



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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
JUNE 30, 2024 AND 2023

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JAMES BAY RESOURCES LIMITED

Consolidated Statements of Financial Position

Expressed in Canadian dollars

As at

	June 30, 2024	December 31, 2023
	\$	\$
ASSETS		
Current assets		
Cash	10,914	17,765
Prepaid expenses	22,795	14,985
Amounts receivable	20,056	20,037
Investment in Cerrado Gold Inc. (Note 7)	42,400	340,500
Total current assets	96,165	393,287
Right-of-use asset (Note 6)	41,029	68,282
Total assets	137,194	461,569
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 16)	421,609	385,016
Shareholder loans (Note 9)	286,848	305,578
Current portion of lease payable (Note 8)	60,773	62,556
Canada emergency business account loan (Note 10)	61,500	60,000
Convertible debentures (Note 11)	307,469	125,500
Total current liabilities	1,138,199	938,650
Non-current		
Lease payable (Note 8)	-	21,962
Total liabilities	1,138,199	960,612
SHAREHOLDER'S EQUITY		
Share capital (Note 12)	19,507,973	19,507,973
Share based payment reserve (Note 13)	372,300	372,300
Deficit	(20,881,278)	(20,379,316)
Total common shareholders' deficit	(1,001,005)	(499,043)
Total liabilities and shareholders' equity	137,194	461,569

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Note 17)

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
Management salaries and benefits (Note 16)	41,937	104,994	112,437	207,128
Professional fees (16)	58,889	168,065	117,042	454,265
Office and general	(921)	23,385	35,715	44,140
Transfer agent and listing fees	6,001	6,007	9,195	9,752
Depreciation	13,627	13,626	27,253	27,102
(Loss) before the undernoted	(119,533)	(316,077)	(301,642)	(742,387)
Foreign exchange (loss) gain	-	-	2,586	-
Interest (expense) recovery	(5,672)	(2,485)	(18,477)	(6,974)
Gain (loss) from equity investment in Cerrado Gold (Note 7)	(7,470)	39,743	(184,429)	(53,159)
Net income (loss) and comprehensive income (loss) for the period	(132,675)	(278,819)	(501,962)	(802,520)
Income (loss) per share				
Basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding				
Basic and diluted	81,076,241	56,680,763	81,076,241	58,166,846

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED

Consolidated Statements of Cash Flows

Expressed in Canadian dollars

	For the six months ended	
	June 30, 2024	June 30, 2023
	\$	\$
Cash used in operating activities:		
Net income (loss) for the period	(501,962)	(802,522)
Add (deduct) items not affecting cash:		
Depreciation	27,253	27,102
Interest accretion	15,891	6,974
Loss (gain) from the sale of Cerrado Gold Inc. shares (Note 7)	184,429	53,159
Net change in non-cash working capital	24,392	(103,345)
Net cash (used in) provided by operating activities	(249,997)	(818,632)
Cash provided by (used in) investing activities:		
Cash generated from the sale of shares of Cerrado Gold	113,671	723,265
Net cash provided by (used in) investing activities	113,671	723,265
Cash provided by financing activities:		
Lease payments	(20,525)	(35,214)
Shareholder loan (Note 9)	(25,000)	(30,500)
Proceeds from convertible debentures	175,000	195,000
Net cash (used in) provided by financing activities	129,475	129,286
Increase (decrease) in net cash flow during the period	(6,851)	33,919
Cash, beginning of the period	17,765	6,293
Cash, end of the period	10,914	40,212

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED
Consolidated Statements of Changes in Equity
For the three months ended June 30, 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	-	-	(501,962)	(501,962)
Balance, June 30, 2024	19,507,973	372,300	(20,881,278)	(1,001,005)

	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	-	-	(11,056)	-	-	(11,056)
Net loss for the period	-	-	-	-	(802,522)	(802,522)
Balance, June 30, 2023	18,735,214	372,300	60,297	-	(20,156,187)	(988,376)

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
Expressed in Canadian dollars

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 June 30, 2024, the Company had a working capital deficiency of \$1,042,034 (December 31, 2023 - \$545,363) and had an accumulated deficit of \$20,881,278 (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 August 13, 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.

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
Expressed in Canadian dollars

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.

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
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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.

As of June 30, 2024, the Company has no subsidiary companies.

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
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Expressed in Canadian dollars

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.

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
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Expressed in Canadian dollars

6. RIGHT-OF-USE ASSET

	<u>\$</u>
Balance, December 31, 2022	122,937
Depreciation	<u>54,655</u>
Balance, December 31, 2023	68,282
Depreciation	<u>27,253</u>
Balance, June 30, 2024	<u>41,029</u>

7. INVESTMENT IN CERRADO GOLD INC.

The Company recorded a loss of \$7,470 (June 30, 2023 - \$39,743 gain) on sale of Cerrado Gold shares in the condensed interim consolidated statements of (loss) income and comprehensive (loss) income for the three-month period ended June 30, 2024.

During the period, the Company sold 90,000 shares (June 30, 2023 – 420,500 shares) for total net proceeds of \$16,600 (June 30, 2023 – \$358,881). At June 30, 2024, the fair value of the 212,000 common shares (June 30, 2023 – 763,000 shares) of Cerrado Gold held by the Company was \$42,400 (June 30, 2023 – \$648,550).

8. LEASES

	June 30, 2024	December 31, 2023
	<u>\$</u>	<u>\$</u>
Lease liability - opening balance	84,518	141,145
Lease payments	(27,366)	(68,416)
Interest expense on lease liability	3,621	11,789
Lease liability - ending balance	<u>60,773</u>	<u>84,518</u>
Lease liability – current portion	60,773	62,556
Lease liability – non-current portion	-	21,962

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
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Expressed in Canadian dollars

9. 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 June 30, 2024, the Company owed \$186,848 (December 31, 2023 - \$205,578) which includes accrued interest in the amount of \$68,461 (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 \$286,848 shareholder loan balance below. The loan is non-interest bearing and is due on demand.

As at June 30, 2024, the Company owed an aggregated balance of \$286,848 (December 31, 2023 - \$305,578).

10. 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.

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.

11. CONVERTIBLE DEBENTURES

Beginning in December 2023 and through the period ending June 30, 2024, the Company recorded \$300,000 in aggregate principal amount of convertible debentures. Of which, \$50,000 advanced but not yet closed, pending completion of “round 2.” 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

JAMES BAY RESOURCES LIMITED
Notes to the Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
Expressed in Canadian dollars

11. CONVERTIBLE DEBENTURES (Continued)

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 \$75,000 of convertible debentures. Two Directors of the Company purchased an aggregate of \$100,000 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% was 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.

12. 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 June 30, 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.

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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:

	June 30, 2024		December 31, 2023	
	Number	Weighted	Number	Weighted
	of options	average	of options	average
	#	exercise price	#	exercise price
		\$		\$
Balance, beginning of period/year	5,000,000	0.10	5,000,000	0.10
Granted	-	-	-	-
Balance, end of period/year	<u>5,000,000</u>	<u>0.10</u>	<u>5,000,000</u>	<u>0.10</u>

14. 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 June 30, 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 June 30, 2024, the Company is not in compliance with the policies of the CSE.

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Expressed in Canadian dollars

15. 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 June 30, 2024, the Company had cash of \$10,914 (December 31, 2023 - \$17,765) to settle current liabilities of \$421,609 (December 31, 2023 - \$938,650). The Company had a working capital deficiency of \$1,042,034 (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).

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16. 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 June 30, 2024 and 2023, the Company entered into the following transactions involving related parties:

During the period ended June 30, 2024, \$53,101 (December 31, 2023 - \$114,977) was charged by a law firm of which a partner is a director of the Company. As of June 30, 2024, included in accounts payable and accrued liabilities is an accumulated balance of approximately \$84,125 (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 June 30, 2024 and 2023 were as follows:

	June 30, 2024	June 30, 2023
Management salaries	\$36,000	\$126,000
Director fees	20,000	30,000
	<u>\$56,000</u>	<u>\$156,000</u>

During the period ended June 30, 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 June 30, 2024, included in accounts payable and accrued liabilities is a balance of \$89,344 (December 31, 2023 - \$89,344) owing to two 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 June 30, 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 June 30, 2024.

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17. 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 June 30, 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.

Mak Mera and Wale Sola are appealing the Decision and the costs awarded. The date to hear the appeal has not yet been set.