

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **James Bay Resources Limited (“the Company”)**

Trading Symbol: **JBR**

Number of Outstanding Listed Securities: **46,697,405 common shares**

Date: **January 7, 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

James Bay is an oil and gas company incorporated in Ontario, Canada, mainly focused on the exploration and evaluation of oil and gas projects in Nigeria.

2. Provide a general overview and discussion of the activities of management.

The Company's management continues to review opportunities as they are presented, focusing on established oil and gas assets. Management continues to work with its advisors to complete the acquisition of OML 25

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None to report for the period

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None to report for the period

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None to report for the period

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None to report for the period

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

None to report for the period

8. Describe the acquisition of new customers or loss of customers.

None to report for the period

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None to report for the period

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report for the period

11. Report on any labour disputes and resolutions of those disputes if applicable.

None to report for the period

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

In October 2019, the Company has commenced legal proceedings in the State of California to recover overdue amounts owed pursuant to a secured loan agreement with CBH. The legal proceeding is also commenced against companies related to the Borrower (collectively, the "Borrowers"), along with David Bunevacz, a consultant of the Borrower, Mary Hayca Bunevacz, an executive and major shareholder of the Borrower, and 2 individuals who personally guaranteed the obligations of the Borrowers. The legal action involves filing a Complaint with the Superior Court of the State of California, County of Los Angeles, for breach of contract, unjust enrichment, fraud, recovery of possession of personal property, and appointment of a receiver.

Under the terms of the Secured Loan Agreement, James Bay advanced in aggregate US\$3.5 million to the Borrower (the "Secured Loan"), with the Secured Loan plus all accrued and unpaid interest repayable on the six-month anniversary of advancing the funds (the "Maturity Date"). The Secured Loan is fully secured by all of the assets, undertaking and business of the Borrowers, and personally guaranteed by Mary Hayca Bunevacz along with 2 other individuals associated with the Borrowers. Up to and since the Maturity Date, James Bay had been working with the Borrower and its management in attempts to sell various inventories and receive payment of its Secured Loan, but those efforts have proven fruitless. With interest and expenses, the total amount currently outstanding under the Secured Loan Agreement is approximately US\$4.3 million, all of which is being claimed by James Bay in the legal proceedings.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report for the period

14. Provide details of any securities issued and options or warrants granted.

None to report for the period

15. Provide details of any loans to or by Related Persons.

None to report for the period

16. Provide details of any changes in directors, officers or committee members.

None to report for the period

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Company, through its subsidiary, holds an interest in a petroleum property in Nigeria. As such, it is exposed to the laws governing the Nigerian Petroleum industry with respect to matters such as taxation, environmental compliance, and other regulatory and political factors as well as shifts in politics and labour unrest. Any of which could adversely affect the Company and its future exploration and production activities.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **January 7, 2020**

Stephen Shefsky

Name of Director or Senior Officer

"Stephen Shefsky"

Signature

Director, President and CEO

Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/DD
James Bay Resources Limited	December 31, 2019	2020/01/07
Issuer Address 110 Yonge Street Suite 501		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5C 1T4	(416) 366-4201	(416) 366-4200
Contact Name	Contact Position	
Jennifer Ta, CPA, CA	Corporate Controller	(416) 366-4200
Contact Email Address jta@jbrlimited.com	Web Site Address www.jamesbayresources.com	