



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three-month and nine-month periods ended
September 30, 2022**

In Canadian Dollars

Unaudited

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Niobay Metals Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Niobay Metals Inc.
Consolidated Statements of Financial Position

<i>(in Canadian dollars)</i>	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 3)	6,023,983	10,181,558
Amounts receivable	492,433	453,686
Prepaid expenses and deposits	254,177	179,248
	6,770,593	10,814,492
Non-current		
Property and equipment	630,653	242,737
Investments (Note 4)	17,765	46,027
Exploration and evaluation assets (Note 5)	80,000	30,000
TOTAL ASSETS	7,499,011	11,133,256
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	560,547	850,927
Liability related to flow-through shares (Note 7)	35,000	255,137
TOTAL LIABILITIES	595,547	1,106,064
EQUITY		
Share capital (Note 8)	84,831,999	84,783,789
Contributed surplus	8,731,509	8,532,463
Deficit	(86,424,300)	(83,212,532)
Equity attributable to shareholders of the Company	7,139,208	10,103,720
Non-controlling interests	(235,744)	(76,528)
TOTAL EQUITY	6,903,464	10,027,192
TOTAL LIABILITIES AND EQUITY	7,499,011	11,133,256

Commitments and contingencies (Note 14)

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

/s/ Jean-Sébastien David
 Jean-Sébastien David, Director

/s/ Raymond Legault
 Raymond Legault, Director

Niobay Metals Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)

<i>(in Canadian dollars)</i>	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses and other items				
Exploration and evaluation (Note 10)	652,424	678,911	3,384,101	1,805,975
Management and administration (Note 11)	245,199	341,889	837,373	1,005,018
Sale of exploration and evaluation assets (Note 5)	-	-	(950,000)	-
Share-based compensation	12,070	217,773	220,256	299,986
Depreciation of property and equipment	35,171	4,521	87,279	13,435
Operating loss	944,864	1,243,094	3,579,009	3,124,414
Net finance (income) expense	31,957	(15,372)	(16,175)	(44,865)
Other income	-	(9,275)	-	(9,275)
Loss (gain) on foreign exchange	(1)	-	25	1,608
Change in fair value of investments (Note 4)	9,690	24,225	28,262	(29,645)
Income related to flow-through shares (Note 7)	(64,563)	(43,394)	(220,137)	(130,593)
Net loss and comprehensive loss	(921,947)	(1,199,278)	(3,370,984)	(2,911,644)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	(799,773)	(1,157,952)	(3,211,768)	(2,843,039)
Non-controlling interests	(122,174)	(41,326)	(159,216)	(68,605)
Basic and diluted loss per common share (Note 12)	(0.01)	(0.02)	(0.05)	(0.04)
Weighted average number of common shares – basic and diluted (Note 12)	71,301,524	71,070,981	71,272,403	70,710,497

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

Niobay Metals Inc.
Consolidated Statements of Shareholders' Equity
(Unaudited)

<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, 2021	71,151,524	84,783,789	8,532,463	(83,212,532)	10,103,720	(76,528)	10,027,192
Stock options exercised	150,000	48,210	(21,210)	-	27,000	-	27,000
Share-based compensation	-	-	220,256	-	220,256	-	220,256
Net loss and comprehensive loss	-	-	-	(3,211,768)	(3,211,768)	(159,216)	(3,370,984)
Balance at September 30, 2022	71,301,524	84,831,999	8,731,509	(86,424,300)	7,139,208	(235,744)	6,903,464
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 5)	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

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

Niobay Metals Inc.
Consolidated Statements of Cash Flows
(Unaudited)

<i>(in Canadian dollars)</i>	Nine-month periods ended September 30,	
	2022	2021
	\$	\$
Operating activities		
Net loss	(3,370,984)	(2,911,644)
Adjustments		
Share-based compensation	220,256	299,986
Depreciation of property and equipment	87,279	13,435
Other income	-	(9,275)
Income related to flow-through shares	(220,137)	(130,593)
Foreign exchange loss	25	1,608
Change in fair value of investments	28,262	-
Changes in working capital items		
Amounts receivable	(38,747)	(11,762)
Prepaid expenses and deposits	(74,929)	(84,756)
Accounts payable and accrued liabilities	(390,380)	191,137
Net cash flows used in operating activities	(3,759,355)	(2,641,864)
Investing activities		
Investments in property and equipment	(375,195)	(7,953)
Proceeds from the disposal of investments	-	702,435
Acquisition of exploration and evaluation assets	(50,000)	(10,000)
Net cash flows (used in) from investing activities	(425,195)	684,482
Financing activities		
Proceeds from the issuance of warrants	-	327,414
Proceeds from the exercise of stock options	27,000	57,500
Share issue expenses	-	(113,000)
Net cash flows from financing activities	27,000	271,914
Effect of exchange rate changes on cash held in foreign currency	(25)	(1,608)
Decrease in cash and cash equivalents	(4,157,575)	(1,687,076)
Cash and cash equivalents, beginning of period	10,181,558	13,174,309
Cash and cash equivalents, end of period	6,023,983	11,487,233
Supplemental cash flow information		
Investments in property and equipment in accounts payable and accrued liabilities:		
Beginning of period	-	-
End of period	100,000	-
Share issue expenses included in accounts payable and accrued liabilities:		
Beginning of period	-	113,000
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, 2022 (Unaudited, in Canadian dollars)

1. GENERAL INFORMATION

Niobay Metals Inc. (“NioBay” or the “Company”) is primarily engaged in the acquisition and exploration of mineral properties. 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 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. (“SOQUEM”), a subsidiary of Investissement Québec, including the Clairly, Lac Shortt and L’Espérance properties (see also Note 5).

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 “NBV” and on the OTCQB Venture Market, a U.S. market operated by OTC Markets Group Inc. in New York, under the symbol “NBVCF”.

The Board of Directors approved and authorized for issuance these unaudited condensed interim consolidated financial statements on November 16, 2022.

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.

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, 2021 and 2020 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

3. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021
	\$	\$
Cash	2,788,486	3,149,529
Cash equivalents	3,235,497	7,032,029
Total	6,023,983	10,181,558

Cash equivalents at September 30, 2022 are comprised of redeemable term deposits bearing a weighted-average interest rate of 3.75%, redeemable without penalty, and having various maturity dates until November 2022.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2022 (Unaudited, in Canadian dollars)

4. INVESTMENTS

As at September 30, 2022 and December 31, 2021, the Company held 161,500 common shares in Generic Gold Corp. valued at \$17,765 at September 30, 2022 (\$46,027 as at December 31, 2021). 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, 2022, the Company recorded a loss of \$9,690 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (a loss of \$24,225 for the three-month period ended September 30, 2021). During the nine-month period ended September 30, 2022, the Company recorded a loss of \$28,262 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (a gain of \$29,645 for the nine-month period ended September 30, 2021).

5. 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 Columbiun 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 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 this property (the "Back-in Right"), in case of the establishment on this 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. These property rights are held through a Crown mining lease recorded in the name of the Company. The mining lease was renewed for a term of ten years as of March 1, 2018.

On December 17, 2020, Osisko Gold Royalties Ltd exercised its option to purchase a 1.0% royalty on all products produced from the James Bay Project, by paying \$2,000,000 to NioBay.

As at September 30, 2022 and December 31, 2021, the net book value attributed to the James Bay Project is nil.

Crevier, Québec

NioBay holds through its subsidiary CMI, the Crevier niobium and tantalum project, located in Québec, Canada.

Joint Venture, Québec

In January 2008, the Company had entered into the Joint Venture with SOQUEM, for certain mineral titles located in Québec, Canada. On October 20, 2021, the Company executed 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 retains a 2% NSR royalty on the Clairiy property, half of which (1% NSR) is 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. This transaction closed on January 20, 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 requires \$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). In May 2022, the Company completed the second annual payment of \$50,000. As at September 30, 2022, the net book value attributed to the Gouin Properties is \$80,000 (\$30,000 as at December 31, 2021).

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2022 (Unaudited, in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2022	December 31, 2021
	\$	\$
Accounts payable and accrued liabilities	560,547	615,107
Specific tax provision	-	235,820
Total	<u>560,547</u>	<u>850,927</u>

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 ("RQ") issued in April 2015 a notice of assessment for an amount of approximately \$370,000, stipulating that certain expenses were not eligible for such tax credits relating to resources. Based on discussions with RQ, as at December 31, 2021, the Company recorded a specific provision of \$235,820 which was reimbursed during the three-month period ended September 30, 2022.

7. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	September 30, 2022	December 31, 2021
	\$	\$
Balance – beginning of period	255,137	442,209
Liability related to flow-through shares issued	-	-
Recognition of liability related to flow-through shares	<u>(220,137)</u>	<u>(187,072)</u>
Balance – end of period	<u>35,000</u>	<u>255,137</u>

8. SHARE CAPITAL AND WARRANTS

Share purchase warrants

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

	Nine-months ended September 30, 2022	
	Number of Warrants	Price per share (\$)
Balance – January 1, 2022	5,211,740	0.89
Expired	<u>(164,285)</u>	<u>0.45</u>
Balance – September 30, 2022	<u>5,047,455</u>	<u>0.90</u>

Compensation Warrants

As at September 30, 2022, 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.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2022 (Unaudited, in Canadian dollars)

9. STOCK OPTIONS

The following table sets out the activity in stock options ("Options"):

	Nine-months ended September 30, 2022	
	Number of Options	Weighted average exercise price (\$)
Balance – January 1, 2022	5,363,000	0.35
Exercised	(150,000)	0.18
Granted	1,350,000	0.14
Expired	(1,221,333)	0.37
Balance – September 30, 2022	5,341,667	0.30
Exercisable Options – September 30, 2022	3,938,889	0.31

At the grant date the 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-months ended September 30, 2022
Risk-free interest rate	3.42%
Expected life of Options	6 years
Annualized volatility	90%
Dividend rate	-
Fair value per Option	\$0.10

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 Options.

10. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

	Three-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Wages and consulting	141,668	136,870	322,969	478,351
Contractors	103,935	103,611	806,653	376,106
Drilling	291,580	-	1,283,999	-
Winter trail construction	-	-	-	275,272
Transportation	9,687	32,256	504,692	49,048
Studies	87,818	392,605	382,635	530,657
Mineral claims	1,232	7,082	12,817	39,899
Others	16,504	6,487	70,336	56,642
Total	652,424	678,911	3,384,101	1,805,975

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2022 (Unaudited, in Canadian dollars)

11. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Wages and fees	100,746	170,921	323,352	384,902
Legal, audit and tax	44,895	11,998	137,449	109,047
Office	25,176	12,861	103,766	54,840
Investor relations and travel	66,356	137,996	226,620	399,424
Reporting issuer costs	8,026	8,113	46,186	56,805
Total	245,199	341,889	837,373	1,005,018

12. NET LOSS PER SHARE

Due to the net loss for the three and nine-month periods ended September 30, 2022 and 2021, all potentially dilutive common shares (Notes 8 and 9) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

13. 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-months ended September 30,		Nine-months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries, professional fees and other short-term benefits	90,000	157,000	271,000	346,000
Share-based compensation	5,000	196,000	192,000	257,000
	95,000	353,000	463,000	603,000

14. 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:

- Two years following the flow-through placements;
- 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, 2022, \$500,000 remains to be incurred.

15. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. At September 30, 2022 and December 31, 2021, all assets are located in Canada.