

## JAMES BAY RESOURCES PROVIDES CORPORATE UPDATE

- **Company continues to pursue acquisitions to substantially enhance shareholder value**

**TORONTO, ONTARIO - James Bay Resources Limited (TSX.V: JBR) ("James Bay" or the "Company")** is pleased to provide shareholders with an update on corporate activities.

The Company has signed two non-binding letters of intent (the "**Letters of Intent**") to acquire two metallurgical coal projects in the United States and is currently actively engaged in a stringent due diligence process. One of the projects has an existing producing resource that can be significantly expanded and enhanced without a great deal of additional capex. James Bay believes both projects have great potential. If these projects proceed, James Bay will be partnering with a large financial institution with mineral resource finance expertise to move them forward.

The Letters of Intent are both subject to completion of satisfactory due diligence and negotiation of definitive agreements. James Bay is also continuing its search for other prospective projects, and is also currently negotiating a potential transaction in respect of an oil and gas project in North Africa.

Further announcements about these prospective projects will be forthcoming once the negotiation of documents and due diligence has progressed. James Bay also continues to assess the potential of its existing properties in the James Bay Lowlands in order to capitalize on their potential.

The Company also announces that it entered into a short term bridge loan agreement pursuant to which it has lent \$750,000 (the "**Principal**") to Largo Resources Ltd. ("**Largo**") for exploration and for general corporate purposes (the "**Bridge Loan**"). The Principal under the Bridge Loan will incur interest at a rate of 12% per year and shall mature twelve months from the closing date, being August 31, 2010 (the "**Closing Date**"). Pursuant to the terms of the Loan, Largo granted to James Bay a security interest over all the assets of Largo and its subsidiaries. James Bay also has the right at any time up to the date that is one year from the Closing Date to convert up to 50% of the outstanding Principal into units of Largo at a conversion price of \$0.17 per unit (each a "**Unit**"), with each Unit being comprised of one (1) common share of Largo and one half of one common share purchase warrant, exercisable for \$0.25 for a period of twelve months from the Closing Date. In addition, as consideration for the loan, Largo issued 500,000 share purchase warrants to James Bay, each exercisable for one common shares at an exercise price of \$0.17 for a period of one year from the Closing Date. Largo also paid to James Bay a due diligence fee of \$22,500 in connection with the Bridge Loan. James Bay expects that the Bridge Loan will be repaid in full in from proceeds of Largo's recently announced financing sometime in mid-September.

The Company further announces that it has previously lent (the "**Morumbi Loan**") the net amount of \$250,000 to Morumbi Oil & Gas Inc. ("**Morumbi**") which requires Morumbi to repay an aggregate of \$275,000 plus interest on or before August 13, 2013. The Morumbi Loan bears interests at the rate of 5% for the first year and 9% for the proceeding two years. James Bay anticipates that Morumbi will be in a position to repay the Morumbi Loan in the next sixty to ninety days.

## **About James Bay Resources**

James Bay is a well-financed Canadian mineral exploration company with 21,872 hectares of 108 royalty-free, 100-percent owned claims in the McFauld's Lake area of the James Bay Lowlands. The Property is located west-southwest of the "Eagle One" Ni-Cu-PGE discovery made by Noront along the "Ring of Fire", an emerging and potentially world-class base metal camp. The Company currently has 28,040,350 shares outstanding and trades on the TSX Venture Exchange under the symbol "JBR". Please visit the James Bay website at [www.jamesbayresources.com](http://www.jamesbayresources.com).

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