



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three and nine months ended
September 30, 2019**

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>	September 30, 2019	December 31, 2018
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 4)	1,399,618	2,291,378
Sales taxes receivable	52,833	52,003
Tax credits related to resources and mining taxes receivable	142,147	151,008
Prepaid expenses and deposits	8,995	31,882
	1,603,593	2,526,271
Non-current		
Exploration and evaluation assets (Note 5)	399,945	399,945
Property and equipment	110,866	120,196
TOTAL ASSETS	2,114,404	3,046,412
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	287,874	331,343
TOTAL LIABILITIES	287,874	331,343
EQUITY		
Share capital (Note 7)	71,042,682	71,042,682
Contributed surplus	7,198,504	7,048,886
Deficit	(76,467,926)	(75,463,745)
Equity attributable to shareholders of the Company	1,773,260	2,627,823
Non-controlling interest	53,270	87,246
TOTAL EQUITY	1,826,530	2,715,069
TOTAL LIABILITIES AND EQUITY	2,114,404	3,046,412

Going concern (Note 2), Contingencies (Note 12) and Event after the reporting date (Note 5).

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 Net Loss and Comprehensive Loss

<i>(unaudited, in Canadian dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
	(Note 3 – adjusted)		(Note 3 – adjusted)	
Expenses				
Exploration and evaluation (Note 9)	88,238	152,112	349,603	289,369
Management and administration (Note 10)	196,155	130,398	555,683	451,013
Share-based compensation	32,157	41,879	149,618	185,001
Depreciation of property and equipment	3,531	5,464	10,495	7,711
Operating loss	320,081	329,853	1,065,399	933,094
Finance income	(7,634)	(11,613)	(28,566)	(19,951)
Loss on foreign exchange	942	76	1,324	122
Income related to flow-through shares	-	(6,459)	-	(26,170)
Loss before income taxes	313,389	(311,857)	(1,038,157)	(887,095)
Recovery of tax credits related to resources	-	(2,616)	-	(2,616)
Net loss and comprehensive loss for the period	(313,389)	(309,241)	(1,038,157)	(884,479)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	(309,210)	(304,924)	(1,004,181)	(877,011)
Non-controlling interests	(4,179)	(4,317)	(33,976)	(7,468)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares - basic and diluted	45,690,111	45,690,111	45,690,111	42,821,979

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

Niobay Metals Inc.

Consolidated Statements of Shareholders' Equity

<i>(unaudited, in Canadian dollars)</i>	Number of issued and outstanding common shares	Equity					Total shareholders' equity
		Share capital	Contributed surplus	Deficit	attributable to shareholders of the Company	Non- controlling interest	
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2018	45,690,111	71,042,682	7,048,886	(75,463,745)	2,627,823	87,246	2,715,069
Share-based compensation	-	-	149,618	-	149,618	-	149,618
Net loss and comprehensive loss	-	-	-	(1,004,181)	(1,004,181)	(33,976)	(1,038,157)
Balance at September 30, 2019	45,690,111	71,042,682	7,198,504	(76,467,926)	1,773,260	53,270	1,826,530
Balance at December 31, 2017 (Note 3 – adjusted)	36,690,111	68,702,682	6,811,749	(74,137,517)	1,376,914	109,139	1,486,053
Shares issued pursuant to a private placement	9,000,000	2,340,000	-	-	2,340,000	-	2,340,000
Share issue expenses on private placement	-	-	-	(18,925)	(18,925)	-	(18,925)
Share-based compensation	-	-	185,001	-	185,001	-	185,001
Net loss and comprehensive loss	-	-	-	(877,011)	(877,011)	(7,468)	(884,479)
Balance at September 30, 2018	45,690,111	71,042,682	6,996,750	(75,033,453)	3,005,979	101,671	3,107,650

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>	Nine months ended September 30,	
	2019	2018
	\$	\$
		(Note 3 – adjusted)
Operating activities		
Net loss for the period	(1,038,157)	(884,479)
Adjustments		
Share-based compensation	149,618	185,001
Depreciation of property and equipment	10,495	7,711
Loss on foreign exchange	1,324	122
Income related to flow-through shares	-	(26,170)
Changes in working capital items		
Sales taxes receivable	(830)	42,382
Tax credits related to resources and mining taxes receivable	8,861	-
Prepaid expenses and deposits	22,887	7,853
Account payable and accrued liabilities	(43,476)	(140,075)
	(889,278)	(807,655)
Investing activities		
Additions to property and equipment	(1,165)	(82,407)
Financing activities		
Issuance of shares	-	2,340,000
Share issue expenses	-	(18,925)
	-	2,321,075
Effect of exchange rate changes on cash held in foreign currency	(1,317)	(121)
Net change in cash and cash equivalents	(891,760)	1,430,892
Cash and cash equivalents, beginning of period	2,291,378	1,233,957
Cash and cash equivalents, end of period	1,399,618	2,664,849
Supplemental cash flow information		
Value of shares issued on acquisition of exploration and evaluation assets	-	30,000
Fair value of warrants and stock options exercised	-	21,880

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
September 30, 2019 *(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 and holds through its 72.5%-owned subsidiary Crevier Minerals Inc. (“CMI”), the Crevier niobium and tantalum project, located in Quebec. The Company also holds a 49% direct participation in certain mineral titles located in Québec, under a joint venture agreement with SOQUEM, a subsidiary of Investissement Québec.

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 November 27, 2019.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2019 *(unaudited - in Canadian dollars)*

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 September 30, 2019, the Company had a working capital of \$1,315,719 (\$2,194,928 at December 31, 2018), had an accumulated deficit of \$76,467,926 (an accumulated deficit of \$75,463,745 at December 31, 2018) and incurred a loss of \$1,038,157 for the nine months ended September 30, 2019 (a loss of \$884,479 during the comparative period in 2018).

The Company estimates that the working capital available at September 30, 2019 will not be sufficient to cover its general administrative expenses and its planned exploration and evaluation budget for the next twelve months. Since the Company does not generate cash flows, it will need to raise additional funds in the future through the issuance of debt or equity instruments or a combination of strategic partnerships or joint venture arrangements to meet future work requirements. 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
September 30, 2019 (unaudited - in Canadian dollars)

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* using the same accounting policies and methods of computation as the Company's most recent annual consolidated financial statements.

These unaudited condensed interim consolidated financial statements 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 annual consolidated financial statements for the years ended December 31, 2018 and 2017 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

At December 31, 2018, the Company changed its accounting policy related to exploration and evaluation expenses, which previously consisted in capitalizing all such expenditures. The cost of acquiring prospective properties and exploration rights continues to be capitalized and exploration and evaluation costs, subsequent to acquisition, are expensed until it has been established that a mineral property is commercially viable and a mine development decision has been made by the Company. Thereafter, the Company will capitalize expenditures incurred to develop the mine, prior to the start of mining operations. Comparative amounts included in these unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 have been adjusted to reflect this change in accounting policy.

IFRS 16, Leases

IFRS 16 was issued in January 2016 and applies to annual financial reporting periods beginning on or after January 1, 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use assets and lease liabilities at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Exploration and evaluation assets and mineral leases are not in the scope of this standard.

The adoption of IFRS 16 did not have an impact on the Company's unaudited condensed interim consolidated financial statements as the Company was not a party to any lease agreement on January 1, 2019 nor as of the date of these unaudited condensed interim consolidated financial statements.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2019 (unaudited - in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

	September 30, 2019	December 31, 2018
	\$	\$
Cash	146,745	286,366
Cash equivalents	1,252,873	2,005,012
	1,399,618	2,291,378

Cash equivalents at September 30, 2019 are comprised of term deposits bearing a weighted-average interest rate of 2.1% and having various maturity dates until November 2019.

5. JAMES BAY NIOBIUM PROJECT, ONTARIO

On January 29, 2019, the Ministry of Energy, Northern Development and Mines of Ontario ("MENDM") issued an exploration permit to the Company for an exploration program at its James Bay niobium property. On March 1, 2019, the Moose Cree First Nations ("MCFN") and a member of the MCFN had brought an application for judicial review seeking to, among other things, set aside the MENDM issued exploration permit and requiring the Crown to consult further and fully with MCFN before issuing any other permit.

On October 18, 2019, the MCFN and a member of the MCFN have consented to an order dismissing the judicial review application they had commenced in March 2019 against the MENDM and Niobay and on October 30, 2019, the application for judicial review was dismissed by the Ontario Divisional Court.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2019, accounts payable and accrued liabilities included a provision of \$144,000 related to the April 2015 notice of assessment issued by Revenu Québec (Note 12), and various payables and accruals (\$143,874).

7. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At September 30, 2019 and December 31, 2018, the Company had 45,690,111 issued and outstanding common shares.

Share purchase warrants

At December 31, 2018, the Company had 250,000 share purchase warrants outstanding with an exercise price of \$0.30 per warrant expiring on July 5, 2019. The share purchase warrants expired on July 5, 2019 unexercised.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2019 (unaudited - in Canadian dollars)

8. STOCK OPTIONS

The following table sets out the activity in stock options:

	Three months ended September 30, 2019		Nine months ended September 30, 2019	
	Number	Weighted	Number	Weighted
		average exercise price (\$)		average exercise price (\$)
Options, beginning of period	3,288,800	0.26	2,848,800	0.29
Granted	-	-	780,000	0.19
Expired	-	-	(340,000)	(0.27)
Options, end of period	3,288,800	0.26	3,288,800	0.26

The following table reflects the stock options issued and outstanding at September 30, 2019:

Issue date	Number of options	Exercise price \$	Remaining Contractual life (years)	Number of exercisable options	Exercise price of exercisable options \$
March 12, 2010	8,000	2.50	0.5	8,000	2.50
January 21, 2011	8,000	2.38	1.3	8,000	2.38
March 23, 2012	8,000	1.00	2.5	8,000	1.00
June 5, 2015	170,000	0.25	0.7	170,000	0.25
March 22, 2016	30,000	0.28	1.5	30,000	0.28
June 14, 2016	290,000	0.35	1.7	290,000	0.35
September 6, 2016	44,800	0.63	1.9	44,800	0.63
April 26, 2018	1,650,000	0.25	3.6	1,100,000	0.25
April 30, 2018	150,000	0.25	3.6	100,000	0.25
November 16, 2018	150,000	0.25	4.1	50,000	0.25
February 1, 2019	150,000	0.25	4.3	50,000	0.25
June 5, 2019	630,000	0.18	4.7	210,000	0.18
	3,288,800	0.26	3.5	2,068,800	0.29

On February 1, 2019, the Company granted a total of 150,000 stock options to a consultant. The stock options granted will vest over 2 years. The options have a five-year term and are exercisable at a price of \$0.25 per share. At the date of grant, the market price of the share was \$0.25. The fair value of the stock options was estimated at \$0.20 per option based on the Black-Scholes option pricing model using an expected life of 5 years, a risk-free interest rate of 1.85%, an annualized volatility of 120% and a dividend rate of 0%.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2019 (unaudited - in Canadian dollars)

8. STOCK OPTIONS (continued)

On June 5, 2019, the Company granted a total of 630,000 stock options to its directors, officers and consultants. The stock options granted will vest over 2 years. The options have a five-year term and are exercisable at a price of \$0.18 per share. At the date of grant, the market price of the share was \$0.18. The fair value of the stock options was estimated at \$0.14 per option based on the Black-Scholes option pricing model using an expected life of 5 years, a risk-free interest rate of 1.30%, an annualized volatility of 120% and a dividend rate of 0%.

The underlying expected volatility of all option grants was determined by reference to historical data of the Company's share price over the expected stock option life. No special features inherent to the stock options granted were incorporated into the measurement of fair value.

9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Wages and consulting	77,579	33,587	240,632	116,638
Studies	2,791	52,590	53,192	61,651
Contractors	(2,252)	28,757	14,199	28,757
Mineral claims management and property fees	781	15,153	14,641	39,263
Administrative and others	9,339	22,025	26,939	43,060
	88,238	152,112	349,603	289,369

10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Wages and fees	84,057	93,992	258,297	283,887
Legal, audit and tax	73,973	3,960	130,339	27,425
Office	23,295	16,648	60,325	45,444
Investor relations and travel	11,654	11,913	77,297	63,212
Reporting issuer costs	3,176	3,885	29,425	31,045
	196,155	130,398	555,683	451,013

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2019 *(unaudited - in Canadian dollars)*

11. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. At September 30, 2019 and December 31, 2018, all non-current assets are located in Canada.

12. 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 September 30, 2019 and December 31, 2018. CMI will continue to defend its position with the tax authorities.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

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 September 30, 2019 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, 2018 ("**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 nine months ended September 30, 2019 (the "**Interim Financial Statements**"), the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017, and the Company's Annual MD&A, including the section describing risks and uncertainties. All financial results presented in this Interim MD&A are expressed in Canadian dollars unless otherwise indicated.

The effective date of this Interim MD&A is November 27, 2019.

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.

NioBay's assets are all located in Canada. Its principal asset is a 100% interest in the James Bay Niobium Project located 40 km south of Moosonee, in the James Bay Lowlands in Ontario. NioBay also holds: i) through its 72.5%-owned subsidiary Crevier Minerals Inc., the Crevier niobium and tantalum project located in Quebec and ii) a 49% participation in certain mineral titles located in the Chibougamau region, Quebec, under a joint venture agreement with SOQUEM.

As at November 27, 2019, the Company has 45,690,111 common shares issued and outstanding. The Company's common shares are listed on the TSX Venture Exchange ("**TSXV**") under the symbol NBY. At September 30, 2019, the Company has cash and cash equivalents of \$1.4 million.

HIGHLIGHTS FOR THE PERIOD

James Bay Niobium Project, Ontario

On March 1, 2019, the Moose Cree First Nation ("MCFN") and a member of the MCFN had brought an application against Ontario and the Company for judicial review seeking to, among other things, set aside the exploration permit issued to the Company on January 30, 2019 with respect to an exploration program to be conducted on the Company's James Bay Niobium Project. On October 18, 2019, MCFN and a member of the MCFN community have consented to an order dismissing the judicial review application they had commenced. On October 30, 2019, the Ontario Divisional Court issued an order dismissing the application.

This exploration permit enables the Company to conduct a drilling program totaling 3,000 meters over 8 holes. However, the Company does not intend to start the drilling program without the support of the MCFN. To that end, the Company has undertaken the negotiation of a protection agreement in relation with the exploration program it wishes to conduct on the James Bay Niobium Project. The Company hopes to conclude a protection agreement with the MCFN before the end of the year and commence the planned drilling program in early 2020 with the support and collaboration of MCFN.

No field work has been conducted at the James Bay Niobium Project during the reporting period.

Crevier Project, Quebec

Following the completion of an internal scoping study on the niobium and tantalum Crevier project, located on the Nitassinan traditional territory of the Pekuakamiulnatsh First Nation in the Saguenay region, Quebec, the Company has initiated a series of metallurgical tests. From the fifteen-tonne bulk sample that was extracted from the deposit in early June 2019, a portion was shipped to the COREM laboratory in Quebec City. Metallurgical tests are now underway to test innovative technologies with a focus on pre-concentration technologies and new reagents developed over the last few years. Results are expected late in the fourth quarter of 2019.

Other projects

The Company continues to evaluate other niobium properties of merit.

FINANCIAL REVIEW

The Company incurred a net loss of \$313,389 (\$0.01 per share) during the three months ended September 30, 2019 compared to a net loss of \$309,241 (\$0.01 per share) during the comparative period in 2018. The loss during the current period included lower exploration and evaluation expenses of \$88,238 (\$152,112 in 2018) as described in the following paragraph, offset by higher management and administration expenses of \$196,155 (\$130,398), mostly due to legal fees incurred in relation to the judicial review process described in the *James Bay Niobium Project, Ontario* section.

The Company incurred the following exploration and evaluation expenses by project:

	Three months ended September 30, 2019			
	James			
	Bay	Crevier	Others	Total
	\$	\$	\$	\$
Wages and fees	76,579	1,000	-	77,579
Studies	1,341	1,450	-	2,791
Contractors, bulk sample	-	(2,252)	-	(2,252)
Property payments	260	521	-	781
Administrative and others	9,339	-	-	9,339
	87,519	719	-	88,238
<hr/>				
	Three months ended September 30, 2018			
	James			
	Bay	Crevier	Others	Total
	\$	\$	\$	\$
Wages and fees	21,838	3,200	8,549	33,587
Studies	52,590	-	-	52,590
Contractors	-	-	28,757	28,757
Property payments	-	12,178	5,429	17,607
Administrative and others	9,424	1,427	8,720	19,571
	83,852	16,805	51,455	152,112

Management and administration expenses for the three months ended September 30, 2019 included wages and fees of \$84,057 (\$93,992 in 2018, which included wages of \$7,402 related to a temporary financial analyst), legal, audit and tax fees of \$73,973, including mostly legal fees related to the judicial review application procedures as described in the *James Bay Niobium Project* section (legal, audit and tax fees of \$3,960 in 2018), office expenses of \$23,295 (\$16,648 in 2018), investor relations and travel expenses of \$11,654 (\$11,913 in 2018) and reporting issuer costs of \$3,176 (\$3,885 in 2018).

Lower share-based remuneration of \$32,157 during the three months ended September 30, 2019 (\$41,879 in 2018) is due to a lower number of stock options granted during the nine months ended September 30, 2019 (grant of 780,000 stock options at a fair value of \$0.15 per option) compared to the same period in 2018 (grant of 1,800,000 stock options at a fair value of \$0.18 per option). During the three months ended September 30, 2019, the Company also earned finance income of \$7,634 on liquidities held (\$11,613 in 2018). In 2018, the Company had accounted for an amount of \$6,459 as income related to flow-through shares that had been issued in 2017.

LIQUIDITY AND FINANCIAL POSITION

At September 30, 2019, the Company's working capital totaled \$1,315,719 compared to \$2,194,928 at December 31, 2018. The decrease in the working capital during the nine months ended September 30, 2019 is mainly attributable to exploration and evaluation expenses of \$349,603 and to management and administration expenses of \$555,683.

The Company estimates that the working capital available at September 30, 2019 will not be sufficient to cover its general administrative expenses and its planned exploration and evaluation budget for the next 12 months. The Company's properties are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. The potential sources of future funds presently available to the Company are through equity financing, joint venture or other arrangements. The ability of the Company to arrange future financings will depend in part upon global economic and capital market conditions, as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If the Company is not successful in raising additional funds, it may be required to reduce the scope of, or eliminate its planned exploration and evaluation activities.

Operating activities

For the nine months ended September 30, 2019, cash outflows related to operating activities amounted to \$889,278 compared to \$807,655 in 2018. The higher cash outflows during the current period is due mostly to an increased loss during the nine months ended September 30, 2019 (a loss of \$1,038,157) compared to the same period in 2018 (a loss of \$884,479), partially offset by a lower use of funds related to working capital items during the nine month period in 2019 compared to the nine month period in 2018.

Financing activities

The Company did not conduct any financing activities during the nine months ended September 30, 2019. During the comparative period, the Company issued 9,000,000 of its common shares to Osisko Gold Royalties Ltd ("Osisko"), a TSX-listed company, for net proceeds of \$2,321,075.

Investing activities

For the nine months ended September 30, 2019, the Company invested \$1,165 in property and equipment, consisting of office equipment (\$82,407 during the comparative period in 2018, which consisted mainly of costs to set-up an information center in Moosonee, Ontario).

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2019, the Company incurred administration expenses of \$3,000 and \$12,000, respectively (\$7,500 and \$22,500 during the three and nine months ended September 30, 2018), mainly for the use of office space and telecommunication services provided by Reunion Gold Corporation (a TSXV-listed company), a related party by virtue of common management.

During the three and nine months ended September 30, 2019, the Company incurred administration expenses of \$11,708 and \$19,513, respectively (nil in 2018), mainly for the use of office space provided by Osisko. Osisko is an insider of the Company resulting from its ownership of 19.7% of the issued and outstanding shares of NioBay.

The remuneration awarded to key management personnel, including directors, the president and CEO and the CFO, during the three and nine months ended September 30, 2019 totaled \$91,395 and \$309,415, respectively, including \$19,144 and \$92,664, respectively related to share-based compensation (\$105,676 and \$357,107, respectively, during the comparative periods in 2018, including \$33,426 and \$147,607, respectively in share-based compensation).

CAUTIONARY STATEMENT

This MD&A contains certain forward-looking statements as defined in applicable Canadian securities laws (referred to herein as "**forward-looking statements**"). Specifically, this MD&A includes forward-looking statements regarding the Company's strategic plans and objectives, the timing, completion and results of planned drilling programs and planned metallurgical testing, future financial results and future financings. 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, the timing and results of consultations with aboriginal groups, 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, risks related to the receipt of regulatory and governmental permits and approvals (including the renewal of the James Bay Niobium Project mining lease), 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 MD&A. All forward-looking statements in this 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.

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.