

FORM 51-102F3

MATERIAL CHANGE REPORT
PURSUANT TO REGULATION 51-102

Item 1 - Name and Address of Company

Niobay Metals Inc. (the "Company" or "Niobay")
1693, Saint-Patrick Street
Suite 106
Montréal, Québec H3K 3G9

Item 2 - Date of Material Change

December 19, 2016.

Item 3 - News Release

A news release pertaining to the material change being the subject of the present report was issued through Marketwired on December 20, 2016. A copy of the news release is attached hereto as Schedule "A".

Item 4 - Summary of Material Change

On December 20, 2016, Niobay announced that it has closed a non-brokered private placement of flow-through shares raising \$1,170,982.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

The Company has completed a non-brokered private placement of flow-through shares (the "Private Placement") by issuing an aggregate of 1,377,626 flow-through common shares ("FT Shares") at a price of \$0.85 per FT Share for gross proceeds of \$1,170,982.

The proceeds of the Private Placement will be used to incur Canadian exploration expenses and flow-through mining expenditures, as defined under the *Income Tax Act* (Canada), that will be renounced in favour of the subscribers with an effective date of no later than December 31, 2016.

The Company paid \$38,500 in cash and issued 45,294 warrants to a finder in connection with the closing of the Private Placement.

The FT Shares and finder's warrants will be subject to resale restrictions for a period of four months and one day from the closing date of the Private Placement under applicable securities legislation.

Four related parties of the Company participated in the Private Placement, purchasing a total of 144,474 FT Shares. Under Multilateral Instrument 61-101 - *Protection of Minority*

Security Holders in Special Transactions (“MI 61-101”), the issuance of shares to these related parties qualifies as a “related party transaction”. Accordingly, this material change report addresses the disclosure items contemplated by Part 5 of MI 61-101.

Description of the Transaction and its Material Terms

The material terms of the Private Placement are summarized above.

Purpose and Business Reasons for the Transaction and Anticipated Effect on the Company’s Business and Affairs

The purpose and business reason for the Private Placement is to provide funding for exploration of the Company's mineral projects in Canada. Following completion of the Private Placement, the Company has 32,535,127 common shares issued and outstanding.

Interest in the Transaction of Related Parties and Anticipated Effect on the Percentage of Securities Held

Of the 1,377,626 FT Shares issued under the Private Placement, the following related parties (the “Related Parties”) subscribed for an aggregate of 144,474 FT Shares, or 10.5%, as set out below:

Name	Relationship to Company	# and % of FT Shares purchased in Private Placement	Total Shares held * / % of Issued and Outstanding after Private Placement (undiluted)
Serge Savard	Director	58,824 / 4.3%	717,005 / 2.2%
Claude Dufresne	Officer and Director	58,000 / 4.2%	511,730 / 1.6%
Alain Krushnisky	Officer	17,650 / 1.3%	65,650 / 0.2%
Jean Rainville	Director	10,000 / 0.7%	20,000 / 0.06%

* directly and indirectly

Approval Procedures

The Private Placement was approved by all directors of the Company including all independent directors. The Private Placement was priced in accordance with the policies of the TSX Venture Exchange and the Related Parties subscribed along and on identical terms with arm’s length investors, who purchased the majority of the FT shares issued under the Private Placement.

Formal Valuation and Prior Valuations

Not applicable.

General Nature and Material Terms of Agreements with Interested Parties.

Not applicable.

Exemptions from Formal Valuation and Minority Approval Relied Upon.

The fair market value of the consideration paid by the Related Parties for the FT Shares being less than 25% of the Company's market capitalization, the Company is relying on the exemption from the formal valuation requirement set out in 5.5(a) of MI 61-101 and the exemption from the minority shareholder approval requirement set out in 5.7(1)(a).

The filing of a material change report less than 21 days before the closing date of the first tranche of the Offering is reasonable in the circumstances, as the overall participants in the Private Placement, including the participation of Related Parties, could not be known until closing.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 - Reliance on Section 7.1(2) of Regulation 51-102

Not applicable.

Item 7 - Omitted Information

Not applicable.

Item 8 - Executive Officer

For further information, please contact Claude Dufresne, President and Chief Executive Officer, at 514-866-6500, ext. 221.

Item 9 - Date of Report

December 29, 2016.

SCHEDULE "A"



Press release

TSX-V: NBY

Niobay Metals announces Closing of Flow Through Financing

Montreal, December 20, 2016 – Niobay Metals Inc. (the "Company") (TSX-V: NBY) is pleased to announce that it has closed the previously announced non-brokered private placement of flow-through shares. The Company issued 1,377,626 flow-through common shares (the "FT Shares") at a price of \$0.85 per FT Share, raising aggregate gross proceeds of \$1,170,982 (the "Offering").

The proceeds of the Offering will be used to incur Canadian exploration expenses and flow-through mining expenditures, as defined under the *Income Tax Act* (Canada), that will be renounced in favour of the purchasers with an effective date of no later than December 31, 2016. The funds are intended to be used to explore the Company's Canadian properties.

The Company paid \$38,500 in cash and issued 45,294 warrants to a qualified finder in connection with the closing of the Offering. Each warrant will entitle the holder to purchase one common share at a price of \$1.25 for a period of 24 months following closing date.

The FT Shares and finder's warrants will be subject to resale restrictions for a period of four months and one day from the closing date of the Offering under applicable securities legislation. Following completion of the Offering, the Company has 32,535,127 common shares issued and outstanding.

Insiders of the Company subscribed for a total of 144,474 FT Shares and their participation in the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The fair market value of the consideration paid by insiders for the FT Shares being less than 25% of the Company's market capitalization, the Company intends to avail itself of the exemption from the formal valuation and the exemption from minority shareholder approval under sections 5.5 (a) and 5.7 (1) (a) of MI 61-101.

The Private Placement was made under the prospectus exemptions of applicable securities legislation and is subject to the final consent of the TSX Venture Exchange.

About Niobay Metals Inc.

Niobay Metals Inc. is a mineral exploration company holding a 100% interest in the James Bay Niobium property in Ontario, Canada and a 72.5% interest in the Crevier niobium / tantalum project in Quebec, Canada. Niobay also holds interest in the Ikungu and Ikungu East gold properties in Tanzania.

Cautionary Statement

Certain statements contained in this news release constitute forward looking information under the provisions of Canadian securities laws. All statements that address future plans, activities or events that the Company believes, expects or anticipates will or may occur are forward-looking information. Specifically, this news release contains forward looking information about the Company's plans and intended use of proceeds. Forward looking information is based upon assumptions by management that are subject to known and unknown risks and uncertainties beyond the Company's control, including risks related to obtaining all necessary permits to carry out exploration work. There can be no assurance that outcomes anticipated in the forward looking information will occur, and actual results may differ materially for a variety of reasons. Accordingly, readers should not place undue reliance on forward looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward looking information, except as may be required by law.

The FT Shares have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, contact:

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President & CEO

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