



MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024**

INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of James Bay Resources Limited (the "Company" or "James Bay") should be read in conjunction with the Company's financial statements for the periods ended September 30, 2025 and 2024. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts shown in this MD&A and in the financial statements are expressed in Canadian dollars, unless otherwise noted. This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on November 17, 2025.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's exploration property. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

COMPANY OVERVIEW

James Bay is a company originally focused on the acquisition and exploration of base and precious metal mineral properties, with activities centered in Canada. Management is continuing to evaluate opportunities to acquire a resource project.

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

RESULTS OF OPERATIONS

Revenue

The Company did not have revenues from operations.

Expenses and Income

For the three months ended September 30, 2025, the Company recorded total expenses of \$766,971 (September 30, 2024 – \$249,421). The increase is mainly due to an increase in professional fees of \$581,347 (September 30, 2024 – \$159,033), management salaries and benefits of \$103,750 (September 30, 2024 – \$53,812) and office and general expense of \$48,281 (September 30, 2024 – \$13,879). Included in professional fees is \$450,000 in legal fees accruals. In July 2025, the Ontario Court of Appeal awarded costs of \$400,000 for the trial to be paid by James Bay, along with costs of \$50,000 for the Appeal itself. The nature of the lawsuit and decisions is detailed in the Commitments and Contingencies section on page 7 of this MD&A.

Year-to-date expenses at September 30, 2025 were \$948,588 (September 30, 2024 - \$551,063) from operations, reflecting an increase of \$397,525 from the same period in 2024. The increase is mainly due to the increase in professional fees and other expenses as described above.

Net loss and comprehensive loss

For the three months ended September 30, 2025, the Company recorded a net loss of \$851,768 (September 30, 2024 – \$274,813), reflecting an increase of \$576,955.

Year-to-date net loss was \$1,075,442 (September 30, 2024 - \$776,775) from operations, reflecting a increase of \$298,667 from the same period in 2024.

CASH FLOWS

Operating Activities

For the period ended September 30, 2025, the Company had net cash outflow of \$482,934 (September 30, 2024 - \$376,159 net cash outflow) from operating activities.

Investing Activities

For the period ended September 30, 2025, the Company had no cash flows from investing. The prior period cash flows of \$158,661 were from the sale of Cerrado Gold shares.

Financing Activities

For the period ended September 30, 2025, the Company had a net cash inflow of \$481,568 (September 30, 2024 - \$204,109) from financing activities. The Company received \$494,390 in shareholder loans. The Company used these funds to finance working capital of the Company.

SELECTED QUARTERLY FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS

	Quarter-ended			
	September 30, 2025 \$	June 30, 2025 \$	March 31, 2025 \$	December 31, 2024 \$
Working capital (deficiency)	(2,586,355)	(1,922,983)	(1,638,983)	(1,460,210)
Operating expenses	766,971	181,617	162,351	176,801
Interest expense	84,797	42,057	29,898	34,544
Net (income) loss and comprehensive (income) loss	851,768	223,675	192,249	199,653
Net (income) loss and comprehensive (income) loss per share attributable to the common shareholders of the Company (basic and diluted)	(0.00)	(0.01)	(0.01)	(0.01)

	Quarter-ended			
	September 30, 2024 \$	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$
Working capital (deficiency)	(1,303,071)	(1,042,034)	(922,985)	(545,363)
Operating expenses	249,421	119,533	182,109	287,980
Interest expense	27,392	5,672	12,805	8,998
Net (income) loss and comprehensive (income) loss	274,813	132,675	369,287	(50,003)
Net (income) loss and comprehensive (income) loss per share attributable to the common shareholders of the Company (basic and diluted)	(0.00)	(0.01)	(0.01)	(0.01)

LIQUIDITY AND OUTLOOK

As at September 30, 2025, the Company had no source of operating cash flows. The Company reported a net loss and other comprehensive loss of \$1,075,442 and a deficit of \$22,431,186. The Company's continuance as a going concern is dependent upon its ability to obtain equity capital and financing for its working capital.

The Company's opinion concerning liquidity and its ability to avail itself in the future of the financing options mentioned above are based on currently available information. To the extent that this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that could affect the availability of financing include the Company's performance (as measured by various factors including the progress and results of its exploration work) and equity markets, investor perceptions and expectations of past and future performance, the global financial climate.

CAPITAL RESOURCES

Common shares

At September 30, 2025 and November 17, 2025, the Company had 81,076,241 common shares issued and outstanding.

Stock options

At September 30, 2025 and November 17, 2025, the Company had 5,000,000 stock options issued and outstanding.

Warrants

There are no warrants outstanding at September 30, 2025 and November 17, 2025.

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 September 30, 2025, the Company had cash of \$1,999 to settle current liabilities of \$2,607,755 (December 31, 2024 - \$1,505,052). The Company had a working capital deficiency of \$2,586,355 (December 31, 2024 - \$1,460,210). 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 loan, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the financial instruments.

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).

RELATED PARTY DISCLOSURES

During the period ended September 30, 2025, \$55,865 (December 31, 2024 - \$109,078) was charged by a law firm of which a partner is a director of the Company. As of September 30, 2025, included in accounts payable and accrued liabilities is an accumulated balance of approximately \$163,037 (December 31, 2024 - \$107,171) 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 September 30, 2025 and 2024 were as follows:

	September 30, 2025	September 30, 2024
Management salaries	\$54,000	\$54,000
Director fees	30,000	30,000
	<u>\$84,000</u>	<u>\$84,000</u>

As of September 30, 2025, included in accounts payable and accrued liabilities is an accumulated balance of \$89,344 owing to two executive officers.

During the period ended September 30, 2025, the Company accrued \$30,000 in directors' fees. Included in accounts payable and accrued liabilities is an accumulated balance of \$110,000 owing to four directors.

CONVERTIBLE DEBENTURES

The Company issued \$452,000 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.

Date of issuance	\$
December 21, 2023	125,000
January 30, 2024	50,000
February 6, 2024	25,000
March 8, 2024	50,000
September 30, 2024	127,000
December 31, 2024	75,000
Total	452,000

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 \$102,000 of convertible debentures. Two directors of the Company purchased an aggregate of \$175,000 of convertible debentures.

In accordance with IFRS, the Company has separated the convertible debentures into debt and equity components on the statements of financial position using the residual method. The equity component represents the value of the conversion feature and is the difference between the estimated fair value of the liability component and the proceeds received of \$452,000. The net present value of the liability component of the convertible debentures has been estimated using an effective interest rate of 18.95%. The directly attributable transaction costs were expense in the statements of loss and comprehensive loss. The convertible debentures, net of the equity component and 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 statements of loss and comprehensive loss.

The rate of 18.95% 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.

As of September 30, 2025, included in accounts payable and accrued liabilities is accrued interest on convertible debentures in the amount of \$95,638 (December 31, 2024 - \$43,850).

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

The Company announced on December 13, 2023 that it had received 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.

In relation to the Decision in April 2024, 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 appealed the Decision and the costs awarded. The Appeal Decision reversed the Decision, and set aside the award of \$405,000, and while the finding of defamation stood, the damages award was reduced to \$1,000. In addition, the costs award of \$309,401.91 solely against Mak Mera rendered under the Decision was reversed, with the Ontario Court of Appeal awarding costs of \$400,000 for the trial to be paid by James Bay, along with costs of \$50,000 for the Appeal itself.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Additional Capital

The Company conducted due diligence to identify potential project. If the results are favourable, Company will require additional capital which may come from future financings. There can be no assurance that the Company will be able to raise such additional capital if and when required on terms it considers acceptable.

No History of Profitability

The Company is an exploration company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as director and officer of other companies involved in gold and precious metal or other natural resource exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare, and refrain from voting on any matters in which such directors may have a conflict of interest.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Stephen Shefsky	Founder and Director, President & CEO
Wayne Egan	Non-Executive Chairman
Jon Pereira	Director
Jean J. Gauthier	Director
Adeniyi Olaniyan	Director

OFFICE LOCATION

Corporate Head Office
1200 Bloor Street, Suite 1103
Toronto, Ontario, Canada, M5R 2A5

LEGAL COUNSEL

WeirFoulds LLP
Toronto, Ontario, Canada

Affleck Greene McMurtry LLP
Toronto, Ontario, Canada

McDonald Carano LLP
Las Vegas, Nevada

ZFZ Law
Los Angeles, CA

AUDITOR

MNP LLP
Mississauga, Ontario, Canada

REGISTRAR & TRANSFER AGENT

TSX Trust
Toronto, Ontario, Canada

BANKER

CIBC
Toronto, Ontario, Canada

STOCK EXCHANGE

Canadian Stock Exchange
Ticker symbol "JBR"