

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
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	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.

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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.