



CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

In Canadian Dollars



Independent auditor's report

To the Shareholders of Niobay Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Niobay Metals Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of shareholder's equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

PricewaterhouseCoopers LLP
Place de la Cité, Tour PwC, 2640 Laurier Boulevard, Suite 1700
Québec, Quebec, Canada G1V 5C2
T.: +1 418 522 7001, F.: +1 418 522 5663
Fax to mail: ca_quebec_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pascale Lavoie.

/s/PricewaterhouseCoopers LLP¹

Québec, Quebec

April 16, 2026

¹ CPA auditor, public accountancy permit No. A124423

Niobay Metals Inc. Consolidated Statements of Financial Position

<i>(in Canadian dollars)</i>	December 31, 2025	December 31, 2024
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 6)	7,413,046	2,679,722
Short-term investments (Note 7)	2,500,000	-
Prepaid expenses and deposits	388,890	82,683
Grant receivable (Note 10)	314,415	10,569
Amounts receivable	208,739	274,907
	10,825,090	3,047,881
Non-current		
Property and equipment (Note 9)	306,133	384,590
Investments	11,305	4,845
Exploration and evaluation assets (Note 8)	-	115,000
TOTAL ASSETS	11,142,528	3,552,316
LIABILITIES		
Current		
Accounts payable and accrued liabilities	467,462	298,964
Deferred premium on flow-through shares (Note 11)	1,209,512	83,610
TOTAL LIABILITIES	1,676,974	382,574
EQUITY		
Share capital (Note 12)	97,411,642	87,427,981
Contributed surplus	9,151,071	8,890,007
Deficit	(96,310,061)	(92,397,344)
Equity attributable to shareholders of the Company	10,252,652	3,920,644
Non-controlling interests	(787,098)	(750,902)
TOTAL EQUITY	9,465,554	3,169,742
TOTAL LIABILITIES AND EQUITY	11,142,528	3,552,316

Commitments and contingencies (Note 21)

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

/s/ Jean-Sebastien David
Jean-Sebastien David, Director

/s/ Raymond Legault
Raymond Legault, Director

Niobay Metals Inc.
Consolidated Statements of Loss and Comprehensive Loss

<i>(in Canadian dollars)</i>	Years ended December 31,	
	2025	2024
	\$	\$
Exploration and evaluation expenses (Note 14)	2,484,255	1,577,469
Management and administration expenses (Note 15)	1,185,508	989,503
Impairment of exploration and evaluation assets (Note 8)	202,500	-
Share-based compensation costs	52,404	43,133
Depreciation of property and equipment (Note 9)	78,457	95,063
Operating loss	(4,003,124)	(2,705,168)
Income related to flow-through shares (Note 11)	97,608	99,212
Other income (Note 10)	823,947	60,569
Net finance income	54,578	115,782
Change in fair value of investments	6,460	(5,653)
Gain (loss) on foreign exchange	224	(433)
Net loss and comprehensive loss	(3,020,307)	(2,435,691)
Net loss and comprehensive loss attributable to:		
Shareholders of the Company	(2,984,111)	(2,395,198)
Non-controlling interests	(36,196)	(40,493)
Basic and diluted loss per common share (Note 17)	(0.02)	(0.03)
Weighted average number of common shares - basic and diluted	120,387,566	92,355,544

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

Niobay Metals Inc.

Consolidated Statements of Shareholders' Equity

<i>(in Canadian dollars, except for number of shares)</i>	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Equity attributable to shareholders of the company	Non- controlling interests	Total shareholders' equity
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2024	107,277,572	87,427,981	8,890,007	(92,397,344)	3,920,644	(750,902)	3,169,742
Acquisition of exploration and evaluation assets (Note 8)	1,250,000	87,500	-	-	87,500	-	87,500
Issuance of shares (Note 12)	77,403,776	11,103,421	-	-	11,103,421	-	11,103,421
Liability related to flow-through shares (Note 11)	-	(1,362,100)	-	138,590	(1,223,510)	-	(1,223,510)
Exercised stock options (Note 13)	275,000	48,983	(20,483)	-	28,500	-	28,500
Exercised Warrants (Note 12)	857,142	105,857	-	-	105,857	-	105,857
Share issue expenses (Note 11)	-	-	229,143	(1,067,196)	(838,053)	-	(838,053)
Share-based compensation	-	-	52,404	-	52,404	-	52,404
Net loss and comprehensive loss	-	-	-	(2,984,111)	(2,984,111)	(36,196)	(3,020,307)
Balance at December 31, 2025	187,063,490	97,411,642	9,151,071	(96,310,061)	10,252,652	(787,098)	9,465,554
Balance at December 31, 2023	79,068,523	85,608,698	8,805,014	(89,801,991)	4,611,721	(710,409)	3,901,312
Acquisition of exploration and evaluation assets (Note 8)	1,250,000	75,000	-	-	75,000	-	75,000
Issuance of flow-through share units (Note 12)	26,959,049	1,949,074	-	-	1,949,074	-	1,949,074
Liability related to flow-through shares (Note 11)	-	(204,791)	-	21,969	(182,822)	-	(182,822)
Share issue expenses (Note 11)	-	-	41,860	(222,124)	(180,264)	-	(180,264)
Share-based compensation	-	-	43,133	-	43,133	-	43,133
Net loss and comprehensive loss	-	-	-	(2,395,198)	(2,395,198)	(40,493)	(2,435,691)
Balance at December 31, 2024	107,277,572	87,427,981	8,890,007	(92,397,344)	3,920,644	(750,902)	3,169,742

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

Niobay Metals Inc.

Consolidated Statements of Cash Flows

<i>(in Canadian dollars)</i>	Years ended December 31,	
	2025	2024
	\$	\$
Operating activities		
Net loss	(3,020,307)	(2,435,691)
Adjustments		
Share-based compensation	52,404	43,133
Depreciation of property and equipment (Note 9)	78,457	95,063
Income related to flow-through shares (Note 11)	(97,608)	(99,212)
Other income (Note 10)	(823,947)	(60,569)
(Gain) loss on foreign exchange	(224)	433
Impairment of exploration and evaluation assets (Note 8)	202,500	-
Change in fair value of investments	(6,460)	5,653
Changes in working capital items		
Amounts receivable	66,168	50,272
Prepaid expenses and deposits	(306,207)	40,181
Accounts payable and accrued liabilities	6,842	144,473
Net cash flows used in operating activities	(3,848,382)	(2,216,264)
Investing activities		
Investment in short-term investments (Note 7)	(2,500,000)	-
Acquisition of exploration and evaluation assets (Note 8)	-	(40,000)
Net cash flows used in investing activities	(2,500,000)	(40,000)
Financing activities		
Share issued pursuant to private placements (Note 12)	11,103,421	1,949,074
Proceeds from the exercise of Warrants	105,857	-
Proceeds from the exercise of stock options	28,500	-
Share issue expenses	(676,397)	(180,264)
Proceeds from government grants (Note 10)	520,101	77,750
Net cash flows from financing activities	11,081,482	1,846,560
Effect of exchange rate changes on cash held in foreign currency	224	(433)
Net change in cash and cash equivalents	4,733,324	(410,137)
Cash and cash equivalents, beginning of year	2,679,722	3,089,859
Cash and cash equivalents, end of year	7,413,046	2,679,722
Supplemental cash flow information		
Share issue expenses in accounts payable and accrued liabilities:		
Beginning of period	-	-
End of period	161,658	-

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

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

1. NATURE OF ACTIVITIES

Niobay Metals Inc. (“Niobay” or the “Company”) is primarily engaged in the acquisition and exploration of mineral properties. Niobay is domiciled in Canada and was incorporated under Part 1A of the *Companies Act* (Québec) and is now governed by the *Business Corporations Act* (Québec). The address of the Company’s registered office is 1 Place Ville-Marie, Suite 4000, Montréal, Québec, Canada.

The Company holds a 100% interest in the James Bay niobium property (the “James Bay Project”), 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 Québec, Canada.

Niobay’s common shares are listed on the TSX Venture Exchange under the symbol “NBY” and on the OTCQB Venture Market, under the symbol “NBYCF”.

2. BASIS OF PRESENTATION

All amounts in these consolidated financial statements are expressed in Canadian dollars unless otherwise indicated.

The Company’s board of directors (the “Board”) approved and authorized for issuance these consolidated financial statements on April 16, 2026.

3. MATERIAL ACCOUNTING POLICIES

a) *Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standard”). The accounting policies followed in these consolidated financial statements are consistent with those of the previous year.

b) *Basis of measurement*

These consolidated financial statements have been prepared using the historical cost basis, except for the revaluation of certain financial instruments using fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) *Basis of consolidation*

These consolidated financial statements include the accounts of the Company and its subsidiaries, namely CMI (72.5% interest) and MDN Tanzania Limited (“MDN Tanzania”) (100% interest) (inactive).

The financial statements of the Company’s subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Company. A subsidiary which is fully consolidated but not fully owned by the Company results in a non-controlling interest that is presented separately on the consolidated statements of comprehensive loss and the consolidated statements of financial position.

The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. The share of net income (loss) and other comprehensive income (loss) attributable to non-controlling interests is recognized directly in equity even if the results of the non-controlling interests have a deficit balance.

The Company treats transactions with non-controlling interests as transactions with equity shareholders. Changes in the Company’s ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

d) *Financial instruments*

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as fair value through profit or loss (FVPL). Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and cash equivalents, including accrued interest, are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

Fair values

The fair value of a quoted investment is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 - fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e) *Exploration and evaluation assets*

Costs related to exploration and evaluation of mineral properties are recognized in profit or loss as incurred. All option payments and costs of acquiring mineral rights are capitalized as exploration and evaluation assets. Exploration and evaluation assets are assessed for impairment indicators at the end of each reporting period. Any option payments or proceeds from the sale of royalty interests received by the Company are credited to the capitalized cost of the related exploration and evaluation asset. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts with the difference recognized in profit or loss. When the technical feasibility and the commercial viability of extracting a mineral resource are demonstrable and a mine development decision has been made by the Company, exploration and evaluation assets related to the mining property are transferred as tangible assets and related development expenditures are capitalized. Before the reclassification, the related exploration and evaluation assets are tested for impairment and any impairment loss is then recognized in profit or loss.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including a) the extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 have been identified through a feasibility study or similar document; b) the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; c) the status of environmental permits; and d) the status of mining leases or permits.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term highly liquid investments with an initial maturity of three months or less that are readily convertible to known amounts of cash and which are exposed to an insignificant risk of changes in value.

g) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation of property and equipment begins when the asset is ready for use.

The depreciation is recorded using the straight-line method for the building over a period of 10 years, and the declining balance method at the rate of 20% for exploration equipment, 20% for furniture and 30% for computer equipment, insofar as it best reflects the expected pattern of realization of future economic benefits associated with the asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted accordingly.

h) Share capital and warrants

Common shares and warrants are classified as equity. Expenses directly attributable to the issue of common shares, flow-through shares and warrants are presented as a deduction of deficit, net of any tax effects. Proceeds from unit placements are allocated between shares and warrants issued. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common shares.

i) Flow-through financing

The Canadian tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Company finances a portion of its exploration programs with flow-through shares.

At the time that flow-through shares are issued, the Company allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as a deferred premium on flow-through shares. The Company estimates the fair value of the liability using the residual method, by comparing the price of the flow-through share to the quoted price of the Company's shares at the date of the announcement of the financing.

Upon expenses being incurred, the Company recognizes income related to flow-through shares in the statement of loss and comprehensive loss for the amount of tax reduction renounced to the shareholders and reverses the deferred premium on flow-through shares.

j) Share-based payments

The fair value of share-based payment awards granted to directors and employees is recognized as a compensation expense, with a corresponding increase to contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of options granted for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of options granted that do meet the related service and non-market performance conditions at the vesting date.

Niobay Metals Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024 (in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

k) Income taxes

The income tax expense includes current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are recognized as income or expense in profit or loss except to the extent that tax arises from business combinations and transactions recognized in equity. When deferred taxes relate to equity items, a retroactive analysis is necessary to determine the adjustment to taxes (for example a change in tax rates or a change in the valuation allowance) that should be recorded in equity. For this purpose, the accounting policy of the Company is to allocate changes in the recognition of deferred tax assets based on their expected maturity date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity, or for different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Refundable credit on mining duties and refundable tax credit related to resources

The Company is eligible for a refundable credit on mining duties under the Québec *Mining Duties Act*. The accounting treatment for refundable credit on mining duties depends on whether NioBay's management's ("Management") intention is to go into production in the future or it is to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made for each mining property. In the first case, the credit on mining duties is recorded as an income tax recovery under International Accounting Standard 12, *Income Taxes*, which generates at the same time a deferred tax liability and deferred tax expense since the exploration and evaluation assets have no more tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future, accordingly the credit on mining duties is recorded as a government grant under International Accounting Standard 20, *Accounting for Government Grants and Disclosure of Government Assistance*, which is recorded against exploration and evaluation assets.

The Company is also eligible for a refundable tax credit related to resources on eligible expenses incurred. This tax credit is recorded against exploration and evaluation expenses.

Credits related to resources and credits on mining duties recognized against exploration and evaluation expenditures are recorded at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Niobay Metals Inc.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024 (in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

m) Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its common shares issued. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to directors and employees.

4. ACCOUNTING STANDARDS ISSUED BUT NOT APPLIED

At the date of authorization of these financial statements, the Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2025. Other than the items detailed below, these updates are not expected to have a significant impact on the Company’s financial statements and are therefore not discussed herein.

IFRS 18, Presentation and disclosure in financial statements

On April 9, 2024, the IASB issued IFRS 18 to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The new Accounting Standard introduces significant changes to the structure of income statements, including the presentation of two new defined subtotals in the statement of profit or loss: (1) Operating profit; and (2) Profit before financing and income taxes, required disclosures in the notes to the financial statements of management-defined performance measures and introduces new principles for aggregation and disaggregation of information. The impact of adoption of this standard has not yet been determined by the Company.

Amendments – IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7, which respond to recent questions arising in practice. The amendments were issued to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows; and
- update disclosures for equity instruments designated at fair value through other comprehensive income.

The new requirements will apply from January 1, 2026, with early application permitted. These amendments are not expected to have a significant impact on the financial statements

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Niobay Metals Inc.
Notes to Consolidated Financial Statements
December 31, 2025 and 2024 (in Canadian dollars)

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Impairment of non-financial assets

The Company's evaluation of the recoverable amount with respect to the non-financial assets is based on numerous assumptions and may differ significantly from actual values. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The Company's recoverable amount estimates are based on numerous assumptions. The recoverable amount estimates may differ from actual values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each consolidated statement of financial position date and when there are indicators of impairment. This determination requires significant judgment.

Uncertain tax positions

In 2013 and 2016, MDN Tanzania received notices of assessment from the Tanzanian tax authorities, which have not yet been resolved. The Tanzanian tax authorities are claiming that the Company has not withheld sufficient taxes and other deductions on alleged interest payments and compensation matters for an amount of approximately \$770,000 plus accrued interest of approximately \$600,000. The Company has not recorded any provision related to these matters at December 31, 2025, as Management believes that it has always paid taxes in accordance with local requirements and that the amounts claimed are unfounded. There is uncertainty as to the final outcome in resolving these matters. Given the uncertainty inherent in resolving the issues with the Tanzanian tax authorities, the amount of tax and other deductions that will actually be recorded as paid, as well as the timing of such payment, could differ materially from the accounting estimates, which would affect the Company's financial position and cash flows.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
	\$	\$
Cash	1,738,046	839,722
Cash equivalents	5,675,000	1,840,000
	7,413,046	2,679,722

Cash equivalents as at December 31, 2025, are comprised primarily of redeemable term deposits bearing a weighted-average interest rate of 2.5%, redeemable without penalty and having various maturity dates until March 2026.

7. SHORT-TERM INVESTMENTS

Short-term investments as at December 31, 2025, are comprised primarily of redeemable term deposits bearing a weighted-average interest rate of 2.6%, redeemable without penalty and having a maturity date of June 2026.

8. EXPLORATION AND EVALUATION ASSETS

The Company's evaluation and exploration properties are as follows:

James Bay, Ontario

In June 2016, the Company completed the acquisition of the James Bay Project, from Barrick Gold Inc., James Bay Columbian Ltd. and Goldcorp Inc. (the "Sellers"). In exchange for a 100% interest in this property, the Company issued to the Sellers 1,000,000 common shares of the Company ("Common Shares") and paid a cash consideration of \$25,000. The Sellers retained a 2% net smelter returns ("NSR") royalty (the "Royalty") over all metals produced from this property. The Company has the right to buy-back 1% of the Royalty for an amount of \$2,000,000 (in constant 2016 dollars, subject to a cap of \$3,000,000) at any time. Moreover, the Sellers have the right to re-acquire a 51% interest in the property (the "Back-in Right"), in case of the establishment on the property of one or more deposits containing no less than 2 million gold ounces and/or gold equivalent ounces of resources in aggregate, upon payment by the Sellers to the Company of 2.5 times the Company's expenditures incurred on this property. The Back-In Right does not apply to the niobium content. The mining lease on the James Bay Project was renewed for a term of ten years as of March 1, 2018.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

On March 28, 2018, OR Royalties Inc (“ORR”) and NioBay (collectively, the “Parties”) completed a private placement. ORR was granted an option to purchase a 1.0% royalty on all products to be produced from the James Bay Project. This option was exercisable by paying \$2,000,000 to NioBay at any time within 90 days following the delivery by NioBay to ORR of a bankable feasibility study on the James Bay Project. On December 17, 2020, ORR exercised its option.

As at December 31, 2025 and 2024, the net book value attributed to the James Bay Project is nil.

Crevier, Québec

The Company holds through its 72.5%-owned subsidiary CMI, the Crevier niobium and tantalum project (the “Crevier Project”), located in Québec, Canada. As at December 31, 2025 and 2024, the net book value attributed to the Crevier Project is nil.

Foothills Project, Québec

On February 21, 2024, the Company closed an option agreement (the “Option Agreement”), with Vior Inc. (“Vior”) to acquire an 80% undivided interest in Vior’s Foothills Project. The Option Agreement was amended on December 23, 2024 and June 30, 2025 to provide for the following terms and schedule:

Period	Cash Payments	Share Payments	Minimum Work Expenditures
Closing Date	\$40,000	1,250,000 Common Shares	N/A
June 30, 2025	-	1,250,000 Common Shares	-
October 31, 2025	\$40,000	-	\$400,000
June 30, 2026	\$60,000	\$150,000 in Common Shares, subject to a minimum of 1,000,000 Common Shares	\$1,100,000
June 30, 2027	\$60,000	\$250,000 in Common Shares, subject to a minimum of 1,000,000 Common Shares.	-
June 30, 2028	\$200,000	\$500,000 in Common Shares, subject to a minimum of 1,000,000 Common Shares	\$2,500,000

Installments are payable in Common Shares at a price per share equal to a 10-day VWAP, subject to a minimum issue price of \$0.055 per Common Share. In accordance with the Option Agreement, NioBay made the initial \$40,000 cash payment and issued 1,250,000 Common Shares (fair value of \$75,000). In June 2025, the Company issued an additional 1,250,000 Common Shares (fair value \$87,500).

On September 29, 2025, Niobay informed Vior that it would not continue with the Option Agreement and, as such, during the year ended December 31, 2025, the Company wrote off \$202,500 of the exploration and evaluation assets in this project.

Niobay Metals Inc.
Notes to Consolidated Financial Statements
December 31, 2025 and 2024 (in Canadian dollars)

9. PROPERTY AND EQUIPMENT

Property and equipment subject to depreciation are presented below:

	Building	Exploration equipment	Furniture	Computer equipment	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at December 31, 2023	117,725	678,338	24,718	62,618	883,399
Additions	-	-	-	-	-
Balance as at December 31, 2024	117,725	678,338	24,718	62,618	883,399
Additions	-	-	-	-	-
Balance as at December 31, 2025	117,725	678,338	24,718	62,618	883,399
Accumulated Depreciation					
Balance as at December 31, 2023	57,619	265,034	23,415	57,678	403,746
Depreciation	11,772	81,542	261	1,488	95,063
Balance as at December 31, 2024	69,391	346,576	23,676	59,166	498,809
Depreciation	11,772	65,439	209	1,037	78,457
Balance as at December 31, 2025	81,163	412,015	23,885	60,203	577,266
Net book value					
December 31, 2024	48,334	331,762	1,042	3,452	384,590
December 31, 2025	36,562	266,323	833	2,415	306,133

10. GOVERNMENT GRANTS

Municipalité régionale de comté de Marie-Chapdelaine ("MRC")

On January 25, 2022, the Company received funding from the MRC for \$46,250, which was repayable over a five-year period, after which this funding would incur an interest of 3.0%. As the Company reimbursed the MRC in November 2023, the MRC granted to NioBay \$27,750, which was recorded as a receivable as at December 31, 2023 and recorded as other income in the consolidated statement of loss and comprehensive loss for the year-ended December 31, 2023. NioBay received the funding in February 2024.

Le Consortium de Recherche et d'Innovation en Transformation Métallique ("CRITM")

In 2024, the Company entered into a grant agreement with CRITM for an amount up to \$500,000. Over a two-year period, the Company will be reimbursed for approximately 61% for costs incurred on the study entitled "Demonstration of the niobium-tantalum concentration process on a pilot scale and production of niobium and tantalum oxides from the Crevier Project deposit located in the Lac St-Jean region" (the "Study"). During the year ended December 31, 2025, the Company incurred eligible costs related to the Study, allowing for the recognition of \$423,947 as other income in the consolidated statement of loss and comprehensive loss for this period (\$60,569 in the year ended 2024). As at December 31, 2025, the Company has been reimbursed \$330,101 for the costs incurred and has recorded \$154,415 as a grant receivable (\$10,569 as at December 31, 2024).

Ministry of Natural Resources and Forests ("MRNF")

On April 8, 2025, the Company was awarded a grant (the "Grant") for up to \$400,000 from the MRNF for the study entitled: "Conduct mineral processing tests on peripheral facies and host rocks at the Crevier deposit." During the year ended December 31, 2025, the Company incurred eligible costs related to the Grant, allowing for the recognition of \$400,000 as other income in the consolidated statement of loss and comprehensive loss for this period. As at December 31, 2025, the Company has received \$240,000 for the costs incurred and has recorded a grant receivable of \$160,000 as at December 31, 2025 (\$ nil as at December 31, 2024).

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

11. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	December 31, 2025	December 31, 2024
	\$	\$
Balance – beginning of year	83,610	-
Liability on flow-through shares issued	1,223,510	182,822
Recognition of liability related to flow-through shares	(97,608)	(99,212)
Balance – end of year	1,209,512	83,610

12. SHARE CAPITAL AND WARRANTS

The Company is authorized to issue an unlimited number of Common Shares without par value.

Share capital

Transactions for the year ended December 31, 2025

- On July 29, 2025, NioBay closed a non-brokered private placement financing for total gross proceeds of \$2,238,031 (the “2025 Placement”). Under the 2025 Placement, NioBay issued 23,808,846 units of the Company on a charity flow-through basis (the “Charity FT Units”) at a price of \$0.094 per Charity FT Unit. Each Charity FT Unit consists of one Common Share that qualifies as a “flow-through share” pursuant to subsection 66(15) of the Income Tax Act (Canada) and section 359.1 of the Taxation Act (Québec) and one Common Share purchase warrant (“Warrant”). Each Warrant entitles the holder thereof to purchase one Common Share on a non-flow-through basis at an exercise price of \$0.10 for a period of 24 months.

Upon closing, the Company paid share issue costs of \$126,917 and issued 675,446 finder’s warrants (the “Compensation Warrants”). Each Compensation Warrant is exercisable to purchase one Common Share at an exercise price of \$0.10 per share for a period of 24 months.

The fair value of the Compensation Warrants were determined by the Black-Scholes option pricing model based on the following weighted assumptions:

Compensation Warrant exercise price	\$0.10
Share price at date of grant	\$0.11
Risk-free interest rate	2.79%
Expected life of Compensation Warrants	2 years
Annualized expected volatility	90%
Fair value per Compensation Warrant	\$0.06

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

12. SHARE CAPITAL AND WARRANTS (continued)

Transactions for the year ended December 31, 2025 (continued)

- On December 18, 2025, NioBay closed a brokered private placement (the “Brokered Offering”) for aggregate gross proceeds of \$8,497,990. The Brokered Offering is comprised of the sale of (i) 12,277,430 units of the Company (each, a “Brokered Unit”) at a price of \$0.14 per Brokered Unit (the “Brokered Unit Price”), (ii) 28,306,250 flow-through units of the Company (each, a “FT Unit”) at a price of \$0.16 per FT Unit, and (iii) 10,715,000 flow-through units of the Company sold to charitable purchasers (each, a “Charity Unit”) at a price of \$0.21 per Charity Unit. Concurrent to the Brokered Offering, the Company has closed a non-brokered private placement of 2,296,250 FT Units at a price of \$0.16 per FT Unit, for gross proceeds of \$367,400.

Each Brokered Unit consists of one Common Share (a “Unit Share”) and one Warrant. Each FT Unit and Charity Unit consists of one Common Share and one Warrant, each of which is issued as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (each respectively, a “FT Share” and a “FT Warrant”). Each Warrant and each FT Warrant entitle the holder to purchase one Common share (each, a “Warrant Share”) at a price of \$0.20 at any time on or before December 18, 2028.

Upon closing, the Company incurred share issue costs of \$711,136 and issued 2,597,063 Warrants (the “2025 Broker Warrants”). Each 2025 Broker Warrant is exercisable into one Common Share at the Unit Price at any time on or before December 18, 2028.

The fair value of the 2025 Broker Warrants were determined by the Black-Scholes option pricing model based on the following weighted assumptions:

2025 Broker Warrant exercise price	\$0.14
Share price at date of grant	\$0.13
Risk-free interest rate	2.64%
Expected life of 2025 Broker Warrants	3 years
Annualized expected volatility	90%
Fair value per 2025 Broker Warrant	\$0.07

Transactions for the year ended December 31, 2024

- On April 30, 2024 and May 27, 2024, the Company closed two tranches of a private placement (the “2024 Offering”). Under the 2024 Offering, the Company raised gross proceeds of \$616,525, from the sale 8,807,501 Québec-eligible flow-through units of the Company (each, a “Québec FT Unit”) at a price of \$0.07 per Québec FT Unit. Each Québec FT Unit consists of one Common Share issued as a “flow-through share” within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) and one half of one share purchase warrant of the Company (each whole warrant a “Warrant”) Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at a price of \$0.12 for a period of 24 months.

In connection with the Offering, the Company incurred share issue costs of \$60,028, including \$51,063 in cash and the issuance of 257,143 Warrants (“Finder’s Warrants”). Each Finder’s Warrant will entitle the holder to purchase one Common Share at a price of \$0.07 for a period of 24 months. An amount of \$60,349 (net of share issue costs of \$6,509) was allocated to the liability on flow through shares.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

12. SHARE CAPITAL AND WARRANTS (continued)

Transactions for the year ended December 31, 2024 (continued)

The fair value of the Finder's Warrants were determined by the Black-Scholes option pricing model based on the following weighted assumptions:

Finder Warrant exercise price	\$0.07
Share price at date of grant	\$0.07
Risk-free interest rate	4.31%
Expected life of Finder Warrants	2 years
Annualized expected volatility	90%
Fair value per Finder Warrant	\$0.03

- On July 26, 2024, the Company closed a private placement (the "July Offering"). Under the July Offering, the Company raised gross proceeds of \$981,550, from the sale 14,022,142 Québec FT Units at a price of \$0.07 per Québec FT Unit. Each Québec FT Unit consists of one Common Share issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) and one half of one Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at a price of \$0.12 at any time on or before July 27, 2026.

In connection with the July Offering, the Company share issue costs of \$130,220, including \$101,584 in cash and the issuance of 929,049 Warrants ("Broker Warrants"). Each Broker Warrant will entitle the holder to purchase one Common Share at a price of \$0.07 for a period of 24 months. An amount of \$60,809 (net of share issue costs of \$9,301) was allocated to the liability on flow through shares.

The fair value of the Broker Warrants were determined by the Black-Scholes option pricing model based on the following weighted assumptions:

Broker Warrant exercise price	\$0.065
Share price at date of grant	\$0.07
Risk-free interest rate	3.46%
Expected life of Broker Warrants	2 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Broker Warrant	\$0.03

- On November 22 and November 28, 2024, the Company closed two tranches of a private placement (the "November Offering"). Under the November Offering, the Company raised gross proceeds of \$350,999, from the sale 4,129,406 Québec FT Units at a price of \$0.085 per Québec FT Unit. Each Québec FT Unit consists of one Common Share issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) and one half of one Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at a price of \$0.13 for a period of 24 months.

In connection with the November Offering, the Company share issue costs of \$31,876, including \$27,617 in cash and the issuance of 205,882 Warrants ("Incentive Warrants"). Each Incentive Warrant will entitle the holder to purchase one Common Share at a price of \$0.085 for a period of 12 months. An amount of \$61,664 (net of share issue costs of \$6,159) was allocated to the liability on flow through shares.

The fair value of the Incentive Warrants were determined by the Black-Scholes option pricing model based on the following weighted assumptions:

Incentive Warrant exercise price	\$0.07
Share price at date of grant	\$0.085
Risk-free interest rate	3.19%
Expected life of Incentive Warrants	1 years
Annualized expected volatility	90%
Dividend rate	-
Fair value per Incentive Warrant	\$0.02

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

12. SHARE CAPITAL AND WARRANTS (continued)

Share purchase warrants ("Warrants")

The following table sets out the activity in Warrants:

	December 31, 2025		December 31, 2024	
	Number	Weighted average price per Common Share (\$)	Number	Weighted average price per Common Share (\$)
Beginning of year	19,655,095	0.12	4,783,499	0.14
Issued	80,676,555	0.17	14,871,596	0.12
Exercised	(857,142)	0.12	-	-
Expired	(4,989,381)	0.14	-	-
End of year	94,485,127	0.16	19,655,095	0.12

The Warrants outstanding at December 31, 2025, are as follows:

Exercise price (\$)	Number of Warrants	Expiry date	Weighted average remaining contractual life (years)
0.12	2,228,607	April 30, 2026	0.3
0.07	257,143	April 30, 2026	0.3
0.12	2,175,143	May 25, 2026	0.4
0.12	6,454,197	July 27, 2026	0.6
0.07	929,049	July 27, 2026	0.6
0.13	1,470,588	November 21, 2026	0.9
0.13	294,115	November 27, 2026	0.9
0.10	24,484,292	July 29, 2027	1.6
0.14	2,597,063	December 18, 2028	3.0
0.20	53,594,930	December 18, 2028	3.0
	94,485,127		

13. STOCK OPTIONS

On June 1, 2017, the shareholders of the Company approved a rolling 10% stock option plan (the "Plan"). Pursuant to the Plan, the Board may grant stock options ("Options") to directors, officers, employees, and consultants of the Company up to a maximum of 10% of the total the number of issued and outstanding Common Shares from time to time, less any shares reserved for issuance under the "fixed number" option plan. The following table sets out the activity in Options for the years ended December 31, 2025 and 2024:

	Number	Weighted average exercise price (\$)
Balance – January 1, 2024	3,140,000	0.31
Grant	1,310,000	0.06
Expired	(180,000)	0.18
Balance – December 31, 2024	4,270,000	0.24
Grant	1,265,000	0.06
Exercised	(275,000)	0.10
Forfeited	(150,000)	0.27
Expired	(560,000)	0.30
Balance – December 31, 2025	4,550,000	0.18
Exercisable Options – December 31, 2025	3,311,666	0.24

Niobay Metals Inc.
Notes to Consolidated Financial Statements
December 31, 2025 and 2024 (in Canadian dollars)

13. STOCK OPTIONS (continued)

On March 26, 2025, the Company granted Options to a director to purchase up to an aggregate of 50,000 Common Shares. One third of such Options will vest immediately and the remaining Options are subject to a two-year vesting period. The Options have a seven-year term at an exercise price of \$0.055 per Common Share.

On June 12, 2025, the Company granted Options to directors, officers, employees and consultants to purchase up to an aggregate of 1,215,000 Common Shares. One third of such Options will vest immediately and the remaining Options are subject to a two-year vesting period. The Options have a seven-year term at an exercise price of \$0.06 per Common Share.

Options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the following weighted average assumptions:

Share price as at date of grant	\$0.06
Exercise price as at date of grant	\$0.06
Risk-free interest rate	3.00%
Expected life of Options	6.0 years
Annualized expected volatility	90%
Dividend rate	0%
Weighted average fair value per Option	\$0.04

The expected volatility was determined by calculating the “historical” volatility of the Company’s Common Share price back from the date of the grant and for a period corresponding to the expected life of the Options. When computing historical volatility, Management may disregard an identifiable period of time in which it considers that the share price was extraordinarily volatile because of a specific event that is not expected to recur during the expected life of the Option.

The following table reflects the Options issued and outstanding as at December 31, 2025:

Issue date	Number of Options	Exercise price (\$)	Remaining contractual life (years)	Number of exercisable Options	Exercise price of exercisable Options (\$)
April 19, 2021	50,000	0.950	0.3	50,000	0.950
August 26, 2021	900,000	0.530	2.7	900,000	0.530
October 13, 2021	150,000	0.370	2.8	150,000	0.370
June 22, 2022	1,000,000	0.140	3.5	1,000,000	0.140
June 14, 2024	1,035,000	0.060	5.5	690,000	0.060
November 28, 2024	150,000	0.065	5.9	100,000	0.065
March 24, 2025	50,000	0.055	6.2	16,666	0.055
June 12, 2025	1,215,000	0.060	6.5	405,000	0.060
	4,550,000	0.180	4.6	3,311,666	0.240

On February 25, 2026, the Company approved the grant of an aggregate of 475,000 Options to a director and consultants of the Company. One third of the Options granted will vest immediately and the remaining Options are subject to a two-year vesting period. All grants have a seven-year term at an exercise price of \$0.10.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

14. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses during the years ended December 31, 2025 and 2024:

	Years ended December 31,	
	2025	2024
	\$	\$
Drilling	1,407,577	600,833
Studies and analysis	928,931	825,728
Wages and consulting	142,052	61,753
Administrative and others	44,307	44,534
Mineral claims	43,543	24,194
Contractors	32,694	57,892
Transportation	16,580	800
Tax credits, net	(131,429)	(38,265)
Total	2,484,255	1,577,469

15. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Years ended December 31,	
	2025	2024
	\$	\$
Wages and consulting	571,154	483,497
Investor relations and travel	318,166	223,439
Professional fees	154,861	142,473
Office	83,678	94,047
Reporting issuer costs	57,649	46,047
Total	1,185,508	989,503

16. INCOME TAXES

The reconciliation of the effective tax rate is as follows:

	Years ended December 31,	
	2025	2024
	\$	\$
Loss before income tax	(3,020,307)	(2,435,691)
Tax using the Company's domestic tax rate (26.5% in 2025 and 2024)	(800,381)	(645,458)
Share-based compensation	13,887	11,430
Non-taxable income from flow-through shares	(22,157)	(26,291)
Mining tax expenses	(4,260)	(462)
Impact of renunciation under flow-through agreement	374,363	306,248
Non-deductible expenses and others	234	2,098
Prior year adjustments	1,462	42,274
Change in unrecognized temporary differences	436,852	310,161
Tax recovery (expense)	-	-

The Company had no deferred tax assets and liabilities as at December 31, 2025 and 2024.

Niobay Metals Inc.
Notes to Consolidated Financial Statements
December 31, 2025 and 2024 (in Canadian dollars)

16. INCOME TAXES (continued)

Unrecognized deductible temporary differences, related to Canadian entities, for which no deferred tax assets have been recognized are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Non-capital losses carry-forwards	6,940,000	6,667,000
Capital losses carry-forwards	243,000	243,000
Mining properties	301,000	236,000
Exploration and evaluation assets	3,677,000	3,545,000
Property and equipment	161,000	140,000
Share issue cost	209,000	43,000
Other	7,000	8,000
Unrecognized deferred tax asset	11,538,000	10,882,000

Deferred tax assets have not been recognized in respect of these items because of the uncertainties that future taxable profit will be available against which the Company can utilise these benefits.

Non-capital losses, related to Canadian entities, expire as follows:

	\$
2027	5,965,934
2028	287,863
2029	2,876
2030	4,313,723
2031	908,564
2032	2,258,514
2033	1,423,290
2034	884,291
2035	94,657
2036	725,407
2037	670,361
2038	896,317
2039	1,009,322
2040	81,845
2041	1,769,800
2042	1,775,440
2043	726,912
2044	1,182,733
2045	1,335,531
	26,313,380

17. NET LOSS PER SHARE

As a result of the net loss for the years ended December 31, 2025 and 2024, all potentially dilutive Common Shares are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these years.

Niobay Metals Inc.

Notes to Consolidated Financial Statements December 31, 2025 and 2024 (in Canadian dollars)

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Fair value

Cash and cash equivalents and trade accounts payable and accrued liabilities are financial instruments whose fair value approximates their carrying value due to their short-term maturity and due to market interest rates.

Foreign exchange risk

As at December 31, 2025 and 2024, the balance of financial assets and liabilities denominated in US dollars is not significant. A variation of the US dollar in relation with the Canadian dollar would have a negligible effect on the loss for the years ended December 31, 2025 and 2024.

Credit risk

The credit risk is the risk that the Company is not paid by a third party who does not respect its agreement obligations. It is mainly reflected in cash and cash equivalents. The carrying value of the Company's financial assets represents the maximum credit risk exposure. The Company invests its cash and cash equivalents in high quality titles issued by Canadian financial institutions.

Liquidity risk

The liquidity risk is the risk the Company may encounter when payment of its obligations become due. The Company manages its liquidity risk by using budgets allowing it to determine the necessary funds required to meet its exploration plans and administrative expenses. Moreover, the Company ensures that the working capital is sufficient to meet its current obligations.

As at December 31, 2025, the Company had a working capital of \$9,155,115, which includes cash and cash equivalents of \$7,413,046 and \$2,500,000 in short-term investments. The Company believes it has sufficient cash resources to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for at least the next 12 months.

In the past, the Company has financed its activities by raising capital through equity issuances. Until NioBay can generate a positive cash flow position in order to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets, and obtaining other non-equity sources of financing.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

19. CAPITAL MANAGEMENT

In terms of capital management, the objective of the Company is to preserve its ability to continue its mining exploration while maintaining the current exploration programs on its mining assets, to provide sufficient working capital to meet its current commitments and to pursue potential investments. The capital of the Company consists of equity attributable to shareholders of the Company of \$10,252,652 as at December 31, 2025 (\$3,920,644 at December 31, 2024).

The Company manages its capital structure and makes adjustments in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. Changes in capital are presented in the consolidated statements of shareholders' equity.

Niobay Metals Inc.
Notes to Consolidated Financial Statements
December 31, 2025 and 2024 (in Canadian dollars)

20. RELATED PARTIES

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to key management personnel, including the President and Chief Executive Officer and the Chief Financial Officer, is as follows:

	Years ended December 31,	
	2025	2024
	\$	\$
Salaries, professional fees and other short-term benefits	506,000	407,000
Share-based compensation	47,000	35,000
	553,000	442,000

Termination and Change of Control Provisions

The Company has commitments under certain management contracts and minimum commitments under those contracts are \$550,000 with respect to change of control provisions.

21. COMMITMENTS AND CONTINGENCIES

Flow-through shares

The Company is partially financed through the issuance of flow-through shares, and accordingly, the Company is engaged to complete mining exploration activities. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

- a. Two years following the flow-through placements;
- b. One year after the Company has renounced the tax deductions relating to the exploration work.

During the year ended December 31, 2024, the Company received \$1,949,074 following the issuances of flow-through shares for which the Company renounced tax deductions as at December 31, 2024. As at December 31, 2025, this commitment has been completed.

On July 29, 2025, the Company received \$2,238,231 following the issuances of flow-through shares for which the Company will renounce tax deductions as at December 31, 2025. As at December 31, 2025, \$1,655,000 remains to be incurred prior to December 31, 2026.

On December 18, 2025, the Company received \$7,146,550 following the issuances of flow-through shares for which the Company will renounce tax deductions as at December 31, 2025. As at December 31, 2025, \$7,060,000 remains to be incurred prior to December 31, 2026.

22. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. As at December 31, 2025 and 2024, all assets are located in Canada.