



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three-month and nine-month periods ended
September 30, 2021**

In Canadian Dollars

Unaudited

Niobay Metals Inc.

Consolidated Statements of Financial Position

<i>(in Canadian dollars)</i>	September 30, 2021	December 31, 2020
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 3)	11,487,233	13,174,309
Sales taxes receivable	161,929	150,167
Tax credits related to resources and mining taxes receivable	139,608	139,608
Prepaid expenses and deposits	113,205	28,449
	11,901,975	13,492,533
Non-current		
Investments (Note 4)	50,065	752,500
Exploration and evaluation assets (Note 12)	30,000	-
Property and equipment	103,143	108,625
TOTAL ASSETS	12,085,183	14,353,658
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	685,459	607,322
Liability related to flow-through shares (Note 6)	311,616	442,209
Deferred grants (Note 5)	-	9,275
TOTAL LIABILITIES	997,075	1,058,806
EQUITY		
Share capital (Note 6)	84,783,789	84,345,026
Contributed surplus	8,433,793	8,167,656
Deficit	(82,086,468)	(79,243,429)
Equity attributable to shareholders of the Company	11,131,114	13,269,253
Non-controlling interests	(43,006)	25,599
TOTAL EQUITY	11,088,108	13,294,852
TOTAL LIABILITIES AND EQUITY	12,085,183	14,353,658

Commitments and contingencies (Note 12)
Subsequent event (Note 14)

The accompanying notes form an integral part of these unaudited condensed interim 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>(unaudited, in Canadian dollars)</i>	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Expenses and other items				
Exploration and evaluation (Note 8)	678,911	301,725	1,805,975	1,807,692
Management and administration (Note 9)	341,889	238,719	1,005,018	644,799
Share-based compensation	217,773	71,964	299,986	208,532
Depreciation of property and equipment	4,521	3,556	13,435	11,220
Operating loss	1,243,094	615,964	3,124,414	2,672,243
Finance income	(15,372)	(2,117)	(44,865)	(19,007)
Other income (Note 5)	(9,275)	-	(9,275)	(53,425)
Loss (gain) on foreign exchange	-	11	1,608	(22)
Loss (gain) on investments (Note 4)	24,225	-	(29,645)	-
Income related to flow-through shares (Note 6)	(43,394)	(24,112)	(130,593)	(131,609)
Net loss and comprehensive loss	(1,199,278)	(589,746)	(2,911,644)	(2,468,180)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	(1,157,952)	(588,189)	(2,843,039)	(2,450,859)
Non-controlling interests	(41,326)	(1,557)	(68,605)	(17,321)
Basic and diluted loss per common share (Note 10)	(0.02)	(0.01)	(0.04)	(0.05)
Weighted average number of common shares – basic and diluted (Note 10)	71,070,981	52,456,754	70,710,497	52,280,461

The accompanying notes form an integral part of these unaudited condensed interim 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, 2020	70,326,617	84,345,026	8,167,656	(79,243,429)	13,269,253	25,599	13,294,852
Acquisition of exploration and evaluation assets (Note 12)	22,591	20,000	-	-	20,000	-	20,000
Warrants exercised	607,316	327,414	-	-	327,414	-	327,414
Options exercised	195,000	91,349	(33,849)	-	57,500	-	57,500
Share-based compensation	-	-	299,986	-	299,986	-	299,986
Net loss and comprehensive loss	-	-	-	(2,843,039)	(2,843,039)	(68,605)	(2,911,644)
Balance at September 30, 2021	71,151,524	84,783,789	8,433,793	(82,086,468)	11,131,114	(43,006)	11,088,108
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	328,571	115,000	-	-	115,000	-	115,000
Share issue expenses pursuant to a 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

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

Niobay Metals Inc. Consolidated Statements of Cash Flows

<i>(in Canadian dollars)</i>	Nine-month periods ended September 30,	
	2021	2020
	\$	\$
Operating activities		
Net loss	(2,911,644)	(2,468,180)
Adjustments		
Share-based compensation	299,986	208,532
Depreciation of property and equipment	13,435	11,220
Other income	(9,275)	(53,425)
Income related to flow-through shares	(130,593)	(131,609)
Foreign exchange (gain) loss	1,608	(22)
Changes in working capital items		
Sales taxes receivable	(11,762)	(33,636)
Tax credits related to resources and mining taxes receivable	-	3,123
Prepaid expenses and deposits	(84,756)	65,833
Accounts payable and accrued liabilities	191,137	136,210
Net cash flows used in operating activities	(2,641,864)	(2,261,954)
Investing activities		
Investments in property and equipment	(7,953)	(11,481)
Decrease in investments	702,435	-
Acquisition of exploration and evaluation assets	(10,000)	-
Net cash flows from (used in) investing activities	684,482	(11,481)
Financing activities		
Private placement	-	115,000
Proceeds from the exercise of warrants	327,414	-
Proceeds from the exercise of options	57,500	83,000
Share issue expenses	(113,000)	(124,472)
Net cash flows from in financing activities	271,914	73,528
Effect of exchange rate changes on cash held in foreign currency	(1,608)	21
Net change in cash and cash equivalents	(1,687,076)	(2,199,886)
Cash and cash equivalents, beginning of period	13,174,309	3,265,559
Cash and cash equivalents, end of period	11,487,233	1,065,673
Supplemental cash flow information		
Share issue expenses included in accounts payable and accrued liabilities:		
Beginning of period	113,000	120,000
End of period	-	-

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

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2021 (in Canadian dollars)

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 (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. The Company also held a 48% direct participation in certain mineral titles located in Québec under a joint venture agreement dated January 18, 2008 with SOQUEM Inc., a subsidiary of Investissement Québec, including the Clairly, Lac Shortt and L’Espérance properties (see also Note 14).

All amounts in these 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” and on the OTCQB Venture Market, a U.S. market operated by OTC Markets Group Inc. (“OTC”) in New York, under the symbol “NBYCF”.

The Board of Directors approved and authorized for issuance these unaudited condensed interim consolidated financial statements on November 24, 2021.

These 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.

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which COVID-19 may materially and adversely affect the Company in future periods are also subject to significant uncertainty. The Company is monitoring developments in order to be in a position to take appropriate action.

2. 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, 2020 and 2019 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

3. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020
	\$	\$
Cash	1,956,470	2,146,230
Cash equivalents	9,530,763	11,028,079
	11,487,233	13,174,309

Cash equivalents at September 30, 2021 are composed of term deposits bearing a weighted-average interest rate of 0.54% and having various maturity dates until October 2021.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2021 (in Canadian dollars)

4. INVESTMENTS

As at September 30, 2021, the Company held 161,500 common shares in Generic Gold Corp. valued at \$50,065 (as at December 31, 2020, 1,750,000 common shares valued at \$752,500). These investments are measured at fair value and changes in fair value are recognized in the net loss for the period.

During the three-month period ended September 30, 2021, the Company recorded a loss of \$24,225 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (\$ nil for the three-month period ended September 30, 2020).

During the nine-month period ended September 30, 2021, the Company recorded a gain of \$29,645 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (\$ nil for the nine-month period ended September 30, 2020).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2021, accounts payable and accrued liabilities included payables and accruals of \$649,639 (\$571,502 at December 31, 2020) and a provision of \$35,820 related to a notice of assessment issued by Revenu Québec (\$35,820 at December 31, 2020).

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, 2021, progressive grant payments made to the Company totaling \$108,180 were withheld by Revenu Québec and recorded against the specific tax provision. CMI will continue to defend its position with the tax authorities.

For the three-month and nine-month periods ended September 30, 2021, the Company recognized \$9,275 as other income in the consolidated statement of loss and comprehensive loss (\$nil and \$53,425 recognized as other income during the three-month and nine-month periods ended September 30, 2020, respectively).

As at September 30, 2021, there are no deferred grants in the consolidated statement of financial position (\$9,275 as at December 31, 2020).

6. SHARE CAPITAL AND WARRANTS

Liability related to flow-through shares

	September 30, 2021	December 31, 2020
	\$	\$
Balance – beginning of period	442,209	142,442
Liability related to flow-through shares issued	-	442,209
Recognition of liability related to flow-through shares	(130,593)	(142,442)
Balance – end of period	311,616	442,209

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2021 (in Canadian dollars)

6. SHARE CAPITAL AND WARRANTS (continued)

Share purchase warrants

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

	Nine-month period ended September 30, 2021	
	Number of Warrants	Price per share (\$)
Balance – January 1, 2021	8,600,540	0.74
Exercised	(607,316)	0.54
Balance – September 30, 2021	7,993,224	0.76

Compensation Warrants

As at September 30, 2021, the Company has 672,653 compensation warrants outstanding. Each compensation warrant provides the option to acquire one unit comprised of one common share (a "Compensation Unit Share") and one-half of a warrant (each whole warrant a "Compensation Unit Warrant") at a price of \$0.65, expiring on December 8, 2022. If the option to acquire the Compensation Unit Share is exercised, each Compensation Unit Warrant Share is exercisable at a price of \$0.90, expiring December 8, 2023.

7. STOCK OPTIONS

The following table sets out the activity in stock options:

	Nine-month period ended September 30, 2021	
	Number	Weighted average exercise price (\$)
Balance – January 1, 2021	4,120,800	0.28
Granted	1,475,000	0.54
Exercised	(195,000)	0.29
Expired	(187,800)	0.50
Balance – September 30, 2021	5,213,000	0.35
Exercisable options – September 30, 2021	3,864,667	0.30

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, 2021
Risk-free interest rate	1.17%
Expected life of options	6.0 years
Annualized volatility	90%
Dividend rate	-
Weighted average fair value per option	\$0.37

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.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2021 (in Canadian dollars)

8. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Wages and consulting	136,870	88,168	478,351	372,354
Contractors	103,611	-	376,106	-
Drilling	-	1,378	-	512,735
Winter trail construction	-	-	275,272	-
Transportation	32,256	6,796	49,048	354,301
Studies	392,605	192,292	530,657	503,691
Mineral claims	7,082	9,102	39,899	37,625
Others	6,487	3,989	56,642	26,986
Total	678,911	301,725	1,805,975	1,807,692

9. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Wages and fees	170,921	90,183	384,902	269,884
Legal, audit and tax	11,998	58,555	109,047	84,654
Office	12,861	15,688	54,840	63,776
Investor relations and travel	137,996	71,368	399,424	198,246
Reporting issuer costs	8,113	2,925	56,805	28,239
Total	341,889	238,719	1,005,018	644,799

10. NET LOSS PER SHARE

Due to the net loss for the three and nine-month periods ended September 30, 2021 and 2020, 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 Chief Executive Officer and the Chief Financial Officer, is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2021	2020	2021	2020
			\$	\$
Salaries, professional fees and other short-term benefits	157,000	65,000	346,000	229,000
Share-based compensation	196,000	23,000	257,000	110,000
	353,000	88,000	603,000	329,000

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
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12. 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.

On December 8, 2020, the Company received \$5,031,406 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2020. As at September 30, 2021, \$3,550,000 remains to be incurred before December 31, 2022.

Option Agreement

On May 7, 2021, the Company closed an option agreement (the "Option Agreement") with Les Ressources Tectonic inc. ("Tectonic") to acquire a 100% interest in the Gouin East and Gouin West (the "Gouin Properties"). The Option Agreement calls for a total of \$190,000 in cash payments, \$430,000 payable at NioBay's option either in cash or in common shares of NioBay and \$1,650,000 in work commitments, over a six-year period. The first installments were paid upon receipt of regulatory approvals and totaled \$10,000 in cash and \$20,000 represented by the issuance of 22,591 common shares of NioBay. In addition, the Option Agreement provides for a firm work commitment of \$50,000 to be incurred on the Gouin Properties by August 31, 2021, which was completed by the Company. Upon exercise of this option, a 1% NSR royalty will be granted to Tectonic, being redeemable by NioBay for \$250,000 at any time during the option period (or for \$1,500,000 subsequent to the option period).

13. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. At September 30, 2021 and December 31, 2020, all assets are located in Canada.

14. SUBSEQUENT EVENT

On October 20, 2021, the Company announced the execution of a letter of agreement for the sale to SOQUEM of the rights and interests of NioBay in the Lac Shortt, L'Espérance, Le Tac and Clairiy properties for a total cash purchase price of \$950,000. In addition, NioBay will retain a 2% NSR royalty on the Clairiy property, half of which (1% NSR) will be redeemable at any time by SOQUEM in consideration of a payment to NioBay of \$1,000,000 in cash. NioBay will also have the right to buy back a 50% interest in any project containing a mineral resource that has been identified and confirmed by a 43-101 technical report in consideration of a cash payment equal to the total of 200% of exploration expenditures and 100% of the amount paid by SOQUEM for the property concerned.