CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended September 30, 2020

In Canadian Dollars

Unaudited

Niobay Metals Inc.
Consolidated Statements of Financial Position

(in Canadian dollars)	**September 30, 2020**	December 31, 2019
	$	$
ASSETS		
Current		
Cash and cash equivalents (Note 4)	**1,065,673**	3,265,559
Sales taxes receivable	**118,120**	84,484
Tax credits related to resources and mining taxes receivable	**140,324**	143,447
Prepaid expenses and deposits	**14,505**	80,338
	1,338,622	3,573,828
Non-current		
Exploration and evaluation assets	**399,945**	399,945
Property and equipment	**107,595**	107,335
TOTAL ASSETS	**1,846,162**	4,081,108
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	**494,886**	478,676
Deferred grants (Note 5)	**9,275**	62,700
Liability related to flow-through shares (Note 6)	**10,832**	142,442
TOTAL LIABILITIES	**514,993**	683,818
EQUITY		
Share capital (Note 6)	**73,491,153**	73,241,204
Contributed surplus	**7,454,525**	7,297,942
Deficit	**(79,641,684)**	(77,186,352)
Equity attributable to shareholders of the Company	**1,303,994**	3,352,794
Non-controlling interests	**27,175**	44,496
TOTAL EQUITY	**1,331,169**	3,397,290
TOTAL LIABILITIES AND EQUITY	**1,846,162**	4,081,108

Going concern (Note 2), Commitments and contingencies (Note 12), and Subsequent events (Note 14).

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 Loss and Comprehensive Loss

(unaudited, in Canadian dollars)	**Three-month periods ended September 30, 2020**	2019	**Nine-month periods ended September 30, 2020**	2019
	$	$	**$**	$
Expenses and other items				
Exploration and evaluation (Note 8)	**301,725**	88,238	**1,807,692**	349,603
Management and administration (Note 9)	**238,719**	196,155	**644,799**	555,683
Share-based compensation	**71,964**	32,157	**208,532**	149,618
Depreciation of property and equipment	**3,556**	3,531	**11,220**	10,495
Operating loss	**615,964**	320,081	**2,672,243**	1,065,399
Finance income	**(2,117)**	(7,634)	**(19,007)**	(28,566)
Other income (Note 5)	**-**	-	**(53,425)**	-
(Gain) loss on foreign exchange	**11**	942	**(22)**	1,324
Income related to flow-through shares (Note 6)	**(24,112)**	-	**(131,609)**	-
Net loss and comprehensive loss	**(589,746)**	(313,389)	**(2,468,180)**	(1,038,157)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	**(588,189)**	(309,210)	**(2,450,859)**	(1,004,181)
Non-controlling interests	**(1,557)**	(4,179)	**(17,321)**	(33,976)
Basic and diluted loss per common share (Note 10)	**(0.01)**	(0.01)	**(0.05)**	(0.02)
Weighted average number of common shares – basic and diluted (Note 10)	**52,456,754**	45,690,111	**52,280,461**	45,690,111

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

Niobay Metals Inc.
Consolidated Statements of Shareholders' Equity

(in Canadian dollars, except for number of shares)	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, 2019	**51,926,009**	**73,241,204**	**7,297,942**	**(77,186,352)**	**3,352,794**	**44,496**	**3,397,290**
Units issued pursuant to a private placement (Note 6)	**328,571**	**115,000**	**-**	**-**	**115,000**	**-**	**115,000**
Share issue expenses on private placement	**-**	**-**	**-**	**(4,472)**	**(4,472)**	**-**	**(4,472)**
Options exercised	**330,000**	**134,949**	**(51,949)**	**-**	**83,000**	**-**	**83,000**
Share-based compensation	**-**	**-**	**208,532**	**-**	**208,532**	**-**	**208,532**
Net loss and comprehensive loss	**-**	**-**	**-**	**(2,450,860)**	**(2,450,860)**	**(17,321)**	**(2,468,181)**
Balance at September 30, 2020	**52,584,580**	**73,491,153**	**7,454,525**	**(79,641,684)**	**1,303,994**	**27,175**	**1,331,169**
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

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

Niobay Metals Inc.
Consolidated Statements of Cash Flows

(in Canadian dollars)	**Nine-month periods ended September 30, 2020**	2019
	$	$
Operating activities		
Net loss	**(2,468,180)**	(1,038,157)
Adjustments		
Share-based compensation	**208,532**	149,618
Depreciation of property and equipment	**11,220**	10,495
Other income	**(53,425)**	-
Income related to flow-through shares	**(131,609)**	-
Foreign exchange (gain) loss	**(22)**	1,324
Changes in working capital items		
Sales taxes receivable	**(33,636)**	(830)
Tax credits related to resources and mining taxes receivable	**3,123**	8,861
Prepaid expenses and deposits	**65,833**	22,887
Accounts payable and accrued liabilities	**136,210**	(43,476)
	(2,261,954)	(889,278)
Investing activities		
Additions to property and equipment	**(11,481)**	(1,165)
Financing activities		
Private placement (Note 6)	**115,000**	-
Proceeds from the exercise of options	**83,000**	-
Share issue expenses	**(124,472)**	-
	73,528	-
Effect of exchange rate changes on cash held in foreign currency	**21**	(1,317)
Net change in cash and cash equivalents	**(2,199,886)**	(891,760)
Cash and cash equivalents, beginning of period	**3,265,559**	2,291,378
Cash and cash equivalents, end of period	**1,065,673**	1,399,618
Supplemental cash flow information		
Share issue expenses included in accounts payable and accrued liabilities:		
Beginning of period	**120,000**	-
End of period	**-**	-

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

1. GENERAL INFORMATION

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, 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. The Company also holds a 47% direct participation in certain mineral titles located in Québec, under a joint venture agreement (the "Joint Venture") dated January 18, 2008 with SOQUEM Inc. ("SOQUEM"), a subsidiary of Investissement Québec, including the Clairy, Lac Shortt, Des Meloîzes and L'Espérance properties.

All amounts in these unaudited condensed interim consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. Niobay's common shares are listed on the TSX Venture Exchange under the symbol NBY.

The Board of Directors approved and authorized for issuance these unaudited condensed interim consolidated financial statements on November 25, 2020.

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, the Company's management ("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, 2020, the Company had a working capital of $823,629 ($2,890,010 at December 31, 2019), had an accumulated deficit of $79,641,684 (an accumulated deficit of $77,186,352 at December 31, 2019) and incurred a loss of $2,468,180 for the nine-month period ended September 30, 2020 (a loss of $1,038,157 for the nine-month period ended September 30, 2019). Working capital at September 30, 2020 included cash and cash equivalents of $1,065,673 ($3,265,559 at December 31, 2019).

The Company estimates that the working capital available at September 30, 2020 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 that are acceptable to the Company.

The duration and full financial effect of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, including suppliers, service providers, employees and on global financial markets limiting our ability to access financing are also subject to significant uncertainty. The Company is monitoring developments in order to be in a position to take appropriate action.

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 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.

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, 2019 and 2018 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

4. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019
	$	$
Cash	**540,501**	2,613,956
Cash equivalents	**525,172**	651,603
	1,065,673	3,265,559

Cash equivalents at September 30, 2020 are composed of term deposits bearing a weighted-average interest rate of 0.3% and having various maturity dates until November 2020.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2020, accounts payable and accrued liabilities included payables and accruals of $459,066 ($442,856 at December 31, 2019) and a net provision of $35,820 related to a notice of assessment issued by Revenu Québec ($35,820 at December 31, 2019).

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 tax provision of $144,000 at December 31, 2018.

In 2019 the Company entered into a grant agreement for an amount up to $144,800 from The Ministère de l'Énergie et des Ressources Naturelles du Québec, as well as a second grant agreement from the Ministère de l'Économie et de l'Innovation du Québec for an amount up to $108,600. As at September 30, 2020, progressive grant payments made to the Company totaling $108,180 were withheld by Revenu Québec and recorded against the specific tax provision. For the nine-month period ended September 30, 2020, the Company has recognized $53,425 as other income in the consolidated statement of loss and comprehensive loss ($45,480 recognized as other income during the year ended December 31, 2019). As at September 30, 2020, $9,275 is accounted for as deferred grants in the consolidated statement of financial position ($62,700 as at December 31, 2019).

CMI will continue to defend its position with the tax authorities.

6. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At September 30, 2020, the Company had 52,584,580 issued and outstanding common shares (51,926,009 issued and outstanding common shares at December 31, 2019).

Issuance of shares

On January 22, 2020, the Company closed of a non-brokered private placement pursuant to which the Company issued 328,571 units at a price of $0.35 per unit for proceeds of $115,000, each unit being comprised of one common share and one half of a warrant, each full warrant entitles its holder to subscribe for one common share at a price of $0.45 per common share during a 24-month period. In this transaction no value has been attributed to warrants.

Liability related to flow-through shares

	September 30, 2020	December 31, 2019
	$	$
Balance – beginning of period	**142,442**	-
Liability related to flow-through shares issued	**-**	142,442
Recognition of liability related to flow-through shares	**(131,610)**	-
Balance – end of period	**10,832**	142,442

Share purchase warrants

The following table details the changes in the Company's warrants issued to shareholders:

	Number of Warrants	**Price per share ($)**
Balance – January 1, 2019	250,000	0.30
Issued	3,436,800	0.53
Expired	(250,000)	0.30
Balance – December 31, 2019	3,436,800	0.53
Issued	164,285	0.45
Balance – September 30, 2020	**3,601,085**	**0.52**

7. STOCK OPTIONS

The following table summarizes information about the movement of the share options:

	Number	Weighted average exercise price ($)
Balance – January 1, 2019	2,848,800	0.29
Granted	780,000	0.19
Expired	(340,000)	0.27
Balance – December 31, 2019	3,288,800	0.26
Granted	1,405,000	0.32
Exercised	(330,000)	0.25
Expired	(88,000)	0.46
Balance – September 30, 2020	**4,275,800**	**0.28**
Exercisable options – September 30, 2020	**3,012,467**	**0.27**

At the grant date the share options are accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the following weighted average assumptions:

	Nine-month period ended September 30, 2020
Risk-free interest rate	0.66%
Expected life of options	4.2 years
Annualized volatility	100%
Dividend rate	-
Weighted average fair value per option	$0.21

The annualized volatility was based on historical data for the Company. The fair value of the share options is amortized over the respective vesting period of each tranche of an award.

8. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Wages and consulting	**88,168**	77,579	**372,354**	240,632
Drilling	**1,378**	-	**512,735**	-
Transportation	**6,796**	-	**354,301**	-
Studies	**192,292**	2,791	**503,691**	53,192
Mineral claims	**9,102**	781	**37,625**	14,641
Contractors	**-**	(2,252)	**-**	14,199
Others	**3,989**	9,339	**26,986**	26,939
	301,725	88,238	**1,807,692**	349,603

9. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Wages and fees	**90,183**	84,057	**269,884**	258,297
Legal, audit and tax	**58,555**	73,973	**84,654**	130,339
Office	**15,688**	23,295	**63,776**	60,325
Investor relations and travel	**71,368**	11,654	**198,246**	77,297
Reporting issuer costs	**2,925**	3,176	**28,239**	29,425
	238,719	196,155	**644,799**	555,683

10. NET LOSS PER SHARE

Due to the net loss for the three and nine-month periods ended September 30, 2020 and 2019, all potentially dilutive common shares (Notes 6 and 7) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

11. RELATED PARTIES

The remuneration awarded to directors and to key management personnel, including the President and CEO and the CFO, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
			$	$
Salaries, professional fees and other short-term benefits	**65,000**	72,251	**229,000**	216,751
Share-based compensation	**23,000**	19,144	**110,000**	92,664
	88,000	91,395	**329,000**	309,415

12. COMMITMENTS AND CONTINGENCIES

Flow-through shares

On December 23, 2019, the Company received $1,724,394 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2019. As at September 30, 2020, $130,000 remains to be incurred by December 31, 2021.

13. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. At September 30, 2020 and December 31, 2019, all assets are located in Canada.

14. SUBSEQUENT EVENTS

Sale of Assets

On November 25, 2020, the Company completed a sales agreement (the "Transaction") for its interest in the Des Meloizes Property (the "Property"), owned by the Joint Venture to Generic Gold Corp. ("Generic Gold"). In exchange of its 47% ownership of the Property, the Company received: (i) cash in the amount of $25,000; and (ii) an aggregate of 1,750,000 common shares (the "Consideration Shares") in the capital of Generic Gold. In exchange for its 53% ownership in the Property, SOQUEM received: (i) cash in the amount of $175,000; and (ii) an aggregate of 750,000 Consideration Shares. In addition, SOQUEM received a 3% net smelter returns royalty (the "NSR") in respect of the Property, subject to the right and option of Generic Gold to purchase 1% of the NSR for a price equal to $1,000,000.

Private Placement

On November 17, 2020, the Company announced that it has entered into an agreement with Canaccord Genuity Corp. on behalf of a syndicate of agents that includes Sprott Capital Partners LP, in connection with a "best efforts" private placement for aggregate gross proceeds of up to $12,000,000.