifetime expected impairment. For all other financial assets, the Company uses specific account identification to determine the amount of expected impairment. Losses are recognized in the consolidated statements of loss and comprehensive loss and reflected as an expected credit loss allowance against the financial asset. When a subsequent event causes the amount of the allowance to decrease, the decrease in allowance is reversed through the consolidated statements of loss and comprehensive loss.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on 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); and Level 3 – valuation techniques using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(g) Income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted income (loss) per share is calculated by assuming that the proceeds to be received on the exercise of dilutive convertible debentures, share options and warrants are used to repurchase common shares at the average market price during the period.

For the periods ended March 31, 2024 and 2023 diluted loss per share is the same as basic loss per share as the effects of options and warrants would be anti-dilutive.

(h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then an asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.
- In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - The Company has the right to operate the asset; or
    - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

Expressed in Canadian dollars

6. MATERIAL ACCOUNTING POLICIES (continued)

If a contract is assessed to contain a lease, a lease liability is recognized representing the present value of cash flows estimated to settle the contract, discounted using the discount rate implicit in the lease, or if that is not available, a discount rate which would be required if the underlying asset was acquired through a financing arrangement. The Company will also recognize a right-of-use asset ("ROU") that will generally be equal to the lease obligation at adoption.

The ROU asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses it incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

7. RIGHT-OF-USE ASSET

	$
Balance, December 31, 2022	122,937
Depreciation	54,655
Balance, December 31, 2023	68,282
Depreciation	13,627
Balance, March 31, 2024	54,655

Expressed in Canadian dollars

8. INVESTMENT IN CERRADO GOLD INC.

The Company recorded a loss of $176,959 (March 31, 2023 - $92,902) on investment in Cerrado Gold. This balance consisted of $62,199 realized loss (March 31, 2023 - $10,057) on sale of Cerrado Gold shares and $114,760 unrealized loss (March 31, 2023 - $82,845) in the consolidated statements of loss and comprehensive loss for the period ended March 31, 2024.

During the period, the Company sold 265,500 shares (March 31, 2023 – 425,500 shares) for total gross proceeds of $97,850 (March 31, 2023 – $364,384). At March 31, 2024, the fair value of the 302,000 common shares (March 31, 2023 – 1,183,500 shares) of Cerrado Gold held by the Company was $66,440 (March 31, 2023 – $958,635).

9. LEASES

	March 31, 2024 $	December 31, 2023 $
Lease liability - opening balance	84,518	141,145
Lease payments	(20,525)	(68,416)
Interest expense on lease liability	1,959	11,789
Lease liability - ending balance	65,952	84,518
Lease liability – current portion	65,952	62,556
Lease liability – non-current portion	-	21,962

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. The Company made a loan repayment of $25,000 on January 31, 2024. As at March 31, 2024, the Company owed $185,236 (December 31, 2023 - $205,578) which includes accrued interest in the amount of $64,177 (December 31, 2023 - $59,519).

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 $285,236 shareholder loan balance below. The loan is non-interest bearing and is due on demand.

As at March 31, 2024, the Company owed an aggregated balance of $285,236 (December 31, 2023 - $305,578) which includes accrued interest in the amount of $64,177.

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 shall be converted to a three-year term loan bearing interest at 5% per annum.

As at March 31, 2024, the loan was converted to a three-year term loan bearing interest at 5% per annum. The Company recorded $750 interest expense in the statement of loss and comprehensive loss.

12. CONVERTIBLE DEBENTURES

Beginning in December 2023 and through the period ending March 31, 2024, the Company issued $250,000 in aggregate principal amount of convertible debentures. The convertible debentures bear interest of 15% per annum, payable semi-annually and mature three years following the date of issuance. The convertible debentures are convertible at a conversion price of $0.05 per common share.

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 (the "California Litigation").

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 (the "Nevada Litigation"). The California Litigation and the Nevada Litigation, collectively the "Litigation".

The Company concurrently sold and assigned, pursuant to separate agreements with each subscriber, a pro rata entitlement (based on all the subscribers) for up to an aggregate of 30% of the net proceeds of the Litigation, if any (whether as a result of final judgement by a court of competent jurisdiction or settlement for which no appeal or further proceeding may be taken (the "Final Award")), after deduction of all related costs and taxes incurred by the Company in the Litigation (the "Net Final Amount"), for the initial 1 Million of Net Final Amount and 20% of any Net Final Amount above $1,000,000 payable to the Holders within 60 days from the receipt of the Final Award. In the event the Company prepays the Debentures in full prior to that date which is one year from the date of issue and prior to the date of the Final Award, then the amount payable to the Holders under the agreement will be adjusted to reflect an aggregate entitlement of 15%. Should the Company's litigation be settled or be the subject of a final decision and if the Company is in receipt of settlement funds, the convertible debentures holders will have rights to accelerate the maturity date to 15 days following the date the convertible debentures holders provide written notice to the Company. The President and CEO of the Company purchased an aggregate of $50,000 of convertible debentures. Two Directors of the Company purchased an aggregate of $75,000 of convertible debentures.

In accordance with IFRS, the entire instrument is treated as a liability and the conversion option is revalued every reporting period. The net present value of the liability component of the convertible debentures has been estimated using an effective interest rate of 27.2%. The directly attributable transaction costs were expense in the consolidated statements of loss and comprehensive loss. The convertible debentures, net of transaction costs, are accreted such that carrying amount of the convertible debenture will equal the face value of the convertible debenture at maturity. The accretion on the convertible debentures is included in interest expense in the consolidated statements of loss and comprehensive loss.

The rate of 27.2% used in estimating the value of the liability component of the convertible debentures and used to apply the effective interest rate method to the convertible debentures is based on significant management estimation.

Expressed in Canadian dollars

13. SHARE CAPITAL

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

	#	$
Balance, December 31, 2022	54,014,068	18,378,620
Warrants exercised [(i)]	4,983,333	356,594
Commons share issued in share for debt transaction[(ii)]	22,078,840	772,759
Balance, December 31, 2023 and March 31, 2024	81,076,241	19,507,973

(i) 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.

(ii) In June 2023, the Board of Directors approved a share for debt arrangement. In July 2023, the Company issued 22,078,840 common shares 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 Company's share price on the effective date of the Debt Settlement was $0.035. The Company recognized a gain of $331,183.

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

Expressed in Canadian dollars

14. 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:

	March 31, 2024		December 31, 2023	
	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

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 period ended March 31, 2024 and 2023. 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 March 31, 2024, 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. At March 31, 2024, the Company had cash of $14,036 (December 31, 2023 - $17,765) to settle current liabilities of $1,058,717 (December 31, 2023 - $938,650). The Company had a working capital deficiency of $907,986 (December 31, 2023 - $545,363). The Company's current financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

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.

Fair value
The carrying value of cash, amounts receivable, CEBA loan, shareholder loans, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments. The carrying value of the convertible debentures is equal to its fair value.

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).

Expressed in Canadian dollars

17. RELATED PARTY DISCLOSURES

These consolidated financial statements include balances and transactions with directors and officers of the Company and/or corporations related to them. During the period ended March 31, 2024 and 2023, the Company entered into the following transactions involving related parties:

During the period ended March 31, 2024, $25,636 (December 31, 2023 - $114,977) was charged by a law firm of which a partner is a director of the Company. As of March 31, 2024, included in accounts payable and accrued liabilities is an accumulated balance of approximately $61,153 (December 31, 2023 - $35,517) 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 periods ended March 31, 2024 and 2023 were as follows:

	March 31, 2024	March 31, 2023
Management salaries	$18,000	$63,000
Director fees	30,000	15,000
	$48,000	$78,000

During the period ended March 31, 2024, the Company paid $18,000 to an officer. 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. The 12 million shares issuable to the Company's CEO, for amounts owing to him as part of the Debt Settlement will be held in escrow and only released upon James Bay entering into an agreement to acquire an active business.

As of March 31, 2024, included in accounts payable and accrued liabilities is an accumulated balance of $89,344 (December 31, 2023 - $89,344) owing to these executive officers.

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. As of March 31, 2024, included in accounts payable and accrued liabilities is an accumulated directors' fees accrual of $60,000 for the period from July 1, 2023 to March 31, 2024.

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 consolidated financial statements. As of March 31, 2024, under these management contracts, management has committed to $522,000 of salaries and benefits due within one year.

On April 24, 2024, the Company announced that it has received a costs award from the decision of Justice Papageorgiou (the "Decision") of the Ontario Superior Court of Justice, in the claim made by James Bay against Mak Mera Nigeria Limited ("Mak Mera") and Wale Sola. Under the Decision, James Bay was successful in all claims, and was awarded $405,000 to be repaid by Mak Mera, plus $200,000 in damages for defamation against Mak Mera and Wale Sola, jointly and severally.

James Bay was awarded costs of approximately $309,402, solely against Mak Mera. Costs were not awarded against Mr. Wale Sola personally, as Justice Papageorgiou determined that there was divided success in the Decision concerning the issues between Mr. Sola and James Bay.

The costs awarded to James Bay are subject to a right of appeal.