

**JAMES BAY RESOURCES LIMITED
RESERVES COMMITTEE MANDATE AND CHARTER**

TERMS OF REFERENCE

WHEREAS James Bay Resources Limited (the "**Corporation**" or "**JBR**") has a responsibility to conduct its business with appropriate governance;

AND WHEREAS JBR is, in turn, governed by its board of directors (the "**Board**");

The mandate of the Reserve Committee (the "**Committee**") shall be to assist the Board in meeting its responsibilities as follows:

- (a) review each appointment of the independent engineering firm retained by JBR to report on the quantity and value of JBR's oil and gas reserves in terms of the firm's independence, qualifications, experience, reserve evaluation or audit approach, rates and availability of staff;
- (b) review JBR's procedure for providing information (including historical volume, operating cost data and all non-public well data) to the independent engineering firm to be used as the basis, together with other variables, for the evaluation or audit, and review JBR's procedure for complying with applicable laws and regulations containing disclosure and other requirements;
- (c) meet with the independent engineering firm to determine whether any restrictions affected the ability of the independent engineering firm to report without reservation and, in the event of any proposal to change the independent engineering firm, to make such inquiries as are deemed necessary or desirable;
- (d) review the reserves report, including the major assumptions used by the independent engineering firm, with management and the independent engineering firm;
- (e) review JBR's procedures for assembling and reporting other information associated with oil and gas activities and review that information with management;
- (f) review disclosure documents containing the reserve data and other oil and gas information and report thereon and recommend approval thereof to the Board before such disclosure documents are approved by the Board;
- (g) generally, reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves; and
- (h) ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage

to or deterioration of asset value and review such policies and procedures periodically.

OPERATING PRINCIPLES

The Committee shall fulfil its responsibilities within the context of the following principles:

1. Committee Values

The Committee expects the management of JBR to operate in compliance with any applicable code of conduct and corporate policies and with laws and regulations governing JBR, including the rules and regulations of the TSX Venture Exchange (the "**Exchange**").

2. Communications

The Chairman of the Committee (and others on the Committee) expects to have direct, open and frank communications with management, the Chairs of other Committees, the independent engineering firm and other key Committee advisors as applicable.

3. Knowledge of Business

Members should have or obtain sufficient knowledge of JBR's business and oil and gas reserve evaluations to assist in providing advice and counsel on the reserve evaluation process and report.

4. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the independent engineering firm.

5. Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the independent engineering firm with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the independent engineering firm at least one week in advance of meeting dates. The Committee shall have the authority to investigate any reserve related matter and may request any employee to cooperate.

6. External Resources

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the independent engineering firm, at the expense of JBR, retain one or more persons having special expertise and/or independent professional advice.

7. In Camera Meetings

At each meeting of the Committee, the members of the Committee may meet in private session with the independent engineering firm, with management, and with the Committee members only.

8. Reporting to the Board

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next meeting.

COMPOSITION AND MEETINGS

1. The Committee shall consist of at least three members of the Board appointed annually by the Board at least a majority of whom shall be "independent" as defined in section 1.4 of National Instrument 52-110, as may be amended from time to time, and the Chairman of the Committee shall also be independent. The composition of the Committee shall also satisfy such other independence and any other requirements of law and the Exchange as may be applicable from time to time. The Board shall appoint one member as Chairman of the Committee.
2. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled by the Board. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
3. The Committee shall meet at least two times per year and/or as deemed appropriate by the Chairman of the Committee. Meetings may be called by the Chairman of the Committee or at the request of two members. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
4. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
5. The Board and the Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
6. The Committee may invite such officers, directors and employees as it may see fit, from time to time, to attend meetings of the Committee.
7. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee

may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

8. In the absence of the Chairman of the Committee, the members of the Committee shall appoint an acting Chairman.
9. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director in a timely fashion and the Committee shall report to the Board periodically, but no less than once annually. Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

GENERAL

1. To assist the Committee in discharging its responsibilities, the Committee may, at the expense of JBR, retain one or more persons having special expertise and/or independent professional advice.
2. In discharging its duties under this mandate and charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate and charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.
3. The Committee shall conduct an annual performance self-evaluation and shall report to the entire Board the results of each such self-evaluation. The Committee shall assess the adequacy of this mandate and charter on an annual basis and recommend any changes to the Board.
4. From time to time, as requested by the Board, the Committee shall review the description of the Committee's mandate and charter and activities to be included in JBR's statement of corporate governance practices.

Original Approval Date:

Approved By: Reserves Committee and the Board of Directors