UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 000-55710

NioCorp Developments Ltd.

(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada (State or other jurisdiction of incorporation or organization)	**98-1262185** (I.R.S. Employer Identification No.)
7000 South Yosemite Street, Suite 115 **Centennial, CO** (Address of Principal Executive Offices)	**80112** (Zip code)

Registrant's telephone number, including area code: (855) 264-6267

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☒ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐ Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 11, 2018, the registrant had 210,922,398 Common Shares outstanding.

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PART I— FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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NioCorp Developments Ltd.
Condensed Consolidated Balance Sheets

(expressed in thousands of U.S. dollars, except share data) (unaudited)

	Note	As of March 31, 2018	June 30, 2017
ASSETS			
Current			
Cash		$ 483	$ 238
Restricted cash	4	—	265
Prepaid expenses and other		28	152
Other current assets	5	456	—
Total current assets		967	655
Non-current			
Deposits		36	51
Available for sale securities at fair value		14	23
Equipment		2	5
Mineral interests		10,617	10,617
Total assets		$ 11,636	$ 11,351
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 1,845	$ 3,146
Related party loans	8	1,480	1,175
Convertible debt, current portion	6	710	2,161
Derivative liability, convertible debt		41	—
Total current liabilities		4,076	6,482
Convertible debt, net of current portion	6	4,580	1,896
Derivative liability, convertible debt	6	—	82
Total liabilities		8,656	8,460
SHAREHOLDERS' EQUITY			
Common stock, unlimited shares authorized; shares outstanding: 210,202,442 and 198,776,337, respectively	7	73,246	68,029
Additional paid-in capital		12,163	10,320
Accumulated deficit		(81,771)	(74,852)
Accumulated other comprehensive loss		(658)	(606)
Total equity		2,980	2,891
Total liabilities and equity		$ 11,636	$ 11,351

The accompanying notes are an integral part of these condensed consolidated financial statements.

NioCorp Developments Ltd.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(expressed in thousands of U.S. dollars, except share and per share data) (unaudited)

	Note	For the three months ended March 31, 2018	For the three months ended March 31, 2017	For the nine months ended March 31, 2018	For the nine months ended March 31, 2017
Operating expenses					
Employee related costs		$ 410	$ 409	$ 1,809	$ 1,371
Professional fees		150	133	543	745
Exploration expenditures	9	483	2,761	1,499	7,128
Other operating expenses		307	772	994	1,161
Total operating expenses		1,350	4,075	4,845	10,405
Change in financial instrument fair value	6	1,514	524	1,811	189
Foreign exchange loss (gain)		180	(80)	(21)	113
Interest expense		99	78	274	218
Loss on available for sale securities		3	12	10	6
Loss before income taxes		3,146	4,609	6,919	10,931
Income tax benefit		—	—	—	—
Net loss		$ 3,146	$ 4,609	$ 6,919	$ 10,931
Other comprehensive loss:					
Net loss		$ 3,146	$ 4,609	$ 6,919	$ 10,931
Other comprehensive (gain) loss:					
Reporting currency translation		(206)	91	52	(140)
Total comprehensive loss		$ 2,940	$ 4,700	$ 6,971	$ 10,791
Loss per common share, basic and diluted		$ 0.02	$ 0.02	$ 0.03	$ 0.06
Weighted average common shares outstanding		209,418,833	195,081,408	205,801,023	184,880,012

The accompanying notes are an integral part of these condensed consolidated financial statements.

NioCorp Developments Ltd.
Condensed Consolidated Statements of Cash Flows
(expressed in thousands of U.S. dollars) (unaudited)

	For the nine months ended March 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Total loss for the period	$ (6,919)	$ (10,931)
Non-cash elements included in net loss:		
Depreciation	4	7
Change in financial instrument fair value	1,811	189
Unrealized loss on available-for-sale investments	10	6
Accretion of convertible debt	118	85
Foreign exchange gain loss	24	157
Share-based compensation	1,252	862
	(3,700)	(9,625)
Change in working capital items:		
Receivables	8	—
Prepaid expenses	121	37
Accounts payable and accrued liabilities	(1,056)	571
Net cash used in operating activities	(4,627)	(9,017)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	15	—
Net cash used in investing activities	15	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	1,545	5,673
Share issue costs	(189)	(66)
Issuance of convertible debt	3,415	1000
Related party debt drawdown	305	175
Other current assets	(456)	—
Net cash provided by financing activities	4,620	6,782
Exchange rate effect on cash, cash equivalents and restricted cash	(28)	(42)
Change in cash, cash equivalents and restricted cash during period	(20)	(2,277)
Cash, cash equivalents and restricted cash, beginning of period	503	4,412
Cash, cash equivalents and restricted cash, end of period	$ 483	$ 2,135
Supplemental cash flow information:		
Amounts paid for interest	$ 149	$ 48
Amounts paid for income taxes	—	—
Non-cash financing transactions		
Lind conversions	3,693	2,212
Debt to equity conversion	207	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

NioCorp Developments Ltd.
Condensed Consolidated Statements of Shareholders' Equity
(expressed in thousands of U.S. dollars, except for Common Shares outstanding) (unaudited)

	Common Shares Outstanding	Common Stock	Additional Paid-in Capital	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, June 30, 2016	180,467,990	$ 58,401	$ 8,630	$ (60,222)	$ (615)	$ 6,194
Exercise of warrants	3,447,137	1,675	—	—	—	1,675
Exercise of options	150,000	70	—	—	—	70
Fair value of broker warrants granted	—	—	20	—	—	20
Fair value of Lind warrants granted	—	—	233	—	—	233
Private placements - February 2017	7,364,789	3,927	—	—	—	3,927
Debt conversions	7,346,421	4,103	—	—	—	4,103
Share issuance costs	—	(181)	—	—	—	(181)
Fair value of stock options exercised	—	34	(34)	—	—	—
Share-based payments	—	—	1,471	—	—	1,471
Reporting currency presentation	—	—	—	—	9	9
Loss for the year	—	—	—	(14,630)	—	(14,630)
Balance, June 30, 2017	198,776,337	$ 68,029	$ 10,320	$ (74,852)	$ (606)	$ 2,891
Exercise of options	10,091	5	—	—	—	5
Fair value of broker warrants granted	—	—	41	—	—	41
Fair value of Lind warrants granted	—	—	552	—	—	552
Private placements - July 2017	2,962,500	1,540	—	—	—	1,540
Private placement – September 2017	415,747	207				207
Debt conversions	8,037,767	3,693	—	—	—	3,693
Share issuance costs	—	(230)	—	—	—	(230)
Fair value of stock options exercised	—	2	(2)	—	—	—
Share-based payments	—	—	1,252	—	—	1,252
Reporting currency presentation	—	—	—	—	(52)	(52)
Loss for the period	—	—	—	(6,919)	—	(6,919)
Balance, March 31, 2018	210,202,442	$ 73,246	$ 12,163	$ (81,771)	$ (658)	$ 2,980

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. DESCRIPTION OF BUSINESS

NioCorp Developments Ltd. ("NioCorp" or the "Company") was incorporated on February 27, 1987 under the laws of the Province of British Columbia and currently operates in one reportable operating segment consisting of exploration and development of mineral deposits in North America, specifically, the Elk Creek Niobium/Scandium/Titanium property (the "Elk Creek Project") located in southeastern Nebraska.

These financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Company currently earns no operating revenues and will require additional capital in order to advance the Elk Creek Project. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing, and maintaining continued support from its shareholders and creditors.

2. BASIS OF PREPARATION

a) Basis of Preparation and Consolidation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles of the United States of America ("US GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC"). The interim condensed consolidated financial statements include the consolidated accounts of the Company and its wholly-owned subsidiaries with all significant intercompany transactions eliminated. The accounting policies followed in preparing these interim condensed consolidated financial statements are those used by the Company as set out in the audited consolidated financial statements for the year ended June 30, 2017.

In the opinion of management, all adjustments considered necessary (including reclassifications and normal recurring adjustments) to present fairly the financial position, results of operations, and cash flows at March 31, 2018, and for all periods presented, have been included in these interim condensed consolidated financial statements. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to appropriate SEC rules and regulations. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2017. The interim results are not necessarily indicative of results for the full year ending June 30, 2018, or future operating periods.

b) Recent Accounting Standards

Issued and Adopted
In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-09, Improvements to Employee Share-Based Payment Accounting. The amendments in this ASU require, among other things, that all income tax effects of awards be recognized in the income statement when the awards vest or are settled. The ASU also allows for an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting, and it allows for a policy election to account for forfeitures as they occur. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. We adopted this guidance during the quarter ended September 30, 2017. The adoption of this ASU had no material impacts on our financial statement results or disclosures.

Issued and Not Effective
From time to time, new accounting pronouncements are issued by the FASB that are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards did not or will not have a material impact on the Company's consolidated financial statements upon adoption.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company will apply the provisions of the update to potential future acquisitions occurring after the effective date.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities for leases with lease terms of more than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease have not significantly changed from the previous US GAAP. The standard is effective for fiscal years beginning after December 15, 2018, including interim periods within such fiscal year, with early adoption permitted. The Company is currently assessing the impact, if any, of implementing this guidance on its consolidated financial position, results of operations, and liquidity.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuations, convertible debt valuations, and share-based compensation. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

d) Reclassifications

Certain prior year amounts have been reclassified to conform to fiscal 2018 presentation and these reclassifications had no effect on the reported results of operations or net equity as previously disclosed.

3. GOING CONCERN ISSUES

The Company incurred a loss of $6,919 for the nine months ended March 31, 2018 (2017 - $10,931) and had a working capital deficit and an accumulated deficit of $3,109 and $81,771, respectively, as of March 31, 2018. These factors indicate the existence of a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

The Company’s ability to continue operations and fund its expenditures is dependent on management’s ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

4. RESTRICTED CASH

Restricted cash represents amounts held in escrow to secure payment of work related to the Company’s Elk Creek Feasibility Study. Under the terms of the escrow agreement, the balance of $265 was drawn against outstanding accounts payable during the quarter ended September 30, 2017.

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

5. OTHER CURRENT ASSETS

Other current assets include legal and other professional fees associated with obtaining project debt financing for the Elk Creek Project. Amounts will be deferred until funding is completed, at which time the balance will become a direct deduction from the related debt liability.

6. CONVERTIBLE DEBT

	As of March 31, 2018	As of June 30, 2017
Convertible debt, current portion	$ 710	$ 2,161
Noncurrent:		
Convertible notes	$ —	$ 592
Convertible security	4,580	1,304
	$ 4,580	$ 1,896

Convertible Security Funding

Changes in the Lind Asset Management IV, LLC ("Lind") convertible security (the "Convertible Security") balance are comprised of the following:

	Convertible Security
Balance, June 30, 2017	$ 3,465
Additional debt drawdown	3,500
Conversions, at fair value	(3,693)
Change in fair market value	1,308
Balance, March 31, 2018	$ 4,580

On August 10, 2017, Lind provided notice to the Company of its election to advance an additional $1,000 in funding under the Convertible Security pursuant to its right under the Convertible Security Funding Agreement, dated December 14, 2015, between the Company and Lind (the "Lind Agreement"). As a result, upon payment of the additional $1,000 in funding by Lind to the Company, the face value of the Convertible Security was increased by $1,200 ($1,000 in additional funding plus implied interest), and the Company issued warrants ("Warrants") to Lind, as follows:

					Black Scholes Pricing Model Inputs			
Funding Date	Face Value[1]	Warrants Issued[2]	Issue Price[3]	Warrant Expiry Date	Risk-free Rate	Yield	Volatility	Expected Life
August 15, 2017	$ 300	260,483	C$0.73	August 15, 2020	1.23%	0%	49.6%	3 years
September 28, 2017	300	283,413	C$0.66	September 28, 2020	1.23%	0%	47.7%	3 years
October 31, 2017	300	308,901	C$0.62	October 31, 2020	1.59%	0%	47.0%	3 years
December 6, 2017	300	355,132	C$0.54	December 6, 2020	1.59%	0%	48.9%	3 years
Total	$ 1,200	1,207,929						

1 Includes implied interest.
2 The value of warrants issued totaled $127, which was expensed to Change in Financial Instrument Fair Value.
3 The price to convert one warrant into one common share of the Company ("Common Share").

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

On January 23, 2018, Lind provided notice to the Company of its election to advance an additional $2,500 in funding (the "Initial Second Tranche Increase") under the Convertible Security pursuant to its right under the Lind Agreement. As a result, upon payment of the additional $2,500 in funding by Lind to the Company, the face value of the Convertible Security was increased by $3,000 ($2,500 in additional funding plus implied interest), and the Company issued Warrants to Lind, as follows:

					Black Scholes Pricing Model Inputs			
Funding Date	Face Value[1]	Warrants Issued[2]	Issue Price[3]	Warrant Expiry Date	Risk-free rate	Yield	Volatility	Expected Life
January 30, 2018	$ 1,800	1,546,882	C$0.72	January 30, 2021	1.78%	0%	56.5%	3 years
February 5, 2018	600	529,344	C$0.70	February 5, 2021	1.78%	0%	56.6%	3 years
February 7, 2018	600	541,435	C$0.69	February 7, 2021	1.78%	0%	56.7%	3 years
Total	$ 3,000	2,617,661						

1 Includes implied interest.
2 The value of warrants issued totaled $425, which was expensed to Change in Financial Instrument Fair Value.
3 The price to convert one warrant into one Common Share.

On March 27, 2018, the Company provided notice to Lind of its election to call an additional $1,000 in funding under the Convertible Security pursuant to its right under the Lind Agreement (together with the Initial Second Tranche Increase, the "Second Tranche Increase"). This amount was funded by Lind on April 5, 2018, and the face amount of the Convertible Security was increased by $1,200 ($1,000 in additional funding and $200 in implied interest). In connection with the funding, the Company issued 1,058,872 Warrants to Lind, with each Warrant entitling the holder to acquire one Common Share at a price of C$0.72 per share until April 5, 2021.

The Convertible Security is convertible into Common Shares at a conversion price equal to 85% of the volume weighted average trading price ("Volume Weighted Average Price") of the Common Shares (in Canadian dollars) on the Toronto Stock Exchange (the "TSX") for the five consecutive trading days immediately prior to the date on which Lind provides the Company with notice of its intention to convert an amount of the Convertible Security from time to time. During the nine-month period ended March 31, 2018, $3,000 principal amount of the Convertible Security was converted into 8,037,767 Common Shares.

The Convertible Security contains financial and non-financial covenants customary for a facility of its size and nature, and includes a financial covenant defining an event of default as all present and future liabilities of the Company or any of its subsidiaries, exclusive of related party loans, for an amount or amounts exceeding $2,000 and which have not been satisfied on time or within 90 days of invoice, or have become prematurely payable as a result of its default or breach. The Company was in compliance with these covenants as of March 31, 2018.

Convertible Notes
Changes in the Company's outstanding convertible promissory notes (the "Convertible Notes") balance are comprised of the following:

	Convertible Notes
Balance, June 30, 2017	$ 592
Accreted interest, net of interest paid	118
Balance, March 31, 2018	$ 710

The changes in the derivative liability related to the conversion feature of the Convertible Notes are as follows:

	Derivative Liability
Balance, June 30, 2017	$ 82
Change in fair value of derivative liability	(41)
Balance, March 31, 2018	$ 41

7. COMMON STOCK

a) Issuances

On July 26, 2017, the Company closed a brokered private placement (the "July 2017 Private Placement") of units ("Units") of the Company. Under the July 2017 Private Placement, a total of 2,962,500 Units were issued at C$0.65 per Unit, for total gross proceeds to the Company of approximately C$1,926. Each Unit issued pursuant to the July 2017 Private Placement consists of one Common Share and one Warrant of the Company. Each Warrant entitles the holder thereof to purchase one additional Common Share at a price of C$0.79 until July 26, 2021.

The July 2017 Private Placement was brokered by Mackie Research Capital Corporation (the "Agent"). The Company paid the Agent an aggregate cash commission of approximately C$125, equal to 6.5% of the gross proceeds raised under the July 2017 Private Placement. The Company also issued to the Agent 192,562 broker warrants (the "Broker Warrants"), equal to 6.5% of the Units sold pursuant to the July 2017 Private Placement. Each Broker Warrant entitles the holder thereof to purchase one Common Share at a price of C$0.79 until July 26, 2021. The fair value of the Broker Warrants of $41 was estimated based on the Black Scholes pricing model using a risk-free interest rate of 1.32%, an expected dividend yield of 0%, a volatility of 60.3%, and an expected life of four years. Total cash issue costs including agents' commission, legal and other fees was $189.

Proceeds of the July 2017 Private Placement were used for general working capital purposes and to continue to advance the Company's Elk Creek Project.

On September 5, 2017, the Company entered into a shares-for-debt agreement with Northcott Capital Limited ("Northcott") whereby NioCorp issued 415,747 Common Shares to settle a debt of C$254 owed to Northcott for past and prospective services through December 2017. Northcott manages NioCorp's current effort to assemble a debt financing package as part of the Company's overall Elk Creek Project financing effort. The shares issued to Northcott were priced at C$0.61 per share, which represents a 10% premium over the five-day Volume Weighted Average Price of the Common Shares of C$0.5571 as of the date of the agreement.

b) Stock Options

On November 9, 2017, the Company's shareholders voted to approve a new Long-Term Incentive Plan (the "Long-Term Incentive Plan") and the granting of incentive securities thereunder until November 9, 2020. Under the Long-Term Incentive Plan, the Company's Board of Directors (the "Board") may, in its discretion from time to time, grant stock options ("Options") and share units (in the form of RSUs and PSUs) to directors, employees and certain other service providers (as defined in the Long-Term Incentive Plan) of the Company and affiliated entities selected by the Board.

Subject to adjustment as described in the Long-Term Incentive Plan, the aggregate number of Common Shares that may be reserved for issuance to participants under the Long-Term Incentive Plan, together with all other security-based compensation arrangements of the Company, including with respect to Options outstanding under the Company's 2016 Incentive Stock Option Plan, may not exceed 10% of the issued and outstanding Common Shares from time to time, and the Common Shares reserved for issuance upon settlement of share units shall not exceed 5% of the issued and outstanding Common Shares from time to time. The Long-Term Incentive Plan limits the maximum number of Common Shares issued to insiders (as defined under TSX rules for this purpose) within any one-year period, or issuable to insiders at any time, in the aggregate, under all security-based compensation arrangements (including the Long-Term Incentive Plan) to 10% of the then issued and outstanding Common Shares. The Long-Term Incentive Plan also limits the aggregate number of Common Shares that may be reserved for issuance to any one participant under the Long-Term Incentive Plan, together with all other security-based compensation arrangements of the Company, to 5% of the then issued and outstanding Common Shares (on a non-diluted basis). Under the Long-Term Incentive Plan, Options and share units granted to non-employee directors, together with all other equity awards, are limited to an annual equity award value of C$150 per non-employee director. The total value of Options issuable to a non-employee director in a one-year period is limited to C$100. Further, and subject to the adjustment provisions of the Long-Term Incentive Plan, the aggregate number of Common Shares actually issued or transferred by the Company upon the exercise of incentive stock options will not exceed 20,451,895 Common Shares.

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

The Board has the exclusive power over the granting, amendment, administration or settlement of any award.

Option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price (C$)
Balance, June 30, 2017	16,605,000	$	0.73
Issued	3,925,000		0.47
Exercised	(10,091)		0.62
Cancelled/expired	(4,470,000)		0.75
Balance, March 31, 2018	16,049,909	$	0.66

The following table summarizes information about Options outstanding at March 31, 2018:

Exercise Price (C$)		Expiry Date	Number Outstanding		Aggregate Intrinsic Value (C$)	Number Exercisable		Aggregate Intrinsic Value (C$)
$	0.47	November 9, 2022	3,925,000	$	510	3,925,000	$	510
$	0.62	January 19, 2021	5,264,909		—	5,264,909		—
$	0.76	March 6, 2022	5,650,000		—	4,237,500		—
$	0.94	April 28, 2018	400,000		—	400,000		—
$	0.94	April 28, 2019	100,000		—	75,000		—
$	0.94	July 21, 2021	710,000		—	710,000		—
			16,049,909	$	510	14,612,409	$	510

The aggregate intrinsic value in the preceding table represents the total intrinsic value, based on the Company's closing Common Share price of C$0.60 as of March 31, 2018, that would have been received by the Option holders had all Option holders exercised their Options as of that date. The total number of in-the-money Options vested and exercisable as of March 31, 2018, was 3,925,000. The total intrinsic value of Options exercised during the nine months ended March 31, 2018 was nil.

As of March 31, 2018, there was $109 of unrecognized compensation cost related to unvested share-based compensation arrangements granted under the option plans. The cost is expected to be recognized over a remaining weighted average period of approximately 0.4 years.

c) Warrants

Warrant transactions are summarized as follows:

	Warrants		Weighted Average Exercise Price (C$)
Balance June 30, 2017	20,609,086	$	0.79
Granted	6,980,652		0. 73
Balance, March 31, 2018	27,589,738	$	0. 77

As discussed above under Note 6, the Company granted 3,825,590 Warrants to Lind in connection with the Convertible Security funding increases. As discussed above under Note 7a, the Company granted 2,962,500 Warrants and 192,562 Broker Warrants in conjunction with the July 2017 Private Placement.

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

At March 31, 2018, the Company has outstanding exercisable Warrants, as follows:

Number	Exercise Price (C$)	Expiry Date
355,132	0.54	December 6, 2020
308,901	0.62	October 31, 2020
283,413	0.66	September 28, 2020
541,435	0.69	February 7, 2021
529,344	0.70	February 5, 2021
3,125,000	0.72	December 22, 2018
1,546,882	0.72	January 30, 2021
260,483	0.73	August 15, 2020
9,150,285	0.75	January 19, 2019
3,155,062	0.79	July 26, 2021
3,860,800	0.85	February 14, 2020
3,043,024	0.85	February 21, 2020
539,307	0.85	February 28, 2020
890,670	0.90	March 31, 2020
27,589,738		

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has a loan with Mark Smith, President, Chief Executive Officer ("CEO") and Executive Chairman of NioCorp (the "Original Smith Loan"), that bears an interest rate of 10%, is secured by the Company's assets pursuant to a concurrently executed general security agreement (the "General Security Agreement"), and is subject to both a 2.5% establishment fee and 2.5% prepayment fee. The principal amount outstanding under the Original Smith Loan is $1,000.

The Company also has a non-revolving credit facility agreement (the "Credit Facility") in the amount of $2,000 with Mr. Smith. The Credit Facility bears an interest rate of 10% and drawdowns from the Credit Facility are subject to a 2.5% establishment fee. Amounts outstanding under the Credit Facility are secured by all of the Company's assets pursuant to the General Security Agreement. The Credit Facility contains financial and non-financial covenants customary for a facility of its size and nature. During the nine months ended March 31, 2018, Mr. Smith advanced an additional $305 to the Company under the Credit Facility.

As of March 31, 2018, the principal amount outstanding under the Credit Facility was $480 and accounts payable and accrued liabilities included interest payable and loan establishment fees payable to Mr. Smith of $107.

On April 6, 2018, the Company and Mr. Smith entered into amending agreements extending the maturity dates of the Original Smith Loan and the Credit Facility to June 17, 2019 and June 16, 2019, respectively.

On June 20, 2016, the Company announced a joint development agreement (the "Development Agreement") with IBC Advanced Alloys Corp. ("IBC") to investigate and develop applications for scandium-containing alloys for multiple downstream markets. In addition to his management duties at NioCorp, Mark Smith is also the Chairman of the IBC Board of Directors. Under the terms of the Development Agreement, each party bears its own costs incurred in development efforts. During the quarter ended December 31, 2017 the Company supplied IBC with a small quantity of Scandium Trioxide which was used to manufacture several aluminum-scandium alloy ingots. Development of various alloys materials and potential commercial products is ongoing.

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

9. EXPLORATION EXPENDITURES

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2018	2017	2018	2017
Technical studies and engineering	$ 266	$ 1,994	$ 720	$ 3,982
Field management and other	141	371	483	1,004
Metallurgical development	51	366	223	2,057
Geologists and field staff	24	30	72	85
Total	$ 482	$ 2,761	$ 1,498	$ 7,128

10. INCOME TAXES

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the “Act”), which took effect on January 1, 2018. Some notable provisions of the Act include a reduction of the corporate income tax rate from 35% to 21%, 100% bonus depreciation for certain capital expenditures, and a change from a worldwide system with deferral to a territorial tax system, which includes a one-time toll charge on certain undistributed earnings of non-U.S. subsidiaries. The Company does not expect any material impacts of this new legislation on its consolidated financial statements.

11. FAIR VALUE MEASUREMENTS

The Company measures the fair value of financial assets and liabilities based on US GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized in income.

Financial instruments including receivables, accounts payable and accrued liabilities, and related party loans are carried at amortized cost, which management believes approximates fair value due to the short-term nature of these instruments.

The following tables present information about the assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2018 and June 30, 2017, respectively, and indicate the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical instruments. Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the financial instrument and include situations where there is little, if any, market activity for the instrument.

(expressed in thousands of U.S. dollars, except per share amounts or as otherwise stated) (unaudited)

	As of March 31, 2018			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 483	$ 483	$ —	$ —
Available-for-sale securities	14	14	—	—
Total	$ 497	$ 497	$ —	$ —
Liabilities:				
Convertible debt	$ 4,580	$ —	$ —	$ 4,580
Derivative liability, convertible debt	41	—	—	41
Total	$ 4,621	$ —	$ —	$ 4,621

	As of June 30, 2017			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 238	$ 238	$ —	$ —
Restricted cash	265	265	—	—
Available-for-sale securities	23	23	—	—
Total	$ 526	$ 526	$ —	$ —
Liabilities:				
Convertible debt	$ 3,465	$ —	$ —	$ 3,465
Derivative liability, convertible debt	82	—	—	82
Total	$ 3,547	$ —	$ —	$ 3,547

The Company measures the fair market value of the Level 3 components using the Black Scholes model and discounted cash flows, as appropriate. These models take into account management's best estimate of the conversion price of the stock, an estimate of the expected time to conversion, an estimate of the stock's volatility, and the risk-free rate of return expected for an instrument with a term equal to the duration of the convertible debt.

The following table sets forth a reconciliation of changes in the fair value of the Company's convertible debt components classified as Level 3 in the fair value hierarchy:

Balance, June 30, 2017	$ 3,547
Additional debt drawdown	3,500
Conversions to equity	(3,693)
Realized and unrealized losses	1,267
Balance, March 31, 2018	$ 4,621

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited condensed interim consolidated financial statements as of, and for the three and nine months ended March 31, 2018, and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). This discussion and analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors, including, but not limited to, those set forth elsewhere in this Quarterly Report on Form 10-Q. See "Note Regarding Forward-Looking Statements" below.

All currency amounts are stated in thousands of U.S. dollars unless noted otherwise.

As used in this report, unless the context otherwise indicates, references to "we," "our," the "Company," "NioCorp," and "us" refer to NioCorp Developments Ltd. and its subsidiaries, collectively.

Note Regarding Forward Looking Statements

This Quarterly Report on Form 10-Q and the exhibits attached hereto contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). Such forward-looking statements concern our anticipated results and developments in the operations of the Company in future periods, planned exploration activities, the adequacy of the Company's financial resources, and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible," and similar expressions, or statements that events, conditions, or results "will," "may," "could," or "should" (or the negative and grammatical variations of any of these terms) occur or be achieved. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect," "is expected," "anticipates" or "does not anticipate," "plans," "estimates," or "intends," or stating that certain actions, events, or results "may," "could," "would," "might," or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements reflect the Company's current views with respect to future events and are subject to certain known and unknown risks, uncertainties, and assumptions. Many factors could cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks related to the following:

- risks related to our ability to operate as a going concern;
- risks related to our requirement of significant additional capital;
- risks related to our limited operating history;
- risks related to changes in economic valuations of the Elk Creek Project, such as net present value calculations, changes, or disruptions in the securities markets;
- risks related to our history of losses;
- risks related to cost increases for our exploration and, if warranted, development projects;
- risks related to feasibility study results;
- risks related to the determination of the economic viability of a deposit;
- risks related to mineral exploration and production activities;
- risks related to our lack of mineral production from our properties;
- risks related to the results of our metallurgical testing;
- risks related to the price volatility of commodities;
- risks related to estimates of mineral resources and reserves;

- risks related to changes in mineral resource and reserve estimates;
- risks related to differences in United States and Canadian reserve and resource reporting;
- risks related to our exploration activities being unsuccessful;
- risks related to our ability to obtain permits and licenses for production;
- risks related to government and environmental regulations that may increase our costs of doing business or restrict our operations;
- risks related to proposed legislation that may significantly affect the mining industry;
- risks related to land reclamation requirements;
- risks related to competition in the mining industry;
- risks related to the difficulties of handling the disposal of mine water at our Elk Creek Project;
- risks related to equipment and supply shortages;
- risks related to current and future joint ventures and partnerships;
- risks related to our ability to attract qualified management;
- risks related to the ability to enforce judgment against certain of our Directors;
- risks related to currency fluctuations;
- risks related to claims on the title to our properties;
- risks related to surface access on our properties;
- risks related to potential future litigation;
- risks related to our lack of insurance covering all our operations;
- risks related to covenants contained in agreements with our secured creditors that may affect our assets;
- risks related to the extent to which our level of indebtedness may impair our ability to obtain additional financing;
- risks related to our status as a "passive foreign investment company" under the United States Internal Revenue Code of 1986, as amended;
- risks related to the Common Shares, including price volatility, lack of dividend payments, dilution, and penny stock rules; and
- risks related to our debt.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors, including without limitation those discussed under the heading "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 30, 2017, as well as other factors described elsewhere in this report and the Company's other reports filed with the SEC.

The Company's forward-looking statements contained in this Quarterly Report on Form 10-Q are based on the beliefs, expectations, and opinions of management as of the date of this report. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations, or opinions should change, except as required by law. For the reasons set forth above, investors should not attribute undue certainty to, or place undue reliance on, forward-looking statements.

National Instrument 43-101 Compliance

Scott Honan, M.Sc., SME-RM, a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), has supervised the preparation of the scientific and technical information that forms the basis for the Elk Creek Project disclosure in this Quarterly Report on Form 10-Q and has approved the disclosure in this Quarterly Report on Form 10-Q related thereto. Mr. Honan is not independent of the Company, as he is the Vice President, Business Development. For additional information on the Elk Creek Project, including information relating to exploration, data verification, the mineral resource estimates and the mineral reserve estimates, see the Revised NI 43-101 Technical Report (the "Revised Elk Creek Feasibility Study"), dated December 15, 2017, which is available under NioCorp's profile on the Canadian Securities Administrators website at www.sedar.com ("SEDAR").

Company Overview

NioCorp is developing the Elk Creek Project, located in southeast Nebraska. The Elk Creek Project is an advanced Niobium (Nb)/Scandium (Sc)/Titanium (Ti) exploration project. Niobium is used to produce various superalloys that are extensively used in high performance aircraft and jet turbines. It also is used in High-Strength, Low-Alloy ("HSLA") steel, a stronger steel used in automotive, bridges, structural systems, buildings, pipelines, and other applications that generally reduces the weight of those applications, which can result in environmental benefits, including reduced fuel consumption and material usage and fewer air emissions. Scandium can be combined with aluminum to make high-performance alloys with increased strength and improved corrosion resistance. Scandium also is a critical component of advanced solid oxide fuel cells, an environmentally preferred technology for high-reliability, distributed electricity generation. Titanium is a component of various superalloys and other applications that are used for aerospace applications, weapons systems, protective armor, medical implants and many others. It also is used in pigments for paper, paint, and plastics.

Our primary business strategy is to advance our Elk Creek Project to commercial production. We are focused on obtaining additional funds to carry out our near-term planned work programs associated with securing the project financing necessary to complete mine development and construction of the Elk Creek Project.

Emerging Growth Company Status

We qualify as an "emerging growth company" as defined in Section 101 of the Jumpstart our Business Startups Act ("JOBS Act") as we do not have more than $1.07 billion in annual gross revenue and did not have such amount as of June 30, 2017, this being the last day of our most recently completed fiscal year.

We may lose our status as an emerging growth company on the last day of our fiscal year during which (i) our annual gross revenue exceeds $1.07 billion or (ii) we issue more than $1.07 billion in non-convertible debt in a three-year period. We will lose our status as an emerging growth company if at any time we are deemed to be a large accelerated filer, as defined in Rule 405 under the Exchange Act. We will lose our status as an emerging growth company on the last day of our fiscal year following the fifth anniversary of the date of our first sale of Common Shares pursuant to an effective registration statement.

As an emerging growth company under the JOBS Act, we have elected to opt out of the extended transition period for complying with new or revised standards pursuant to Section 107(b) of the JOBS Act. The election is irrevocable.

As an emerging growth company, we are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002 and Section 14A(a) and (b) of the Exchange Act. Such sections are described below:

- Section 404(b) of the Sarbanes-Oxley Act of 2002 requires a public company's auditor to attest to, and report on, management's assessment of its internal controls.
- Sections 14A(a) and (b) of the Exchange Act, implemented by Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") Act, require companies to hold shareholder advisory votes on executive compensation and golden parachute compensation.

As long as we qualify as an emerging growth company, we will not be required to comply with the requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 and Section 14A (a) and (b) of the Exchange Act.

Recent Corporate Events

In a Federal Register notice published on February 16, 2018, the Trump Administration included niobium, scandium, and titanium on a list of 35 materials proposed as "Critical Minerals." The Company believes that the proposed listing significantly elevates the strategic importance of the Elk Creek Project, particularly given that it is the only proposed mine in the U.S. that is expected to produce both niobium and scandium, two superalloy metals that have significant uses in national defense technologies and upon which the U.S. is currently 100% dependent on foreign nations.

Long-term financing efforts continued during the quarter ended March 31, 2018, with principal activities focused on outreach to and discussions with several potential sources of project funding, as well as completion of the technical due diligence review (the "technical review") of the Company's Revised Elk Creek Feasibility Study by RPM Global USA, Inc. on behalf of a potential debt financing syndicate. The technical review is a private document which provides an independent analysis and opinion on the technical and environmental content of the Revised Elk Creek Feasibility Study and will be provided to financial institutions expected to form debt and/or equity syndicates that will help finance the Elk Creek Project.

With the completion of the technical review, the following steps remain in our financing plan:

- Completion of additional independent market reviews for Sc and Nb;
- Additional "road show" style presentations to potential debt and equity investors;
- Completion of legal and financial due diligence; and
- Negotiation and execution of specific debt and equity financing assistance, along with necessary regulatory approvals for such financings.

Pursuant to notice provided by Lind to the Company of its election to advance an additional $2,500 in funding under the Initial Second Tranche Increase, Lind funded the full $2,500 as of February 7, 2018. In connection with the funding, the Company issued Warrants to Lind, as follows:

Funding Date	Face Value[1]	Warrants Issued	Issue Price[2]	Warrant Expiry Date
January 30, 2018	$1,800	1,546,882	C$0.72	January 30, 2021
February 5, 2018	600	529,344	C$0.70	February 5, 2021
February 7, 2018	600	541,435	C$0.69	February 7, 2021

1 Includes implied interest.

2 The price to convert one warrant into one Common Share.

On March 27, 2018, the Company provided notice to Lind of its election to call an additional $1,000 under the Second Tranche Increase. This amount was funded by Lind on April 5, 2018 and the face amount of the Convertible Security was increased by $1,200 ($1,000 in additional funding and $200 in implied interest). In connection with the funding, the Company issued 1,058,872 Warrants to Lind, with each Warrant entitling the holder to acquire one Common Share at a price of C$0.72 per share until April 5, 2021.

Elk Creek Project Update

On February 7, 2018, we announced the signing of an agreement with the Nordmin Group of Companies ("Nordmin") to complete the detailed engineering for the mining infrastructure for the Elk Creek Project (the "Nordmin Agreement"). As one of several engineering firms involved in the development of NioCorp's Revised Elk Creek Feasibility Study, Nordmin intends to review and update the Project's mining approach, mine water management systems, and mine infrastructure concepts with an eye toward further design and optimization.

The Nordmin Agreement includes a provision to enter into an Engineering, Procurement, and Construction ("EPC") contract with Nordmin to complete the construction and undertake the operation of the underground mine portion of the Project, subject to satisfactory completion of the detailed engineering and final agreement between the parties.

In addition to the Nordmin Agreement, we continued to advance other Elk Creek Project-related work during the quarter. Primary activities included:

- Continued development of an air construction permit application with the Nebraska Department of Environmental Quality, which we expect to file in calendar 2018;
- Continued the competitive process to identify and select engineering, procurement and construction firms for surface development; and
- Held a series of meetings with federal and state regulators to advance National Pollutant Discharge Elimination System ("NPDES"), reclamation, and other permitting issues associated with the Elk Creek Project.

Financial and Operating Results

The Company continues to expense all expenditures when incurred, except for equipment, which is capitalized. The Company has no revenues from mining operations. Operating expenses incurred related primarily to performing exploration activities, as well as the activities necessary to support corporate and shareholder duties and are detailed in the following table.

	For the three months ended March 31,		For the nine months ended March 31,	
	2018	**2017**	**2018**	**2017**
Operating expenses:				
Employee-related costs	$ 410	$ 409	$ 1,809	$ 1,371
Professional fees	150	133	543	745
Exploration expenditures	483	2,761	1,499	7,128
Other operating expenses	307	772	994	1,161
Total operating expenses	1,350	4,075	4,845	10,405
Change in financial instrument fair value	1,514	524	1,811	189
Foreign exchange loss (gain)	180	(80)	(21)	113
Interest expense	99	78	274	218
Loss on available for sale securities	3	12	10	6
Income tax expense	—	—	—	—
Net Loss	**$ 3,146**	**$ 4,609**	**$ 6,919**	**$ 10,931**

Nine months ended March 31, 2018 compared to nine months ended March 31, 2017

Significant items affecting operating expenses are noted below:

Employee related costs increased due to increased share-based compensation costs reflecting the timing of option issuances and the corresponding vesting periods, as well as the number of options granted and associated fair value calculations.

Professional fees include legal and accounting services. Overall, these fees decreased, reflecting the timing of registration statements filed with the SEC and ongoing compliance efforts.

Exploration expenditures decreased $5.6 million, reflecting the timing of expenditures at the Elk Creek Project as discussed above under "*Elk Creek Project Update*." 2018 expenditures primarily related to the final wrap-up and issuance of the NI 43-101 Technical Report filed in Canada on SEDAR on August 10, 2017 (the "August 2017 Feasibility Study") and the Revised Elk Creek Feasibility Study and ongoing permitting and project advancement activities, while 2017 costs were primarily directed towards engineering and metallurgical bench and pilot plant test work in support of our continuing feasibility study work.

Other operating expenses include investor relations, general office expenditures, equity offering and proxy expenditures and other miscellaneous costs. These costs decreased primarily due to the timing of option issuances and the corresponding vesting periods, and the number of options granted and associated fair value calculations for Board members, as well as the timing of investor relations services.

Other significant items impacting the change in the Company's net loss are noted below*:*

Change in financial instrument fair value represents non-cash changes in the market value of the Convertible Security, which is carried at fair value, as well as changes in the market value of the derivative liability component of the Company's outstanding convertible promissory notes, and the fair market value of Warrants issued under the Convertible Security. The 2018 loss includes the value of Warrants issued to Lind in connection with the Second Tranche Increase.

Foreign exchange (gain) loss is primarily due to changes in the United States dollar ("USD") against the Canadian dollar ("C$") and reflects the timing of foreign currency transactions and subsequent changes in exchange rates. The impact in 2018 primarily relates to changing foreign currency rates as applied to the USD-denominated convertible debt instruments and related-party debt, which are recorded on the Canadian parent company books in C$.

Three months ended March 31, 2018 compared to three months ended March 31, 2017

Overall, the increase in net loss for the quarter ended March 31, 2018 as compared to the same period in 2017 is the result of primarily the same factors underlying the nine-month changes, as discussed above, with respect to employee-related costs, professional fees, exploration expenditures, change in financial instrument fair value, and foreign exchange (gain) loss.

Liquidity and Capital Resources

We have no revenue generating operations from which we can internally generate funds. To date, our ongoing operations have been financed by the sale of our equity securities by way of private placements, convertible securities issuances, and the exercise of incentive stock options and share purchase warrants. We believe that we will be able to secure additional private placement financings in the future, although we cannot predict the size or pricing of any such financings. In addition, we may raise funds through the sale of interests in our mineral properties, although current market conditions have substantially reduced the number of potential buyers/acquirers of any such interests.

As of March 31, 2018, the Company had cash of $0.5 million and a working capital deficit of $3.1 million, compared to cash of $0.2 million and working capital deficit of $5.8 million on June 30, 2017. This change in working capital is the result of cash inflows from financing initiatives and the continued conversion of the Convertible Security, as well as from the reclassification of related-party loans from current to non-current, based on amended loan agreements. These positive impacts to the working capital deficit were partially offset by year-to-date operating expenditures.

We expect that the Company will operate at a loss for the foreseeable future. The Company's current planned operational needs are approximately $1.7 million until June 30, 2018, net of the recent investment by Lind on the Company's exercise of its right to call $1.0 million under the Lind Agreement. In addition to outstanding accounts payable and short-term liabilities, our average monthly expenditures are approximately $300 per month where approximately $245 is for administrative purposes, including overhead and estimated costs related to securing financing necessary for advancement of the Elk Creek Project. Approximately $49 per month is planned for expenditures relating to the advancement of Elk Creek Project. The Company's ability to continue operations and fund our current work plan is dependent on management's ability to secure additional financing.

The Company anticipates that it may need to raise $5.7 to $6.0 million to continue planned operations for the next twelve months focused on financing the Elk Creek Resources Project. Management is actively pursuing such additional sources of debt and equity financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Elk Creek Property lease commitments are $17 until June 30, 2018. To maintain its currently held properties and fund its currently anticipated general and administrative costs and planned exploration and development activities at the Elk Creek Project for the fiscal year ending June 30, 2018, the Company will require additional financing during the current fiscal year. Should such financing not be available in that time-frame, we will be required to reduce our activities and will not be able to carry out all our presently planned activities at the Elk Creek Project.

We currently have no further funding commitments or arrangements for additional financing at this time (other than the potential exercise of options and Warrants) and there is no assurance that we will be able to obtain additional financing on acceptable terms, if at all. There is significant uncertainty that we will be able to secure any additional financing in the current equity or debt markets. The quantity of funds to be raised and the terms of any proposed equity or debt financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. management intends to pursue funding sources of both debt and equity financing, including but not limited to the issuance of equity securities in the form of Common Shares, Warrants, subscription receipts, or any combination thereof in units of the Company pursuant to private placements to accredited investors or pursuant to equity lines of credit or public offerings in the form of underwritten/brokered offerings, at-the-market offerings, registered direct offerings, or other forms of equity financing and public or private issuances of debt securities including secured and unsecured convertible debt instruments or secured debt project financing. Management does not currently know the terms pursuant to which such financings may be completed in the future, but any such financings will be negotiated at arm's-length. Future financings involving the issuance of equity securities or derivatives thereof will likely be completed at a discount to the then-current market price of the Company's securities and will likely be dilutive to current shareholders.

The audit opinion and notes that accompany our financial statements for the year ended June 30, 2017 disclose a "going concern" qualification and disclosures to our ability to continue in business. The financial statements included in this Quarterly Report on Form 10-Q have been prepared under the assumption that we will continue as a going concern. We are an exploration stage company and we have incurred losses since our inception. We do not have sufficient cash to fund normal operations and meet debt obligations for the next twelve months without deferring payment on certain current liabilities and raising additional funds. We believe that the going concern condition cannot be removed with confidence until the Company has entered into a business climate where funding of its planned ongoing operating activities is secured.

We have no exposure to any asset-backed commercial paper. Other than cash held by our subsidiaries for their immediate operating needs in Colorado and Nebraska, all of our cash reserves are on deposit with major United States and Canadian chartered banks. We do not believe that the credit, liquidity, or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of our capital, we have, of necessity, been required to accept lower rates of interest, which has also lowered our potential interest income.

Operating Activities

During the nine months ended March 31, 2018, the Company's operating activities consumed $4.6 million of cash (2017: $9.0 million). The cash used in operating activities for 2018 reflects the Company's funding of losses of $6.9 million, partially offset by share-based compensation charges and other non-cash transactions. Overall, 2018 operational outflows declined from 2017 due to the timing of the work efforts on the August 2017 Feasibility Study and the Revised Elk Creek Feasibility Study, offset by changes in accounts payable and accrued liabilities. Going forward, the Company's working capital requirements are expected to increase substantially in connection the development of the Elk Creek Project.

Financing Activities

Financing inflows were $4.6 million during the nine months ended March 31, 2018 as compared to $6.8 million during the corresponding period in 2017, primarily reflecting the timing of convertible debt instrument and private placement issuances initiated during the comparative periods, as well as financing provided by NioCorp's President, CEO and Executive Chairman, Mark Smith.

Cash Flow Considerations

The Company has historically relied upon equity financings and, to a lesser degree, debt financings, to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. The Company may pursue debt financing in the medium term if it is able to procure such financing on terms more favorable than available equity financing; however, there can be no assurance the Company will be able to obtain any required financing in the future on acceptable terms.

The Company has limited financial resources compared to its proposed expenditures, no source of operating income, and no assurance that additional funding will be available to it for current or future projects, although the Company has been successful in the past in financing its activities through the sale of equity securities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success in developing the Elk Creek Project. Any quoted market for the Common Shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows, or earnings, and any depression of the trading price of the Common Shares could impact its ability to obtain equity financing on acceptable terms.

Historically, the Company has used net proceeds from issuances of Common Shares to provide sufficient funds to meet its near-term exploration and development plans and other contractual obligations when due. However, further development and construction of the Elk Creek Project will require substantial additional capital resources. This includes near-term funding and, ultimately, funding for Elk Creek Project construction and other costs. See "*Liquidity and Capital Resources*" above for the Company's discussion of arrangements related to possible future financings.

Contractual Obligations

Other than as described below, there have been no material changes to our contractual obligations discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Tabular Disclosure of Contractual Obligations" as of June 30, 2017, in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017. During the nine-month period ended March 31, 2018, debt obligations increased by $4.2 million in Convertible Security increases (including implied interest), partially offset by a $3.0 million decrease due to conversions under the Lind Agreement. There were no other substantial changes to contractual obligations.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Critical Accounting Policies

There have been no material changes in our critical accounting policies discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Critical Accounting Policies" as of June 30, 2017, in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

Certain U.S. Federal Income Tax Considerations

The Company has been a "passive foreign investment company" ("PFIC") as defined under Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, in recent years and expects to continue to be a PFIC in the future. Current and prospective United States shareholders should consult their tax advisors as to the tax consequences of PFIC classification and the U.S. federal tax treatment of PFICs. Additional information on this matter is included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017, under the heading "Risks Related to the Common Shares."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

The Company's exposure to changes in market interest rates, relates primarily to the Company's earned interest income on cash deposits and short-term investments. The Company maintains a balance between the liquidity of cash assets and the interest rate return thereon. The carrying amount of financial assets, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

Foreign currency exchange risk

The company incurs expenditures in both USD and C$. Canadian dollar expenditures are primarily related to metallurgical-related exploration expenses, as well as certain Common Share-related costs and professional services. As a result, currency exchange fluctuations may impact the costs of our operating activities. To reduce this risk, we maintain sufficient cash balances in C$ to fund expected near-term expenditures.

Commodity price risk

The Company is exposed to commodity price risk related to the elements associated with the Elk Creek Project. A significant decrease in the global demand for these elements may have a material adverse effect on our business. The Elk Creek Project is not in production, and the Company does not currently hold any commodity derivative positions.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, an evaluation was carried out under the supervision of and with the participation of our management, including the CEO and the Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including the CEO and the CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Management does not expect that our disclosure controls and procedures will prevent all error and all fraud. The effectiveness of our or any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable assurance that the objectives of the system will be met and is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating controls and procedures and the assumptions used in identifying the likelihood of future events.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We know of no material, active, or pending legal proceedings against the Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers, or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

There have been no changes to the risk factors set forth under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) which is administered by the U.S. Department of Labor’s Mine Safety and Health Administration (“MSHA”). During the three-month period ended March 31, 2018, the Company and its subsidiaries and their properties or operations were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Title
3.1(1)	Notice of Articles dated April 5, 2016
3.2(1)	Articles, as amended, effective as of January 27, 2015
10.1(2)	Amendment #8 to Lind Agreement, dated January 23, 2018, between the Company and Lind Asset Management IV, LLC
10.3(3)	Amending Agreement to Loan Agreement, dated April 6, 2018, between the Company and Mark Smith
10.3(3)	Amending Agreement to Credit Facility Agreement, dated April 6, 2018, between the Company and Mark Smith
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS (4)	XBRL Instance Document
101.SCH(4)	XBRL Taxonomy Extension- Schema
101.CAL(4)	XBRL Taxonomy Extension – Calculations
101.DEF(4)	XBRL Taxonomy Extension – Definitions
101.LAB(4)	XBRL Taxonomy Extension – Labels
101.PRE(4)	XBRL Taxonomy Extension – Presentations

(1) Previously filed as an exhibit to the Company's Draft Registration Statement on Form S-1 (Registration No. 377-01354) submitted to the SEC on July 26, 2016 and incorporated herein by reference.

(2) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q (File No. 000-55710) for the quarter ended December 31, 2017 and incorporated herein by reference.

(3) Previously filed as an exhibit to the Company's Current Report on Form 8-K (File No. 000-55710) filed with the SEC on April 9, 2018 and incorporated herein by reference.

(4) Submitted Electronically Herewith. Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Interim Consolidated Balance Sheets as of March 31, 2018 and June 30, 2017, (ii) the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss for the Three and Nine Months ended March 31, 2018 and 2017, (iii) the Condensed Interim Consolidated Statements of Cash Flows for the Nine Months Ended March 31, 2018 and 2017, (iv) the Condensed Interim Consolidated Statements of Shareholders' Equity for the Nine Months Ended March 31, 2018 and the Year ended June 30, 2017 and (v) the Notes to the Condensed Interim Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NIOCORP DEVELOPMENTS LTD.
(Registrant)

By: /s/ Mark A. Smith
Mark A. Smith
President, Chief Executive Officer and Executive Chairman
(Principal Executive Officer)

Date: May 11, 2018

By: /s/ Neal Shah
Neal Shah
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: May 11, 2018

EXHIBIT 31.1

CERTIFICATION

I, Mark A. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NioCorp Developments Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2018

By: /S/ Mark A. Smith
Mark A. Smith
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Neal Shah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NioCorp Developments Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2018

By: /S/ Neal Shah
Neal Shah
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of NioCorp Developments Ltd. (the "Company"), for the period ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Smith, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 11, 2018

By: /S/ Mark A. Smith
Mark A. Smith
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of NioCorp Developments Ltd. (the "Company"), for the period ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neal Shah, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 11, 2018

By: /S/ Neal Shah
Neal Shah
Chief Financial Officer
(Principal Financial and Accounting Officer)