NioBay METALS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2020

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

(in Canadian dollars)	**March 31, 2020**	December 31, 2019
	$	$
ASSETS		
Current		
Cash and cash equivalents (Note 4)	**2,042,401**	3,265,559
Sales taxes receivable	**213,787**	84,484
Tax credits related to resources and mining taxes receivable	**143,447**	143,447
Prepaid expenses and deposits	**149,418**	80,338
	2,549,053	3,573,828
Non-current		
Exploration and evaluation assets (Note 5)	**399,945**	399,945
Property and equipment	**114,708**	107,335
TOTAL ASSETS	**3,063,706**	4,081,108
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	**774,467**	478,676
Deferred grants (Note 6)	**9,835**	62,700
Liability related to flow-through shares (Note 7)	**50,032**	142,442
TOTAL LIABILITIES	**834,334**	683,818
EQUITY		
Share capital (Note 7)	**73,356,204**	73,241,204
Contributed surplus	**7,340,427**	7,297,942
Deficit	**(78,501,876)**	(77,186,352)
Equity attributable to shareholders of the Company	**2,194,755**	3,352,794
Non-controlling interests	**34,617**	44,496
TOTAL EQUITY	**2,229,372**	3,397,290
TOTAL LIABILITIES AND EQUITY	**3,063,706**	4,081,108

Going concern (Note 2) and Commitments and contingencies (Note 13).

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 Loss and Comprehensive Loss

(in Canadian dollars)	**Three-months ended March 31, 2020**	2019
	$	$
Expenses		
Exploration and evaluation (Note 9)	**1,251,683**	144,049
Management and administration (Note 10)	**179,704**	181,818
Share-based compensation	**42,485**	56,084
Depreciation of property and equipment	**4,108**	3,443
Operating loss	**(1,477,980)**	(385,394)
Finance income	**11,750**	11,606
Other income (Note 6)	**52,865**	-
Gain (loss) on foreign exchange	**24**	(347)
Income related to flow-through shares (Note 7)	**92,410**	-
Net loss and comprehensive loss	**(1,320,931)**	(374,135)
Net loss and comprehensive loss attributable to:		
Shareholders of the Company	**(1,311,052)**	(363,883)
Non-controlling interests	**(9,879)**	(10,252)
Basic and fully diluted loss per common share (Note 11)	**(0.03)**	(0.01)
Weighted average number of common shares - basic and diluted (Note 11)	**52,175,145**	45,690,111

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

Niobay Metals Inc.
Consolidated Statements of Shareholders' Equity

(in Canadian dollars, except for number of shares)	**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, 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 (Note 7)	**328,571**	**115,000**	**-**	**-**	**115,000**	**-**	**115,000**
Share issue expenses on private placement	**-**	**-**	**-**	**(4,472)**	**(4,472)**	**-**	**(4,472)**
Share-based compensation	**-**	**-**	**42,485**	**-**	**42,485**	**-**	**42,485**
Net loss and comprehensive loss	**-**	**-**	**-**	**(1,311,052)**	**(1,311,052)**	**(9,879)**	**(1,320,931)**
Balance at March 31, 2020	**52,254,580**	**73,356,204**	**7,340,427**	**(78,501,876)**	**2,194,755**	**34,617**	**2,229,372**
Balance at December 31, 2018	45,690,111	71,042,682	7,048,886	(75,463,745)	2,627,823	87,246	2,715,069
Share-based compensation	-	-	56,084	-	56,084	-	56,084
Net loss and comprehensive loss	-	-	-	(363,883)	(363,883)	(10,252)	(374,135)
Balance at March 31, 2019	45,690,111	71,042,682	7,104,970	(75,827,628)	2,320,024	76,994	2,397,018

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

Niobay Metals Inc.
Consolidated Statements of Cash Flows

(in Canadian dollars)	**Three months ended March 31,** **2020**	2019
	$	$
Operating activities		
Net loss	**(1,320,931)**	(374,135)
Adjustments		
Share-based compensation	**42,485**	56,084
Depreciation of property and equipment	**4,108**	3,443
Other income	**(52,865)**	-
Income related to flow-through shares	**(92,410)**	-
Foreign exchange (gain) loss	**(24)**	347
Changes in working capital items		
Sales taxes receivable	**(129,303)**	14,931
Prepaid expenses and deposits	**(69,080)**	20,429
Accounts payable and accrued liabilities	**415,791**	(25,754)
	(1,202,229)	(304,655)
Investing activities		
Additions to property and equipment	**(11,481)**	(1,166)
Financing activities		
Private placement (Note 7)	**115,000**	-
Share issue expenses	**(124,472)**	-
	(9,472)	-
Effect of exchange rate changes on cash held in foreign currency	**24**	(342)
Net change in cash and cash equivalents	**(1,223,158)**	(306,163)
Cash and cash equivalents, beginning of period	**3,265,559**	2,291,378
Cash and cash equivalents, end of period	**2,042,401**	1,985,215
Supplemental cash flow information		
Share issue expenses included in accounts payable and accrued liabilities:		
Beginning of period	**120,000**	-
End of period	**-**	-

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

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, 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. The Company also holds a 49% direct participation in certain mineral titles located in Québec, under a joint venture agreement dated January 18, 2008 with SOQUEM, a subsidiary of Investissement Québec, including the Clairy, Lac Shortt, des Meloîzes and L'espérance properties.

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.

The Board of Directors approved and authorized for issuance these consolidated financial statements on May 19, 2020.

2. GOING CONCERN

These 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. In assessing whether the going concern assumption is appropriate, the Company's management ("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.

At March 31, 2020, the Company had a working capital of $1,714,719 ($2,890,010 at December 31, 2019), had an accumulated deficit of $78,501,876 (an accumulated deficit of $77,186,352 at December 31, 2019) and incurred a loss of $1,320,931 for the three-months ended March 31, 2020 (a loss of $374,135 for the three-months ended March 31, 2019). Working capital at March 31, 2020 included cash and cash equivalents of $2,042,401 ($3,265,559 at December 31, 2019).

The Company estimates that the working capital available at March 31, 2020 will not be sufficient to cover its general administrative expenses and its planned exploration and evaluation budget for the next twelve months. Since the Company does not generate cash flows, it will need to raise additional funds in the future through the issuance of debt or equity instruments or a combination of strategic partnerships or joint venture arrangements to meet future work requirements. 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 to the Company or that they will be available on terms that are acceptable to the Company.

The three-month period ended March 31, 2020 was marked by the severity of the Coronavirus global outbreak which has triggered a significant negative effect on global financial markets. The extent and duration of impacts that the Coronavirus may have on the on the Company's operations including suppliers, service providers, employees and on global financial markets limiting our ability to access financing is not known at this time but could be material. The Company is monitoring developments in order to be in a position to take appropriate action.

If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

March 31, 2020 (in Canadian dollars)

3. 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, 2019 and 2018 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

4. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019
	$	$
Cash	**212,268**	2,613,956
Cash equivalents	**1,830,133**	651,603
	2,042,401	3,265,559

Cash equivalents at March 31, 2020 are comprised of term deposits bearing a weighted-average interest rate of 2.0% and having various maturity dates until June 2020.

5. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2020 and December 31, 2019, the Company's evaluation and exploration assets total $399,945 and relate to the James Bay niobium property, located in northern Ontario.

In June 2016, the Company completed the acquisition of the James Bay niobium property, from Barrick Gold Inc., James Bay Columbium Ltd. and Goldcorp Inc. (the "Sellers"). In exchange for a 100% interest in the property, the Company issued to the Sellers 1,000,000 common shares and paid a cash consideration of $25,000. The Sellers retain a 2% net smelter return royalty ("Royalty") over all metals produced from the 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 the property. The Back-In Right does not apply to the niobium content.

March 31, 2020 (in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At March 31, 2020, accounts payable and accrued liabilities included payables and accruals of $738,647 ($442,856 at December 31, 2019) and a provision of $35,820 related to a notice of assessment issued by Revenu Québec ($35,820 at December 31, 2019).

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 March 31, 2020, progressive grant payments made to the Company totaling $108,180 were withheld by Revenu Québec and recorded against the specific tax provision. For the three-month period ended March 31, 2020, the Company has recognized $52,865 as other income in the consolidated statement of loss and comprehensive loss ($45,480 recognized as other income during the year ended December 31, 2019). As at March 31, 2020, $9,835 is accounted for as deferred grants in the consolidated statement of financial position ($62,700 as at December 31, 2019).

CMI will continue to defend its position with the tax authorities.

7. SHARE CAPITAL AND WARRANTS

Issued and fully paid

At March 31, 2020, the Company had 52,254,580 issued and outstanding common shares (51,926,009 issued and outstanding common shares at December 31, 2019).

Issuance of shares

On January 23, 2020, the Company closed of a non-brokered private placement pursuant to which the Company issued 328,571 units at a price of $0.35 per unit for proceeds of $115,000, each unit being comprised of one common share and one half of a warrant, each full warrant entitles its holder to subscribe for one common share at a price of $0.45 per common share during a 24-month period.

Liability related to flow-through shares

	March 31, 2020	December 31, 2019
	$	$
Balance – beginning of period	**142,442**	-
Liability related to flow-through shares issued	**-**	142,442
Recognition of liability related to flow-through shares	**(92,410)**	-
Balance – end of period	**50,032**	142,442

Share purchase warrants

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

	Three-months ended March 31, 2020	
	Number of Warrants	**Price per share ($)**
Beginning of period	3,436,800	0.53
Issued	164,285	0.45
End of period	**3,601,085**	**0.52**

March 31, 2020 (in Canadian dollars)

8. STOCK OPTIONS

The following table sets out the activity in stock options:

	Three-months ended March 31, 2020	
	Number	**Weighted average exercise price ($)**
Options, beginning of period	3,288,800	0.26
Granted	100,000	0.44
Expired	(8,000)	2.50
Options, end of period	**3,380,800**	**0.26**
Exercisable options, end of period	**2,160,800**	**0.28**

On January 20, 2020, the Company granted 100,000 stock options to an officer and key consultant. One third of the stock options granted vested at the grant date and the remaining stock options granted are subject to a two-year vesting period. All grants have a five-year term at an exercise price of $0.44. At the date of grant, the market price of the share was $0.44. The fair value of the stock options was estimated at $0.34 per option based on the Black-Scholes option pricing model using an expected life of 5 years, a risk-free interest rate of 1.44%, an annualized volatility of 119% and a dividend rate of 0%.

9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration and evaluation expenses:

	Three months ended March 31,	
	2020	2019
	$	$
Wages and consulting	**221,686**	86,058
Drilling	**508,323**	-
Studies	**127,022**	34,001
Mineral claims	**28,190**	13,583
Transportation	**347,505**	3,804
Administrative and others	**18,957**	6,603
Total	**1,251,683**	144,049

10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended March 31,	
	2020	2019
	$	$
Wages and fees	**91,811**	83,669
Legal, audit and tax	**4,509**	12,119
Office	**28,849**	18,303
Investor relations and travel	**43,733**	58,377
Reporting issuer costs	**10,802**	9,350
Total	**179,704**	181,818

March 31, 2020 (in Canadian dollars)

11. NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the three-month period ended March 31, 2020 was based on the net loss attributable to common shareholders of $1,311,052 ($363,883 for the three-month period ended March 31, 2019) and the weighted average number of common shares outstanding of 52,175,145 (45,690,111 for the three-month period ended March 31, 2019). Due to the net loss for the three-month periods ended March 31, 2020 and 2019, 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 CEO and the CFO, is as follows:

	Three months ended March 31,	
	2020	2019
	$	$
Salaries, professional fees and other short-term benefits	**79,000**	72,250
Share-based compensation	**33,500**	32,700
	112,500	104,950

13. 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 23, 2019, the Company received $1,724,394 following the issuance of flow-through shares for which the Company renounced tax deductions as at December 31, 2019. As at March 31, 2020, $600,000 remains to be incurred.

14. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. At March 31, 2020 and December 31, 2019, all assets are located in Canada.