CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2018

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

(unaudited, in Canadian dollars)	**March 31, 2018**	December 31, 2017
	$	$
ASSETS		
Current		
Cash	**3,224,756**	1,233,957
Sales taxes receivable	**37,916**	76,427
Tax credits related to resources and mining taxes receivable	**139,608**	139,608
Prepaid expenses and deposits	**10,609**	24,149
	3,412,889	1,474,141
Non-current		
Exploration and evaluation assets (Note 3)	**1,995,385**	1,917,726
Property and equipment	**19,156**	20,274
TOTAL ASSETS	**5,427,430**	3,412,141
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	**247,499**	397,604
Liability related to flow-through shares (Note 5)	**27,546**	40,703
TOTAL LIABILITIES	**275,045**	438,307
EQUITY		
Share capital (Note 5)	**71,042,682**	68,702,682
Contributed surplus	**6,814,504**	6,811,749
Deficit	**(72,813,250)**	(72,649,736)
Equity attributable to shareholders of the Company	**5,043,936**	2,864,695
Non-controlling interests	**108,449**	109,139
TOTAL EQUITY	**5,152,385**	2,973,834
TOTAL LIABILITIES AND EQUITY	**5,427,430**	3,412,141

Contingencies (Note 10) and Event after the reporting date (Note 11).

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 Comprehensive Loss

	Three months ended March 31,	
(unaudited, in Canadian dollars)	**2018**	2017
	$	$
Expenses and other items		
Management and administration (Note 7)	**159,779**	187,379
Income related to flow-through shares (Note 5)	**(13,157)**	(12,785)
Finance income	**(1,371)**	(770)
Loss (gain) on foreign exchange	**28**	(8,554)
Loss before income taxes	**(145,279)**	(165,270)
Recovery of mining duties	**-**	8,259
Net loss and comprehensive loss for the period	**(145,279)**	(157,011)
Net loss and comprehensive loss attributable to:		
Shareholders of the Company	**(144,589)**	(156,838)
Non-controlling interests	**(690)**	(173)
Basic and diluted loss per common share	**(0.00)**	(0.01)
Weighted average number of common shares - basic and diluted	**36,990,111**	32,770,683

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

Niobay Metals Inc.
Consolidated Statements of Shareholders' Equity

(unaudited, in Canadian dollars)	**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, 2017	36,690,111	68,702,682	6,811,749	(72,649,736)	2,864,695	109,139	2,973,834
Private placement (Note 5)	**9,000,000**	**2,340,000**	**-**	**-**	**2,340,000**	**-**	**2,340,000**
Share issue expenses	**-**	**-**	**-**	**(18,925)**	**(18,925)**	**-**	**(18,925)**
Share-based compensation	**-**	**-**	**2,755**	**-**	**2,755**	**-**	**2,755**
Net loss and comprehensive loss for the period	**-**	**-**	**-**	**(144,589)**	**(144,589)**	**(690)**	**(145,279)**
Balance at March 31, 2018	**45,690,111**	**71,042,682**	**6,814,504**	**(72,813,250)**	**5,043,936**	**108,449**	**5,152,385**
Balance at December 31, 2016	32,685,127	67,805,705	6,813,357	(72,220,901)	2,398,161	110,057	2,508,218
Shares issued on exercise of warrants	100,000	51,880	(21,880)	-	30,000	-	30,000
Share-based compensation	-	-	6,965	-	6,965	-	6,965
Net loss and comprehensive loss for the period	-	-	-	(156,838)	(156,838)	(173)	(157,011)
Balance at March 31, 2017	32,785,127	67,857,585	6,798,442	(72,377,739)	2,278,288	109,884	2,388,172

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

Niobay Metals Inc.
Consolidated Statements of Cash Flows

	Three months ended March 31,	
(unaudited, in Canadian dollars)	**2018**	2017
	$	$
Operating activities		
Net loss for the period	**(145,279)**	(157,011)
Adjustments		
Share-based compensation	**1,438**	4,227
Amortization of property and equipment	**936**	1,479
Income related to flow-through shares	**(13,157)**	(12,785)
Finance income accrued	**(1,371)**	(770)
Finance income received	**1,371**	1,850
Gain on foreign exchange	**-**	(8,554)
Changes in working capital items (Note 9)	**51,205**	(205,965)
	(104,857)	(377,529)
Investing activities		
Additions to exploration and evaluation assets	**(225,419)**	(62,517)
Additions to property and equipment	**-**	(2,105)
	(225,419)	(64,622)
Financing activities		
Issuance of shares (Note 5)	**2,340,000**	-
Share issue expenses	**(18,925)**	-
Exercise of warrants	**-**	30,000
	2,321,075	30,000
Effect of exchange rate changes on cash held in foreign currency	**-**	7,203
Net change in cash	**1,990,799**	(404,948)
Cash, beginning of period	**1,233,957**	2,281,637
Cash, end of period	**3,224,756**	1,876,689
Supplemental cash flow information		
Share-based compensation capitalized to exploration and evaluation assets	**1,317**	2,738
Amortization of property and equipment capitalized to exploration and evaluation assets	**182**	234
Change in accounts payable and accrued liabilities related to exploration and evaluation assets	**(149,259)**	68,511
Fair value of warrants exercised	**-**	21,880

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

1. GENERAL INFORMATION AND LIQUIDITY RISK

Niobay Metals Inc. ("Niobay" or the "Company") is primarily engaged in the acquisition and exploration of mineral properties. The Company holds a 100% interest in the James Bay niobium property, located in northern Ontario, Canada and has an option to acquire up to a 65% interest in the La Peltrie gold project in northern Québec. The Company also holds a 48.7% direct participation in certain mineral titles located north of Chibougamau, Québec, under a joint venture agreement dated January 18, 2008 with SOQUEM, a subsidiary of Investissement Québec. The Company holds through its 72.5%-owned subsidiary Crevier Minerals Inc. ("CMI"), the Crevier niobium and tantalum project, located in Quebec.

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

The Board of Directors approved and authorized for issuance these unaudited condensed interim consolidated financial statements on May 22, 2018.

Liquidity risk

Management of the Company believes it has sufficient funds to pay for its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, 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. The Company's ability to continue future operations beyond March 31, 2019 and fund its exploration and evaluation expenditures is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments or a combination of strategic partnerships or joint venture arrangements. Management will pursue such additional sources of financing when required, and 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 for the Company or that they will be available on terms that are acceptable to the Company.

2. BASIS OF PRESENTATION AND CHANGES IN ACCOUTING POLICIES

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual consolidated financial statements, except as described below. 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 consolidated financial statements for the years ended December 31, 2017 and 2016 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Changes in accounting policies

IFRS 2, Classification and Measurement of Share-based Payment Transactions

The Company has adopted the amendments to IFRS 2 which became effective on January 1, 2018. The adoption of the amendments to IFRS 2 (which relate to cash-settled share-based payments) did not have an impact on the Company's consolidated financial statements as Niobay has no cash-settled share-based payments.

IFRS 9, Financial Instruments

The Company has adopted IFRS 9 effective January 1, 2018. The adoption of this standard did not have an impact on the Company's consolidated financial statements. There was no impact on carrying values and equity as at January 1, 2018 as a result of the adoption of the standard and no measurement differences on the Company's financial instruments.

The classification of financial instruments in accordance with IFRS 9 is based on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. Also, IFRS 9 introduced a single expected credit loss impairment model, based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

Cash: Amortized cost under IFRS 9 (loans and receivables, measured at amortized cost under IAS 39)

Accounts payable and accrued liabilities: Amortized cost under IFRS 9 (financial liabilities measured at amortized cost under IAS 39).

March 31, 2018 (unaudited - in Canadian dollars)

3. EVALUATION AND EXPLORATION ASSETS

Evaluation and exploration assets by properties are detailed as follows:

	James Bay	La Peltrie	Soquem JV	Total
	$	$	$	$
Balance, December 31, 2017	1,139,747	640,001	137,978	1,917,726
Wages	**-**	**13,718**	**-**	**13,718**
Consultants	**45,168**	**563**	**-**	**45,731**
Transportation	**7,861**	**-**	**-**	**7,861**
Studies	**5,910**	**-**	**-**	**5,910**
Depreciation	**182**	**-**	**-**	**182**
Share-based compensation	**1,317**	**-**	**-**	**1,317**
Administrative and others	**1,636**	**1,304**	**-**	**2,940**
	62,074	**15,585**	**-**	**77,659**
Balance, March 31, 2018	**1,201,821**	**655,586**	**137,978**	**1,995,385**

	James Bay	La Peltrie	Soquem JV	Total
	$	$	$	$
Balance, December 31, 2016	614,777	-	-	614,777
Property payments	7,755	-	-	7,755
Consultants	45,525	-	-	45,525
Transportation	1,880	-	-	1,880
Studies	73,643	-	-	73,643
Depreciation	234	-	-	234
Share-based compensation	2,738	-	-	2,738
Administrative and others	2,225	-	-	2,225
	134,000	-	-	134,000
Balance, March 31, 2017	748,777	-	-	748,777

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At March 31, 2018, accounts payable and accrued liabilities included a provision of $144,000 related to the April 2015 notice of assessment issued by Revenu Québec (Note 10), and various payables and accruals ($103,499).

March 31, 2018 (unaudited - in Canadian dollars)

5. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At March 31, 2018, the Company had 45,690,111 issued and outstanding common shares (36,690,111 at December 31, 2017).

Issuance of shares

On March 28, 2018, Osisko Gold Royalties Ltd. ("Osisko") purchased, by way of a private placement, 9,000,000 common shares of the Company at a price of $0.26 per share for proceeds of $2,340,000, following which Osisko owns approximately 19.7% of Niobay's issued and outstanding shares on a non-diluted basis. Pursuant to the subscription agreement entered into between Niobay and Osisko, so long as Osisko holds not less than 10% of the then issued and outstanding shares of Niobay, Osisko has the right to (i) nominate one director to Niobay's board of directors and (ii) participate in all future equity financings by Niobay to maintain its relative equity ownership. Osisko was also granted an option to purchase a 1.0% royalty on all products to be produced from the James Bay niobium project. The option will be exercisable by paying $2,000,000 to Niobay at any time within 90 days following the delivery by Niobay to Osisko of a bankable feasibility study on the project.

Reduction in liability from flow-through shares

During the three months ended March 31, 2018, an amount of $13,157 was recorded as income related to flow-through shares ($12,785 during the three months ended March 31, 2017), representing the decrease in the liability related to the exploration and evaluation expenses incurred during the period. At March 31, 2018, the Company had $148,753 of unspent flow-through funds ($219,800 at December 31, 2017).

Share purchase warrants

The following table reflect the number of issued and outstanding share purchase warrants at March 31, 2018 and December 31, 2017:

Grant date	**Number of Warrants**	Price per share	Expiry date
		$	
August 4, 2016	**250,000**	0.30	July 5, 2019
December 19, 2016	**45,294**	1.25	Dec 19, 2018
	295,294	0.45	
Average price	**0.45**		

March 31, 2018 (unaudited - in Canadian dollars)

6. STOCK OPTIONS

The following table sets out the activity in stock options:

	Three months ended March 31, 2018	
	Number	Weighted average exercise price ($)
Options, beginning of period	**962,800**	**0.39**
Expired	**(40,000)**	**(0.35)**
Options, end of period	**922,800**	**0.39**

The following table reflects the stock options issued and outstanding at March 31, 2018:

Issue date	Number of options	Exercise price	Remaining Contractual life	Number of exercisable options	Exercise price of exercisable options
		$	(years)		$
March 12, 2010	8,000	2.50	2.0	8,000	2.50
January 21, 2011	8,000	2.38	2.8	8,000	2.38
December 16, 2011	24,000	1.25	0.7	24,000	1.25
March 23, 2012	8,000	1.00	4.0	8,000	1.00
May 13, 2014	230,000	0.30	1.1	230,000	0.30
June 12, 2014	110,000	0.28	1.2	110,000	0.28
June 5, 2015	170,000	0.25	2.2	170,000	0.25
March 22, 2016	30,000	0.28	3.0	30,000	0.28
June 14, 2016	290,000	0.35	3.2	240,000	0.35
September 6, 2016	44,800	0.63	3.4	29,867	0.63
	922,800	0.39	2.2	857,867	0.38

March 31, 2018 (unaudited - in Canadian dollars)

7. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended March 31,	
	2018	2017
	$	$
Wages and fees	**85,272**	103,230
Legal, audit and tax	**6,521**	7,343
Office	**14,653**	19,955
Investor relations and travel	**39,994**	36,390
Reporting issuer costs	**8,511**	14,185
Mining titles management	**2,454**	570
	157,405	181,673
Share-based compensation	**1,438**	4,227
Amortization of property and equipment	**936**	1,479
	159,779	187,379

8. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. At March 31, 2018 and December 31, 2017, all non-current assets are located in Canada.

9. CASH FLOWS

Changes in working capital items are as follows:

	Three months ended March 31,	
	2018	2017
	$	$
Sales taxes receivable	**38,511**	(22,112)
Prepaid expenses and deposits	**13,540**	(27,558)
Accounts payable and accrued liabilities	**(846)**	(156,295)
	51,205	(205,965)

10. CONTINGENCIES

Tanzania Revenue Authority ("TRA")

MDN Tanzania Ltd., the Company's wholly-owned subsidiary in Tanzania ("MDN Tanzania"), received notices of assessment in April and June 2016 in respect of withholding taxes and other statutory deductions for the period from 2007 to 2011, claiming an amount of approximately $300,000 plus accrued interest of approximately $600,000. In 2013, the Company had received notices of assessment totalling approximately $470,000 in respect of withholding taxes on alleged interest payments by MDN Tanzania to the Company for the period from 2004 to 2011. No provision has been recorded in these unaudited condensed interim consolidated financial statements on these matters as management believes that it has paid all of its withholding taxes and other statutory deductions in accordance with local requirements and that the amounts claimed are unfounded. MDN Tanzania continues to vigorously defend its position with the Tanzanian tax authorities.

Revenu Québec

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 provision of $144,000 presented as accounts payable and accrued liabilities at March 31, 2018 and December 31, 2017.

11. EVENT AFTER THE REPORTING DATE

In April 2018, the Company granted a total of 1,800,000 stock options to its directors, officers and consultants. The stock options granted will vest over 2 years. The options have a five-year term and are exercisable at a price of $0.25 per share.