



MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE 2ND QUARTER ENDED JUNE 30, 2017

The following interim management's discussion and analysis – quarterly highlights (“**Interim MD&A**”) of Niobay Metals Inc. (“**NioBay**” or the “**Company**”) for the three months ended June 30, 2017 provides material information about the Company's business activities during the interim period and updates disclosure previously provided in the Company's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2016 (“**Annual MD&A**”).

This Interim MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2017 (the “**Interim Financial Statements**”), the Company's audited consolidated financial statements for the years ended December 31, 2016 and 2015 (the “**Annual Financial Statements**”), and the Company's Annual MD&A, including the section describing risks and uncertainties.

The effective date of this Interim MD&A is August 22, 2017.

All financial results presented in this Interim MD&A are expressed in Canadian dollars unless otherwise indicated.

NATURE OF OPERATIONS

NioBay is a mineral resource company. The business of the Company consists of acquiring, exploring and evaluating mining properties. NioBay has not yet determined whether its properties contain economically viable mineral deposits. The Company's principal asset is a 100% interest in the James Bay mining lease, a niobium project located in northeastern Ontario (the “James Bay Niobium Project”).

Niobay also holds a 46.9% direct participation in certain mineral titles located north of Chibougamau, Quebec, under a joint venture agreement dated January 18, 2008 with SOQUEM, a subsidiary of Investissement Québec. Niobay holds through its 72.5%-owned subsidiary Crevier Minerals Inc., the Crevier niobium and tantalum project, located in Quebec.

In 2016, following the non-renewal of certain prospecting licenses held in Tanzania, the Company ceased all activities in Tanzania.

The Company's common shares are listed on the TSX Venture Exchange under the symbol NBY.

JAMES BAY NIOBIUM PROJECT

In October 2016, the Company filed an application with the Ministry of Northern Development and Mines of Ontario (“MNDM”) to obtain a permit necessary to conduct a drilling program of 10 to 12 holes for a total of approximately 4,000 meters on its James Bay Niobium Project. The objective of the program is to validate historical data obtained from a drilling campaign conducted in the 1960s. As part of the process to obtain the exploration permit, the Company has been reaching out to all concerned stakeholders in the area of the James Bay Niobium Project, including the Moose Cree First Nation (“MCFN”). The Company hosted on May 17, 2017 an information session in Moosonee, a town located approximately 40 km north of the project, to communicate to the surrounding communities all relevant information about the project, the Company’s plans and objectives, and the potential benefits for all stakeholders. The objective of this session was also to answer questions and get an understanding of the concerns of the community in order to incorporate such concerns into the Company’s future programs. A request to also hold an information session in the MCFN community was rejected by the leadership of the MCFN.

The MNDM has informed the Company that its application for an exploration permit on the James Bay Niobium project will remain on temporary hold while the MNDM is pursuing efforts to engage with the MCFN to address any concerns they may have about the proposed drilling campaign. Following a number of requests, the leadership of MCFN has refused to open a dialogue and to discuss their concerns associated with the exploration program and the project in general.

Re-assaying program

In the fall of 2016, drill core from 12 drill holes completed in the 1960’s by the previous owner of the James Bay Niobium Project were re-logged and re-assayed to validate the historical data. The Company provided partial results of the re-assaying program in press releases issued on March 6, 2017 and April 10, 2017. The Company subsequently posted on its website all the results of the re-assaying program. The overall average grade of niobium over large intervals obtained in the re-assaying program is similar to the 1967 historical assays results.

Metallurgical testing

On May 10, 2017, the Company announced preliminary metallurgical test results using core from the drilling program completed in the 1960s at the James Bay Niobium Project. These tests were conducted by SGS Lakefield in Ontario. The initial results of heavy liquid separation performed on a representative material compound from the James Bay Niobium Project have shown excellent potential for the concentration by

gravimetry. A concentration of 90% to 93% of the niobium minerals was obtained in residual masses of only 5% to 22% of the original weight. The historical treatment mode predicted a rejection of almost 40% of the initial mass with a loss of only 4 to 5% of the niobium units. The results of detailed mineralogy performed by QEMSCAN show a very good liberation of minerals in general which are relatively coarse. This may prove, if feasible, to have a clear advantage in terms of the size of the required infrastructures. Additional metallurgical tests will be required once the Company has completed its drilling program.

Outlook

The Company's focus remains the development of the James Bay Niobium Project. The Company intends to continue to hold discussions with the local community and the MNDM, and will maintain its efforts to engage with the MCFN leadership. The Company is also actively reviewing the potential of other mineral properties, including the mineral properties in Quebec held under a joint venture agreement with SOQUEM (46.9% Niobay and 53.1% SOQUEM).

SUMMARY OF OPERATING RESULTS

The Company incurred a net loss of \$141,597 (nil per share) during the three months ended June 30, 2017 compared to a net loss of \$6,610,540 (\$0.29 per share) in 2016. The loss during the current period included \$163,239 in management and administration expenses partially offset by a non-cash income related to flow-through shares of \$16,201 and an unrealized gain on foreign exchange of \$4,805. The comparative period included a net impairment charge of \$6,395,268 relating to the Crevier property in Québec and the Ikungu and Ikungu East properties in Tanzania, taking into account the impact of the reversal of a deferred tax liability of \$195,188.

Management and administration expenses totaled \$163,239 for the three months ended June 30, 2017 compared to \$189,216 in 2016. During the comparative period, expenses included an amount of \$26,370 as debt forgiveness to the Company's former CFO, regulatory fees of \$15,000 incurred on the transfer of the Company's shares from the Toronto Stock Exchange to the TSXV and share-based compensation of \$85,125 resulting from the grant of stock options to directors, officers and consultants in June 2016. These additional expenses incurred during the 2016 period had been partially offset by the recovery of expenses in the amount of \$96,878 related to the termination of a Heads of Agreement on the Tanzanian properties that had been signed in the fall of 2015.

LIQUIDITY AND FINANCIAL POSITION

At June 30, 2017, the Company's cash position amounted to \$1,528,475 compared to \$2,281,637 at December 31, 2016. The Company's cash position at June 30, 2017 includes flow-through funds of \$924,604, which the Company is committed to spending by December 31, 2017 on eligible flow-through expenditures.

Management estimates that it will require additional funds to meet all of its planned exploration and evaluation activities and to provide for management and administration expenses for at least the next 12 months. Since the Company does not generate cash flows, it will need to raise funds which could be met in the future through the issuance of debt or equity instruments or a combination of strategic partnerships or joint venture arrangements.

While management has been successful in securing financing in the past, there can be no guarantee that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be required to reduce the scope of, or eliminate future exploration and evaluation activities, any of which could have a negative impact on the business, financial condition and results of operation of the Company.

Operating activities

For the six months ended June 30, 2017, cash outflows related to operating activities amounted to \$568,325 compared to \$4,863 in 2016. During the 2016 period, the Company had received a payment of \$259,740 (US\$200,000) in accordance with a Heads of Agreement entered in September 2015 regarding the Ikungu and Ikungu East projects in Tanzania.

Financing activities

During the six months ended June 30, 2017, 100,000 compensation share purchase warrants were exercised for cash proceeds of \$30,000 (no financing activities were conducted during the six months ended June 30, 2016).

Investing activities

For the six months ended June 30, 2017, the Company invested a total of \$261,949 at the James Bay Niobium Project, including consulting fees of \$223,575, of which \$57,078 related to geology, \$113,109 to metallurgy and \$53,588 to relations with concerned stakeholders. Other expenses included mostly travel expenses and

fees related to the mining lease. During the comparative period in 2016, the Company had invested a total of \$433,083, including \$350,000 representing the value of the shares issued on the acquisition of the James Bay Niobium Project, \$49,522 for other acquisition-related expenses of the James Bay Niobium Project, \$5,211 at the Crevier property and \$28,350 at the Ikungu and Ikungu East projects in Tanzania. During the 2016 comparative period, the Company had also disposed of an investment of \$250,000.

RELATED PARTY TRANSACTIONS

The remuneration awarded to key management personnel, including directors, the president and CEO and the CFO, during the three and six months ended June 30, 2017 totaled \$68,395 and \$137,201, respectively (\$139,272 and \$178,842, respectively during the comparative periods in 2016).

A company controlled by the CEO of the Company invoiced \$12,000 and \$26,400, respectively during the three and six months ended June 30, 2017 for the services of a market analyst (\$9,587 and \$17,425 in 2016), and invoiced nil in 2017 for the rental of office space (\$8,250 and \$16,500 in 2016).

RISKS AND UNCERTAINTIES

Reference is made to the description of risks and uncertainties included in the Annual MD&A, including the impact of the delay in obtaining the exploration permit for the James Bay Niobium Project and the consequences to the Company if it does not spend all of the flow-through funds raised in December 2016 in eligible flow-through expenditures by December 31, 2017.

QUALIFIED PERSON

Claude Dufresne, P.Eng., a Qualified Person under NI 43-101, has reviewed and approved all of the technical information in this Interim MD&A. Mr. Dufresne is the Company's president and CEO.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Interim MD&A contains certain forward-looking statements as defined in applicable Canadian securities laws (referred to herein as "forward-looking statements"). Specifically, this Interim MD&A includes forward-looking statements regarding the timing, completion and results of planned exploration and drilling programs and planned resource estimate; future financial results and future financings. There is no certainty that the required permits for the exploration and development of the James Bay Niobium Project will be issued. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially

from those anticipated in such statements.

Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, changes and volatility of metal prices and equity markets, the uncertainties involved in interpreting geological data and estimating mineral resources, changes or delays in exploration plans, the results of exploration programs, the risks related to the receipt of regulatory and governmental permits and approvals, the timing and results of consultations with aboriginal groups, increases in costs, changes in environmental legislation and regulation, general economic conditions and mining industry risks, as well as other risk factors discussed in this Interim MD&A. All forward-looking statements in this Interim MD&A are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

The Company regularly discloses additional information through press releases and financial statements available on the Company's website at www.niobaymetals.com and on SEDAR at www.sedar.com.



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three and six months ended
June 30, 2017**

In Canadian Dollars

Unaudited

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Niobay Metals Inc. 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 consolidated financial statements.

Niobay Metals Inc.

Consolidated Statements of Financial Position

<i>(unaudited, in Canadian dollars)</i>	June 30, 2017	December 31, 2016
	\$	\$
ASSETS		
Current		
Cash	1,528,475	2,281,637
Sales taxes receivable	92,687	51,717
Tax credits related to resources and mining taxes receivable	139,608	139,608
Prepaid expenses and deposits	18,021	16,225
	1,778,791	2,489,187
Non-current		
Property and equipment	24,023	24,855
Exploration and evaluation assets (Note 4)	876,726	614,777
TOTAL ASSETS	2,679,540	3,128,819
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	317,650	482,838
Liability related to flow-through shares (Note 6)	108,777	137,763
TOTAL LIABILITIES	426,427	620,601
EQUITY		
Share capital (Note 6)	67,857,585	67,805,705
Contributed surplus	6,804,980	6,813,357
Deficit	(72,519,320)	(72,220,901)
Equity attributable to shareholders of the Company	2,143,245	2,398,161
Non-controlling interests	109,868	110,057
TOTAL EQUITY	2,253,113	2,508,218
TOTAL LIABILITIES AND EQUITY	2,679,540	3,128,819

Going concern (Note 2), Contingencies (Note 10).

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

/s/ Claude Dufresne
Claude Dufresne, Director

/s/ Raymond Legault
Raymond Legault, Director

Niobay Metals Inc.

Consolidated Statements of Comprehensive Loss

<i>(unaudited, in Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Expenses and other items				
Management and administration (Note 8)	163,239	189,216	350,618	320,732
Exploration	-	27,000	-	27,000
Write-down of exploration and evaluation assets	-	6,590,456	-	6,590,456
Income related to flow-through shares (Note 6)	(16,201)	-	(28,986)	-
Finance income	(636)	(128)	(1,406)	(511)
Gain on foreign exchange	(4,805)	(816)	(13,359)	(1,656)
Loss before income taxes	(141,597)	(6,805,728)	(306,867)	(6,936,021)
Recovery of mining duties	-	-	8,259	-
Deferred income tax recovery	-	195,188	-	195,188
Net loss for the period	(141,597)	(6,610,540)	(298,608)	(6,740,833)
Other comprehensive loss				
Foreign currency translation differences for foreign operations	-	(824,798)	-	(1,088,508)
Comprehensive loss for the period	(141,597)	(7,435,338)	(298,608)	(7,829,341)
Net loss attributable to:				
Shareholders of the Company	(141,581)	(5,703,395)	(298,419)	(5,830,054)
Non-controlling interests	(16)	(907,145)	(189)	(910,779)
Comprehensive loss attributable to:				
Shareholders of the Company	(141,581)	(6,528,193)	(298,419)	(6,918,562)
Non-controlling interests	(16)	(907,145)	(189)	(910,779)
Basic and diluted loss per common share	(0.00)	(0.29)	(0.01)	(0.29)
Weighted average number of common shares - basic and diluted	32,785,127	23,018,464	32,777,945	22,978,291

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Niobay Metals Inc.

Consolidated Statements of Shareholders' Equity

	Number of issued and outstanding common shares	Equity						Total shareholders' equity
		Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	attributable to shareholders of the Company	Non- controlling interests	
<i>(unaudited, in Canadian dollars)</i>		\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2016	32,685,127	67,805,705	6,813,357	(72,220,901)	-	2,398,161	110,057	2,508,218
Shares issued on exercise of warrants (Note 6)	100,000	51,880	(21,880)	-	-	30,000	-	30,000
Share-based compensation	-	-	13,503	-	-	13,503	-	13,503
Net loss for the period	-	-	-	(298,419)	-	(298,419)	(189)	(298,608)
Balance at June 30, 2017	32,785,127	67,857,585	6,804,980	(72,519,320)	-	2,143,245	109,868	2,253,113
Balance at December 31, 2015	22,931,501	64,530,913	6,653,091	(67,188,424)	2,786,446	6,782,026	1,132,822	7,914,848
Shares issued on acquisition of the James Bay project	1,000,000	350,000	-	-	-	350,000	-	350,000
Share-based compensation	-	-	85,541	-	-	85,541	-	85,541
Net loss for the period	-	-	-	(5,830,054)	-	(5,830,054)	(910,779)	(6,740,833)
Foreign currency translation differences of foreign operations	-	-	-	-	(1,088,508)	(1,088,508)	-	(1,088,508)
Balance at June 30, 2016	23,931,501	64,880,913	6,738,632	(73,018,478)	1,697,938	299,005	222,043	521,048

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Niobay Metals Inc.

Consolidated Statements of Cash Flows

<i>(unaudited, in Canadian dollars)</i>	Six months ended June 30,	
	2017	2016
	\$	\$
Operating activities		
Net loss for the period	(298,608)	(6,740,833)
Adjustments		
Share-based compensation	8,005	85,541
Amortization of property and equipment	2,465	5,207
Write-down of exploration and evaluation assets	-	6,590,456
Deferred income tax recovery	-	(195,188)
Income related to flow-through shares	(28,986)	-
Finance income accrued	(1,406)	(511)
Finance income received	1,431	1,257
Gain on foreign exchange	(13,359)	(1,656)
Changes in working capital items	(237,867)	250,864
	(568,325)	(4,863)
Investing activities		
Disposal of investments	-	250,000
Additions to property and equipment	(2,105)	-
Additions to exploration and evaluation assets	(225,676)	(83,083)
	(227,781)	166,917
Financing activities		
Exercise of warrants	30,000	-
Effect of exchange rate changes on cash held in foreign currency	12,944	3,829
Net change in cash	(753,162)	165,883
Cash, beginning of period	2,281,637	69,343
Cash, end of period	1,528,475	235,226
Supplemental cash flow information		
Share-based compensation capitalized to exploration and evaluation assets	5,498	-
Amortization of property and equipment capitalized to exploration and evaluation assets	472	-
Change in accounts payable and accrued liabilities related to exploration and evaluation assets	30,303	-
Fair value of warrants exercised	21,880	-
Value of shares issued on acquisition of exploration and evaluation assets	-	350,000

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
June 30, 2017 (unaudited - in Canadian dollars)

1. GENERAL INFORMATION

Niobay Metals Inc. ("Niobay" or the "Company") is primarily engaged in the acquisition and exploration of mineral properties. The Company holds a 100% interest in the James Bay niobium property, located in northern Ontario, Canada. The Company also holds a 46.9% direct participation in certain mineral titles located north of Chibougamau, Quebec, under a joint venture agreement dated January 18, 2008 with SOQUEM, a subsidiary of Investissement Québec. The Company holds through its 72.5%-owned subsidiary Crevier Minerals Inc. ("CMI"), the Crevier niobium and tantalum project, located in Quebec. All amounts in these condensed interim consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. Niobay's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol NBY. The Board of Directors approved and authorized for issuance these unaudited condensed interim consolidated financial statements on August 22, 2017.

2. GOING CONCERN

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

At June 30, 2017, the Company had a working capital of \$1,352,364, had an accumulated deficit of \$72,519,320 and incurred a loss of \$298,608 for the six-months ended June 30, 2017. Working capital included cash of \$1,528,475.

The Company estimates that the working capital available at June 30, 2017 will not be sufficient to cover its general administrative expenses and its planned exploration and evaluation budget for the next 12 months. Since the Company does not generate cash flows, it will need to raise funds through the issuance of debt or equity instruments or a combination of strategic partnerships or joint venture arrangements. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company.

If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these unaudited condensed interim consolidated financial statements. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
June 30, 2017 (unaudited - in Canadian dollars)

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual consolidated financial statements. They do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2016 and 2015 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

4. EVALUATION AND EXPLORATION ASSETS

Evaluation and exploration assets by properties are detailed as follows:

	January 1, 2017	Additions	June 30, 2017
	\$	\$	\$
Mineral properties			
James Bay (Nb) - Ontario, Canada	399,945	-	399,945
Exploration and evaluation expenditures			
James Bay (Nb) - Ontario, Canada	214,832	261,949	476,781
	614,777	261,949	876,726

	January 1, 2016	Additions	Write-down	Effect of foreign exchange	June 30, 2016
	\$	\$	\$	\$	\$
Exploration and evaluation expenditures					
James Bay (Nb) - Ontario, Canada	-	399,522	-	-	399,522
Crevier (Nb) – Québec, Canada	3,486,133	5,211	(3,491,344)	-	-
Ikungu and Ikungu East (Au) - Tanzania	4,152,001	28,350	(3,099,112)	(1,081,239)	-
	7,638,134	433,083	(6,590,456)	(1,081,239)	399,522

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
June 30, 2017 (unaudited - in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At June 30, 2017, accounts payable and accrued liabilities included a provision of \$144,000 related to the April 2015 notice of assessment issued by Revenu Québec (Note 10), and various payables and accruals (\$173,650).

6. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At June 30, 2017, the Company had 32,785,127 issued and outstanding common shares (32,685,127 at December 31, 2016).

Issuance of shares

During the six months ended June 30, 2017, a total of 100,000 compensation warrants were exercised for proceeds of \$30,000.

Reduction in liability from flow-through shares

During the three and six months ended June 30, 2017, an amount of \$16,201 and \$28,986, respectively was recorded as income related to flow-through shares on the consolidated statements of comprehensive loss (nil during the three and six months ended June 30, 2016), representing the decrease in the liability related to the exploration and evaluation expenses incurred during the period.

At June 30, 2017, the Company had \$924,604 of unspent flow-through funds (\$1,170,982 at December 31, 2016).

Share purchase warrants

The following table sets out the activity in share purchase warrants:

Grant date	Number of warrants December 31, 2016	Granted	Exercised	Number of warrants June 30, 2017	Price per share \$	Expiry date
August 4, 2016	350,000	-	(100,000)	250,000	0.30	July 5, 2019
December 19, 2016	45,294	-	-	45,294	1.25	Dec 19, 2018
	395,294	-	(100,000)	295,294	0.45	
Average price	0.41	-	(0.30)	0.45		

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
June 30, 2017 (unaudited - in Canadian dollars)

7. STOCK OPTIONS

There was no activity in stock options during the six months ended June 30, 2017. The following table reflects the stock options issued and outstanding at June 30, 2017:

Range of exercise prices	Number of outstanding options	Average price \$	Remaining contractual life (years)
\$0.05 - \$0.99	1,054,800	0.32	3.0
\$1.00 - \$1.99	32,000	1.19	2.3
\$2.00 - \$2.50	16,000	2.44	3.1
	1,102,800	0.38	3.0

At June 30, 2017, a total of 1,004,483 stock options were exercisable at a price of \$0.37 per share.

8. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Wages and consulting	94,556	134,007	197,786	161,577
Legal, audit and tax	22,892	(12,904)	30,235	40,246
Office	15,481	19,277	35,436	39,371
Investor relations and travel	14,096	10,232	50,486	33,577
Reporting issuer costs	11,450	43,823	25,635	45,595
Recovery of expenses	-	(96,878)	-	(96,878)
Mining titles management	-	2,600	570	6,496
	158,475	100,157	340,148	229,984
Share-based compensation	3,778	85,125	8,005	85,541
Amortization of property and equipment	986	3,934	2,465	5,207
	163,239	189,216	350,618	320,732

9. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. At June 30, 2017 and December 31, 2016, all non-current assets are located in Canada.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
June 30, 2017 (unaudited - in Canadian dollars)

10. CONTINGENCIES

Tanzania Revenue Authority (“TRA”)

MDN Tanzania Ltd., the Company’s wholly-owned subsidiary in Tanzania (“MDN Tanzania”), received notices of assessment in April and June 2016 in respect of withholding taxes and other statutory deductions for the period from 2007 to 2011, claiming an amount of approximately \$300,000 plus accrued interest of approximately \$600,000. In 2013, the Company had received notices of assessment totalling approximately \$470,000 in respect of withholding taxes on alleged interest payments by MDN Tanzania to the Company for the period from 2004 to 2011. No provision has been recorded in these unaudited condensed interim consolidated financial statements on these matters as management believes that it has paid all of its withholding taxes and other statutory deductions in accordance with local requirements and that the amounts claimed are unfounded. MDN Tanzania continues to vigorously defend its position with the Tanzanian tax authorities.

Revenu Québec

Following an audit of the tax credits relating to resources claimed by and paid to CMI for the years 2010, 2011 and 2012, Revenu Québec issued in April 2015 a notice of assessment for an amount of \$370,517, stipulating that certain expenses were not eligible for such tax credits relating to resources. Despite its disagreement with the notice of assessment, the Company recorded a specific provision of \$144,000 presented as accounts payable and accrued liabilities at June 30, 2017 and December 31, 2016.