

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **James Bay Resources Limited** (the "Issuer" or "Company").

Trading Symbol: **JBR**

Number of Outstanding Listed Securities: **37,974,070 common shares**

Date: **January 7, 2015**

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, focused on the exploration and evaluation of oil and gas interests in Nigeria. The Company was inactive during the month of December 2014.

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

The Company's management continues to review opportunities as they are presented, with focused in establishing a portfolio of oil and gas assets. The Company conducted due diligence to identify potential targets of onshore/offshore oil and gas projects.

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 provide 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.
None to report for the period
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.
On December 23, 2014, the Company issued an aggregate of 3,000,000 units (the "DHS Units") in the capital of the Corporation in consideration for its work in helping the Company to set up its oil and gas business in Nigeria. The Company also settled an aggregate total debt of \$147,288 owing to DHS through the issuance to DHS of an aggregate of 147,288 units (each a "Unit"). The issuance of the DHS Units and the Units to DHS are pursuant to the terms of an agreement between the Company and DHS dated July 16, 2014, as previously disclosed in the Company's listing statement posted on the website of the Canadian Securities Exchange on October 29, 2014.

In addition, the Company also issued an aggregate of 55,338 Units to another arm's-length creditor to settle another debt in the aggregate amount of \$55,338 and an additional 50,000 warrants (the "Additional Warrants") as consideration for the extended term.

Each DHS Unit consists of one common share in the capital of the Corporation (a "Share") and one-half of one (1/2) Share purchase warrant (each whole warrant being a "DHS Warrant"). Each DHS Warrant entitles DHS to acquire one further Share at an exercise price of \$1.25, expiring 24 months from the date of issue. Each Unit shall consist of one Share and one-half of one Share purchase warrant (each whole warrant a "Warrant"), with each Warrant exercisable to acquire one additional Share at an exercise price of \$1.25 and expiring five (5) years from the date of issue. The Additional Warrants shall have the same terms as the Warrants.

All Shares, Warrants, DHS Warrants and Shares issuable upon the due exercise of the Warrants and DHS Warrants shall be subject to a statutory hold period expiring on April 24, 2015.

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

During the month of December 2014, the President and CEO, who is also a shareholder and director of the Company advanced \$206,115.

As at December 31, 2014, the Company has approximately \$317,000 due to shareholder. The amount is unsecured, bears interest at 6% and are due on demand.

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 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, 2015**

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, 2014	2015/01/07
Issuer Address		
20 Victoria Street, Suite 800		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, Ontario M5C 2N8	(416) 366-4201	(416) 366-4200
Contact Name	Contact Position	Contact Telephone No.
Jennifer Ta, CPA, CA	Corporate Controller	(416) 644-9002
Contact Email Address jta@jbrlimited.com	Web Site Address www.jamesbayresources.com	