



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim 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 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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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JAMES BAY RESOURCES LIMITED

Statements of Financial Position

Expressed in Canadian dollars

As at

	September 30, 2025	December 31, 2024
	\$	\$
ASSETS		
Current assets		
Cash	1,999	3,365
Prepaid expenses	9,464	21,776
Amounts receivable	9,937	19,701
Total current assets	21,400	44,842
Right-of-use asset (ROU) (Note 5)	155,219	13,476
Total assets	176,619	58,318
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 14, 15)	1,166,705	675,927
Shareholder loans (Note 7)	872,755	325,476
Current portion of lease payable (Note 6)	75,067	21,961
Canada emergency business account loan (Note 8)	65,250	63,000
Convertible debentures (Note 9)	427,978	418,688
Total current liabilities	2,607,755	1,505,052
Non-current		
Lease payable (Note 6)	91,040	-
Total liabilities	2,698,795	1,505,052
SHAREHOLDER'S EQUITY		
Share capital (Note 10)	19,507,973	19,507,973
Convertible debentures equity component (Note 9)	28,737	28,737
Share based payment reserve (Note 11)	372,300	372,300
Deficit	(22,431,186)	(21,355,744)
Total common shareholders' deficit	(2,522,176)	(1,446,734)
Total liabilities and shareholders' equity	176,619	58,318

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Note 15)

APPROVED ON BEHALF OF THE BOARD:

Signed "STEPHEN SHEFSKY" _____, Director

Signed "JEAN J. GAUTHIER" _____, Director

See accompanying notes to the financial statements

JAMES BAY RESOURCES LIMITED
Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Expenses				
Management salaries and benefits (Note 14)	103,750	53,812	155,682	166,249
Professional fees (14)	581,347	159,033	685,299	276,075
Office and general	48,281	13,879	58,915	49,594
Transfer agent and listing fees	12,296	8,921	19,575	18,116
Depreciation	21,297	13,776	29,117	41,029
(Loss) before the undernoted	(766,971)	(249,421)	(948,588)	(551,063)
Foreign exchange (loss) gain	-	(590)	-	1,996
Interest (expense) recovery	(84,797)	(27,392)	(126,854)	(45,869)
Gain (loss) from equity investment in Cerrado Gold	-	2,590	-	(181,839)
Net income (loss) and comprehensive income (loss) for the period	(851,768)	(274,813)	(1,075,442)	(776,775)
Income (loss) per share				
Basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of shares outstanding				
Basic and diluted	81,076,241	81,076,241	81,076,241	81,076,241

See accompanying notes to the financial statements

JAMES BAY RESOURCES LIMITED

Statements of Cash Flows

Expressed in Canadian dollars

	For the nine months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Cash used in operating activities:		
Net income (loss) for the period	(1,075,442)	(776,775)
Add (deduct) items not affecting cash:		
Foreign exchange gain (loss)	-	(1,996)
Depreciation	29,117	41,029
Interest accretion	126,854	45,869
Loss (gain) from the sale of Cerrado Gold Inc. shares	-	181,839
Net change in non-cash working capital	436,537	133,875
Net cash (used in) provided by operating activities	(482,934)	(376,159)
Cash provided by (used in) investing activities:		
Cash generated from the sale of shares of Cerrado Gold	-	158,661
Net cash provided by (used in) investing activities	-	158,661
Cash provided by financing activities:		
Lease payments	(12,822)	(47,891)
Shareholder loan (Note 7)	494,390	-
Proceeds from convertible debentures	-	252,000
Net cash (used in) provided by financing activities	481,568	204,109
Increase (decrease) in net cash flow during the period	(1,366)	(13,389)
Cash, beginning of the period	3,365	17,765
Cash, end of the period	1,999	4,376

See accompanying notes to the financial statements

JAMES BAY RESOURCES LIMITED

Statements of Changes in Equity

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

	Common Shares	Share- based payments reserve	Convertible debentures equity component	Deficit	Total Shareholders' equity
	\$	\$	\$	\$	\$
Balance, December 31, 2024	19,507,973	372,300	28,737	(21,355,744)	(1,446,734)
Net loss for the period	-	-	-	(1,075,442)	(1,075,442)
Balance, September 30, 2025	19,507,973	372,300	28,737	(22,431,186)	(2,522,176)

	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	-	-	(776,775)	(776,775)
Balance, September 30, 2024	19,507,973	372,300	(21,156,091)	(1,275,818)

See accompanying notes to the consolidated financial statements

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

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".

As at September 30, 2025, the Company had a working capital deficiency of \$2,586,355 (December 31, 2024 - \$1,460,210) and had an accumulated deficit of \$22,431,186 (December 31, 2024 - \$21,355,744) 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 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 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 1200 Bay Street, Suite 1103, Toronto, Ontario, Canada, M5R 2A5.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards board ("IASB"). These condensed interim financial statements do not contain all the required annual disclosures and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2024.

The Condensed Interim Financial Statements have been prepared on a historical cost basis except for financial instruments, as set out in the accounting policies in Note 3 of the 2024 annual financial statements.

These Condensed Interim Financial Statements were approved by the Company's Board of Directors on November 17, 2025.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

3. RECENT ACCOUNTING PRONOUNCEMENTS AND CHANGES IN ACCOUNTING POLICIES

(a) New amendments adopted by the Company

Lack of Exchangeability (Amendment to IAS 21) Effective January 1, 2025, the Company adopted the Amendment to IAS 21 – Lack of Exchangeability, which provides guidance on determining currency exchangeability, establishing non-exchangeable currency rates, and related disclosure requirements; the adoption had no impact on the Q1 2025 Financial Statements.

(b) Standards and amendments issued but not yet effective or adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2024:

(i) Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amendments were to be applied prospectively for annual periods beginning on or after January 1, 2016, however, on December 17, 2015 the IASB decided to defer the effective date for these amendments indefinitely.

(ii) Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

(iii) Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

The Company is assessing the impact of the pronouncements on the Company's condensed interim financial statements upon adoption.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 9.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

5. RIGHT-OF-USE ASSET

	\$
Balance, December 31, 2024	13,476
Addition	170,860
Depreciation	<u>(29,117)</u>
Balance, September 30, 2025	<u>155,219</u>

6. LEASES

	September 30, 2025	December 31, 2024
	\$	\$
Lease liability - opening balance	21,961	84,518
Addition	158,038	-
Lease payments	(22,581)	(68,416)
Interest expense on lease liability	8,689	5,859
Lease liability - ending balance	<u>166,107</u>	<u>21,961</u>
Lease liability – current portion	75,067	21,961
Lease liability – non-current portion	91,040	-

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

7. SHAREHOLDER LOANS

The President and CEO of the Company had extended a loan to finance the working capital of the Company. The loan bears an interest rate of 10% and is due on demand. As at September 30, 2025, the Company owed \$772,755 (December 31, 2024 - \$224,475) which includes accrued interest in the amount of \$132,546 (December 31, 2024 - \$78,656). Subsequent to period-end, the President and CEO of the Company had extended an additional \$25,100 loan to finance the working capital of the Company.

A director of the Company extended a \$100,000 loan to finance the working capital of the Company. The loan is non-interest bearing and is due on demand.

As at September 30, 2025, the Company owed a total shareholder loan balance of \$872,755 (December 31, 2024 - \$325,476) which includes accrued interest in the amount of \$132,520.

8. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

The Company received a loan of \$60,000 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. The loan was converted to a three-year term loan bearing interest at 5% per annum. As at September 30, 2025, the Company owed an aggregated balance of \$65,250 (December 31, 2024 - \$63,000) which includes accrued interest in the amount of \$5,250.

9. 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

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

9. CONVERTIBLE DEBENTURES (continued)

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).

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

10. 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, 2024 and September 30, 2025	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.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

11. SHARE-BASED PAYMENTS RESERVE

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

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

The following reconciles the share options outstanding:

	September 30, 2025		December 31, 2024	
	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>

12. 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 September 30, 2025 and 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the CSE which requires adequate working capital of \$50,000. As of September 30, 2025, the Company is not in compliance with the policies of the CSE.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

13. 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 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).

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

14. RELATED PARTY DISCLOSURES

These financial statements include balances and transactions with directors and officers of the Company and/or corporations related to them. During the period ended September 30, 2025 and 2024, the Company entered into the following transactions involving related parties:

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.

JAMES BAY RESOURCES LIMITED

Notes to the Financial Statements

For the three and nine months ended September 30, 2025 and 2024

Expressed in Canadian dollars

15. 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 September 30, 2025, 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.

As of September 30, 2025, included in accounts payable and accrued liabilities is a balance of \$450,000 in connection to this litigation.

16. SUBSEQUENT EVENT

On October 28, 2025, the Company announce a non-brokered private placement (the "**Offering**") of up to 17,500,000 common shares of the Company at a price of \$0.02 per share, for aggregate gross proceeds of up to \$350,000. The closing of the Offering is expected to take place on or before November 26, 2025. The net proceeds from the Offering will be used to fund working capital.