



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**For the three-month and nine-month periods ended
September 30, 2023**

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, 2023 (Unaudited) | December 31, 2022 (Audited) |
|--|--------------------------------------|-----------------------------------|
| | \$ | \$ |
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 3) | 3,514,392 | 4,529,611 |
| Amounts receivable | 399,286 | 827,166 |
| Prepaid expenses and deposits | 111,858 | 193,744 |
| | 4,025,536 | 5,550,521 |
| Non-current | | |
| Property and equipment | 509,169 | 595,482 |
| Investments (Note 4) | 8,075 | 20,995 |
| TOTAL ASSETS | 4,542,780 | 6,166,998 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | 387,742 | 736,653 |
| Government grant | 46,250 | 46,250 |
| Liability related to flow-through shares (Note 6) | 13,793 | - |
| TOTAL LIABILITIES | 447,785 | 782,903 |
| EQUITY | | |
| Share capital (Note 7) | 85,608,698 | 84,831,999 |
| Contributed surplus | 8,794,563 | 8,718,767 |
| Deficit | (89,602,230) | (87,676,558) |
| Equity attributable to shareholders of the Company | 4,801,031 | 5,874,208 |
| Non-controlling interests | (706,036) | (490,113) |
| TOTAL EQUITY | 4,094,995 | 5,384,095 |
| TOTAL LIABILITIES AND EQUITY | 4,542,780 | 6,166,998 |

Commitment 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, President and
Chief Executive Officer

/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, | |
|---|--|------------------|---|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Expenses and other items | | | | |
| Exploration and evaluation (Note 9) | 706,586 | 652,424 | 1,287,065 | 3,384,101 |
| Management and administration (Note 10) | 302,695 | 245,199 | 859,566 | 837,373 |
| Sale of exploration and evaluation assets (Note 5) | - | - | - | (950,000) |
| Share-based compensation | 14,933 | 12,070 | 75,796 | 220,256 |
| Depreciation of property and equipment | 29,516 | 35,171 | 86,312 | 87,279 |
| Operating loss | 1,053,730 | 944,864 | 2,308,739 | 3,579,009 |
| Net finance (income) expense | (42,010) | 31,957 | (125,376) | (16,175) |
| Loss (gain) on foreign exchange | 27 | (1) | (14) | 25 |
| Change in fair value of investments (Note 4) | 808 | 9,690 | 12,920 | 28,262 |
| Income related to flow-through shares (Note 6) | (78,160) | (64,563) | (78,160) | (220,137) |
| Net loss and comprehensive loss | (934,395) | (921,947) | (2,118,109) | (3,370,984) |
| Net loss and comprehensive loss attributable to: | | | | |
| Shareholders of the Company | (773,715) | (799,773) | (1,902,186) | (3,211,768) |
| Non-controlling interests | (160,680) | (122,174) | (215,923) | (159,216) |
| Basic and diluted loss per common share (Note 11) | (0.01) | (0.01) | (0.03) | (0.05) |
| Weighted average number of common shares – basic and diluted (Note 11) | 77,464,469 | 71,301,524 | 73,378,414 | 71,272,403 |

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, 2022 | 71,301,524 | 84,831,999 | 8,718,767 | (87,676,558) | 5,874,208 | (490,113) | 5,384,095 |
| Units issued pursuant to a private placement (Note 7) | 1,800,000 | 180,000 | - | - | 180,000 | - | 180,000 |
| Flow-through share units issued pursuant to a private placement (Note 7) | 5,966,999 | 691,520 | - | - | 691,520 | - | 691,520 |
| Liability related to flow-through shares (Note 6) | - | (94,821) | - | 2,868 | (91,953) | - | (91,953) |
| Share issue expenses on a private placement | - | - | - | (26,354) | (26,354) | - | (26,354) |
| Share-based compensation | - | - | 75,796 | - | 75,796 | - | 75,796 |
| Net loss and comprehensive loss | - | - | - | (1,902,186) | (1,902,186) | (215,923) | (2,118,109) |
| Balance at September 30, 2023 | 79,068,523 | 85,608,698 | 8,794,563 | (89,602,230) | 4,801,031 | (706,036) | 4,094,995 |
| 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 |

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, | |
|--|---|--------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Operating activities | | |
| Net loss | (2,118,109) | (3,370,984) |
| Adjustments | | |
| Share-based compensation | 75,796 | 220,256 |
| Depreciation of property and equipment | 86,312 | 87,279 |
| Income related to flow-through shares | (78,160) | (220,137) |
| Foreign exchange loss | (14) | 25 |
| Change in fair value of investments | 12,920 | 28,262 |
| Changes in working capital items | | |
| Amounts receivable | 427,880 | (38,747) |
| Prepaid expenses and deposits | 81,886 | (74,929) |
| Accounts payable and accrued liabilities | (348,911) | (390,380) |
| Net cash flows used in operating activities | (1,860,400) | (3,759,355) |
| Investing activities | | |
| Investments in property and equipment | - | (375,195) |
| Acquisition of exploration and evaluation assets | - | (50,000) |
| Net cash flows used in investing activities | - | (425,195) |
| Financing activities | | |
| Units issued pursuant to a private placement (Note 7) | 180,000 | - |
| Flow-through share units issued pursuant to a private placement (Note 7) | 691,520 | - |
| Proceeds from the issuance of warrants | - | - |
| Proceeds from the exercise of stock options | - | 27,000 |
| Share issue expenses | (26,353) | - |
| Net cash flows from financing activities | 845,167 | 27,000 |
| Effect of exchange rate changes on cash held in foreign currency | 14 | (25) |
| Decrease in cash and cash equivalents | (1,015,219) | (4,157,575) |
| Cash and cash equivalents, beginning of period | 4,529,611 | 10,181,558 |
| Cash and cash equivalents, end of period | 3,514,392 | 6,023,983 |
| Supplemental cash flow information | | |
| Investments in property and equipment in accounts payable and accrued liabilities: | | |
| Beginning of period | - | - |
| End of period | - | 100,000 |

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, 2023 (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 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.

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 28, 2023.

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, 2022 and 2021 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

3. CASH AND CASH EQUIVALENTS

| | September 30, | December 31, |
|------------------|----------------------|--------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Cash | 728,211 | 1,139,352 |
| Cash equivalents | 2,786,181 | 3,390,259 |
| | 3,514,392 | 4,529,611 |

Cash equivalents at September 30, 2023 are comprised of redeemable term deposits bearing a weighted-average interest rate of 5.5%, redeemable without penalty, and having various maturity dates until December 2023.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2023 (Unaudited, in Canadian dollars)

4. INVESTMENTS

As at September 30, 2023 and December 31, 2022, the Company held 161,500 common shares in Generic Gold Corp. valued at \$8,075 at September 30, 2023 (\$20,995 as at December 31, 2022). 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, 2023, the Company recorded a loss of \$808 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (a loss of \$9,690 for the three-month period ended September 30, 2022). During the nine-month period ended September 30, 2023, the Company recorded a loss of \$12,920 in the interim consolidated statement of loss and other comprehensive loss in relation to these marketable securities (a loss of \$28,262 for the nine-month period ended September 30, 2022).

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 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. 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, 2023 and December 31, 2022, 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, located in Québec, Canada. As at September 30, 2023 and December 31, 2022, the net book value attributed to this project is nil.

Joint Venture, Québec

In January 2008, the Company had entered into the Joint Venture agreement with SOQUEM, for mineral titles located in Québec, Canada, including the Clairly, Des Meloîzes, Lac Shortt and L'Espérance properties (the "JV Properties").

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 JV Properties for a total cash purchase price of \$950,000. In addition, NioBay retains a 2% NSR royalty on the Clairly 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. This transaction closed on January 20, 2022 and the Company recorded a gain on sale of exploration and evaluation assets in the consolidated statements of loss during the nine-month period ended September 30, 2022.

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2023 (Unaudited, in Canadian dollars)

6. LIABILITY ON FLOW-THROUGH SHARES

| | September 30, 2023 |
|--|-----------------------|
| | \$ |
| Balance – beginning of period | - |
| Liability on flow-through shares issued | 91,953 |
| Recognition of deferred premium on flow-through shares | (78,160) |
| | <hr/> |
| Balance – end of period | <u>13,793</u> |

7. SHARE CAPITAL AND WARRANTS

The Company is authorized to issue an unlimited number of common voting shares (each a “Common Share”) without par value.

Share capital

On July 20, 2023, the Company closed a private placement (the “Offering”). Under the Offering, the Company raised gross proceeds of \$871,520, from the sale of the following:

- 3,514,999 Quebec-eligible flow-through units of the Company (each, a “Quebec FT Unit”) at a price of \$0.12 per Quebec FT Unit for gross proceeds of \$421,800;
- 2,452,000 flow-through units of the Company (each, a “National FT Unit”) at a price of \$0.11 per National FT Unit for gross proceeds of \$269,720; and
- 1,800,000 units of the Company at a price of \$0.10 per unit (each, a “Unit”), for gross proceeds of \$180,000.

Each Quebec 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* (Quebec) and one half of one share purchase warrant of the Company (each whole warrant a “Warrant”) Warrant. Each National FT Unit consists of one Common Share issued as a “flow-through share” within the meaning of the *Income Tax Act* (Canada) and one half of one Warrant. Each Unit consists of one Common Share and one Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at a price of \$0.14 at any time on or before July 21, 2025.

In connection with the Offering, share issue costs totaled \$26,354. An amount of \$94,821 (net of share issue costs of \$2,868) was allocated to the liability on flow through shares.

Insiders of the Company have participated in the Offering and were issued an aggregate of 270,000 Quebec FT Units and 200,000 Units for gross proceeds of \$52,400.

Warrants

The following table sets out the activity in Warrants:

| | Number | Price per Common Share (\$) |
|------------------------------|------------------|-----------------------------------|
| Balance – January 1, 2022 | 5,211,740 | 0.89 |
| Expired | (164,285) | 0.45 |
| | <hr/> | |
| Balance – December 31, 2022 | 5,047,455 | 0.90 |
| | <hr/> | |
| Issued | 4,783,499 | 0.14 |
| | <hr/> | |
| Balance – September 30, 2023 | 9,830,954 | 0.53 |

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2023 (Unaudited, in Canadian dollars)

8. STOCK OPTIONS

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

| | Number | Weighted average exercise price (\$) |
|---|--------------------|--|
| Balance – January 1, 2022 | 5,363,000 | 0.35 |
| Granted | 1,350,000 | 0.14 |
| Exercised | (150,000) | 0.18 |
| Forfeited | (474,999) | 0.42 |
| Expired | (838,000) | 0.33 |
| Balance – December 31, 2022 | 5,250,001 | 0.30 |
| Expired | (2,110,001) | 0.28 |
| Balance – September 30, 2023 | 3,140,000 | 0.31 |
| Exercisable options – September 30, 2023 | 2,673,333 | 0.34 |

9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

| | Three-months ended September 30, | | Nine-months ended September 30, | |
|----------------------|-------------------------------------|----------------|------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Wages and consulting | 23,555 | 141,668 | 92,958 | 322,969 |
| Contractors | 69,690 | 103,935 | 193,979 | 806,653 |
| Drilling | 596,302 | 291,580 | 671,220 | 1,283,999 |
| Transportation | 5,000 | 9,687 | 6,997 | 504,692 |
| Studies | 5,770 | 87,818 | 222,039 | 382,635 |
| Mineral claims | 2,908 | 1,232 | 73,033 | 12,817 |
| Others | 3,361 | 16,504 | 26,839 | 70,336 |
| Total | 706,586 | 652,424 | 1,287,065 | 3,384,101 |

10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

| | Three-months ended September 30, | | Nine-months ended September 30, | |
|-------------------------------|-------------------------------------|----------------|------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Wages and fees | 107,541 | 100,746 | 328,603 | 323,352 |
| Legal, audit and tax | 8,695 | 44,895 | 113,343 | 137,449 |
| Office | 19,099 | 25,176 | 97,410 | 103,766 |
| Investor relations and travel | 159,589 | 66,356 | 259,835 | 226,620 |
| Reporting issuer costs | 7,771 | 8,026 | 60,375 | 46,186 |
| Total | 302,695 | 245,199 | 859,566 | 837,373 |

Niobay Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2023 (Unaudited, in Canadian dollars)

11. NET LOSS PER SHARE

Due to the net loss for the three and nine-month periods ended September 30, 2023 and 2022, all potentially dilutive common shares (Notes 7 and 8) are deemed to be antidilutive and thus diluted net loss per share is equal to the basic net loss per share for these periods.

12. 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:

| | Three-months ended September 30, | | Nine-months ended September 30, | |
|---|-------------------------------------|--------|------------------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Salaries, professional fees and other short-term benefits | 95,000 | 90,000 | 285,000 | 271,000 |
| Share-based compensation | 14,000 | 5,000 | 71,000 | 192,000 |
| | 109,000 | 95,000 | 356,000 | 463,000 |

13. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. At September 30, 2023 and December 31, 2022, all assets are located in Canada.

14. COMMITMENTS AND CONTINGENCIES

In July 2023, the Company received \$691,520 following the issuance of flow-through shares for which the Company will renounce tax deductions as at December 31, 2023. As at September 30, 2023, \$104,000 remains to be incurred by December 31, 2024.