

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, 2022

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

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| Not Applicable      | Not Applicable    | Not Applicable                            |

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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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 | <input type="checkbox"/>            | Accelerated Filer         | <input type="checkbox"/>            |
| Non-Accelerated Filer   | <input checked="" type="checkbox"/> | Smaller Reporting Company | <input checked="" type="checkbox"/> |
|                         |                                     | Emerging Growth Company   | <input checked="" type="checkbox"/> |

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 6, 2022, the registrant had 269,041,264 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<br>March 31,<br>2022 | June 30,<br>2021 |
|--|------|----------------------------|------------------|
| <b>ASSETS</b>  |      |                            |                  |
| <b>Current</b>   |      |                            |                  |
| Cash   |      | \$ 3,464                   | \$ 7,317         |
| Prepaid expenses and other   |      | 541                        | 24               |
| <b>Total current assets</b>  |      | <b>4,005</b>               | <b>7,341</b>     |
| <b>Non-current</b>   |      |                            |                  |
| Deposits   |      | 35                         | 35               |
| Investment in equity securities  |      | 10                         | 16               |
| Right-of-use assets  |      | 110                        | 156              |
| Land and buildings, net  |      | 851                        | 837              |
| Mineral interests  |      | 16,085                     | 16,085           |
| <b>Total assets</b>  |      | <b>\$ 21,096</b>           | <b>\$ 24,470</b> |
| <b>LIABILITIES</b>   |      |                            |                  |
| <b>Current</b>   |      |                            |                  |
| Accounts payable and accrued liabilities   | 4    | \$ 720                     | \$ 408           |
| Related party loan   | 7    | 2,000                      | 2,318            |
| Convertible debt   | 5    | 2,585                      | 1,123            |
| Operating lease liability  | 9    | 79                         | 69               |
| <b>Total current liabilities</b>   |      | <b>5,384</b>               | <b>3,918</b>     |
| <b>Non-current</b>   |      |                            |                  |
| Convertible debt, net of current   | 5    | -                          | 6,784            |
| Operating lease liability  | 9    | 44                         | 105              |
| <b>Total liabilities</b>   |      | <b>5,428</b>               | <b>10,807</b>    |
| <b>SHAREHOLDERS' EQUITY</b>  |      |                            |                  |
| Common shares, unlimited shares authorized; shares outstanding: 268,083,716 at March 31, 2022 and 256,379,931 at June 30, 2021 | 6    | 123,045                    | 113,882          |
| Accumulated deficit  |      | (106,310)                  | (99,076)         |
| Accumulated other comprehensive loss   |      | (1,067)                    | (1,143)          |
| <b>Total shareholders' equity</b>  |      | <b>15,668</b>              | <b>13,663</b>    |
| <b>Total liabilities and equity</b>  |      | <b>\$ 21,096</b>           | <b>\$ 24,470</b> |

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<br>March 31, |             | For the nine months ended<br>March 31, |             |
|--|------|---|-------------|--|-------------|
|  |      | 2022                                    | 2021        | 2022                                   | 2021        |
| Operating expenses                         |      |   |             |  |             |
| Employee related costs                     |      | \$ 308                                  | \$ 327      | \$ 1,859                               | \$ 1,332    |
| Professional fees                          |      | 16                                      | 83          | 530                                    | 276         |
| Exploration expenditures                   | 8    | 845                                     | 297         | 1,957                                  | 711         |
| Other operating expenses                   |      | 217                                     | 138         | 1,324                                  | 802         |
| Total operating expenses                   |      | 1,386                                   | 845         | 5,670                                  | 3,121       |
| Other income                               |      | -                                       | (22)        | -                                      | (208)       |
| Loss on debt extinguishment                |      | -                                       | -           | -                                      | 163         |
| Change in financial instrument fair value  |      | -                                       | (60)        | -                                      | (32)        |
| Foreign exchange (gain) loss               |      | (48)                                    | (94)        | 101                                    | (497)       |
| Interest expense                           |      | 477                                     | 354         | 1,457                                  | 612         |
| Other loss (gain) on equity securities     |      | 1                                       | (10)        | 6                                      | (12)        |
| Loss before income taxes                   |      | 1,816                                   | 1,013       | 7,234                                  | 3,147       |
| Income tax benefit                         |      | -                                       | -           | -                                      | -           |
| Net loss                                   | 3    | \$ 1,816                                | \$ 1,013    | \$ 7,234                               | \$ 3,147    |
| Other comprehensive loss:                  |      |   |             |  |             |
| Net loss                                   |      | \$ 1,816                                | \$ 1,013    | \$ 7,234                               | \$ 3,147    |
| Other comprehensive loss (gain):           |      |   |             |  |             |
| Reporting currency translation             |      | 18                                      | 93          | (76)                                   | 480         |
| Total comprehensive loss                   |      | \$ 1,834                                | \$ 1,106    | \$ 7,158                               | \$ 3,627    |
| Loss per common share, basic and diluted   |      | \$ 0.01                                 | \$ 0.00     | \$ 0.03                                | \$ 0.01     |
| Weighted average common shares outstanding |      | 265,764,404                             | 241,931,563 | 261,729,813                            | 239,283,205 |

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<br>March 31, |            |
|---|--|------------|
|   | 2022                                   | 2021       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |  |            |
| Net loss for the period   | \$ (7,234)                             | \$ (3,147) |
| Adjustments to reconcile net loss to net cash used in operations: |  |            |
| Change in financial instrument fair value                         | -                                      | (32)       |
| Unrealized loss (gain) on equity securities                       | 6                                      | (12)       |
| Accretion of convertible debt                                     | 1,300                                  | 219        |
| Noncash lease expense   | (5)                                    | 10         |
| Depreciation  | 2                                      | -          |
| Gain on debt forgiveness  | -                                      | (196)      |
| Loss on debt extinguishment                                       | -                                      | 163        |
| Foreign exchange loss (gain)                                      | 151                                    | (453)      |
| Share-based compensation  | 1,568                                  | 797        |
|   | (4,212)                                | (2,651)    |
| Change in working capital items:                                  |  |            |
| Prepaid expenses and other  | (516)                                  | 9          |
| Accounts payable and accrued liabilities                          | 314                                    | (1,006)    |
| Net cash used in operating activities                             | (4,414)                                | (3,648)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |  |            |
| Acquisition of land and buildings                                 | (16)                                   | -          |
| Net cash used in investing activities                             | (16)                                   | -          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |  |            |
| Proceeds from issuance of common shares                           | 973                                    | 2,847      |
| Loan repayments   | -                                      | (406)      |
| Share issuance costs  | -                                      | (1)        |
| Proceeds from debt issuance, net of expenses                      | -                                      | 9,477      |
| Related party debt repayments                                     | (318)                                  | -          |
| Net cash provided by financing activities                         | 655                                    | 11,917     |
| Exchange rate effect on cash and cash equivalents                 | (78)                                   | 50         |
| Change in cash and cash equivalents during period                 | (3,853)                                | 8,319      |
| Cash and cash equivalents, beginning of period                    | 7,317                                  | 307        |
| Cash and cash equivalent, end of period                           | \$ 3,464                               | \$ 8,626   |
| <b>Supplemental cash flow information:</b>                        |  |            |
| Amounts paid for interest   | \$ 40                                  | \$ 734     |
| Amounts paid for income taxes                                     | -                                      | -          |
| Non-cash financing transactions:                                  |  |            |
| Conversions of debt for common shares                             | \$ 6,622                               | \$ 1,256   |
| Recognition of operating lease liabilities                        | -                                      | 231        |
| Loan amounts forgiven   | -                                      | 196        |
| Accounts payable to convertible debt conversion                   | -                                      | 1,640      |

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)

For the nine months ended March 31, 2022 and 2021

|                                 | Common<br>Shares<br>Outstanding | Common<br>Shares | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Total     |
|---------------------------------|---------------------------------|------------------|------------------------|---|-----------|
| Balance, June 30, 2020          | 235,925,684                     | \$ 97,682        | \$ (94,686)            | \$ (355)                                      | \$ 2,641  |
| Exercise of warrants            | 4,732,261                       | 2,633            | -                      | -   | 2,633     |
| Exercise of options             | 2,942,177                       | 215              | -                      | -   | 215       |
| Fair value of warrant granted   | -                               | 1,775            | -                      | -   | 1,775     |
| Debt conversions                | 1,945,465                       | 1,256            | -                      | -   | 1,256     |
| Share issuance costs            | -                               | (1)              | -                      | -   | (1)       |
| Share-based compensation        | -                               | 797              | -                      | -   | 797       |
| Reporting currency presentation | -                               | -                | -                      | (480)   | (480)     |
| Loss for the period             | -                               | -                | (3,147)                | -   | (3,147)   |
| Balance, March 31, 2021         | 245,545,587                     | \$ 104,357       | \$ (97,833)            | \$ (835)                                      | \$ 5,689  |
| Balance, June 30, 2021          | 256,379,931                     | \$ 113,882       | \$ (99,076)            | \$ (1,143)                                    | \$ 13,663 |
| Exercise of warrants            | 871,750                         | 543              | -                      | -   | 543       |
| Exercise of options             | 1,926,533                       | 430              | -                      | -   | 430       |
| Debt conversions                | 8,905,502                       | 6,622            | -                      | -   | 6,622     |
| Share-based compensation        | -                               | 1,568            | -                      | -   | 1,568     |
| Reporting currency presentation | -                               | -                | -                      | 76  | 76        |
| Loss for the period             | -                               | -                | (7,234)                | -   | (7,234)   |
| Balance, March 31, 2022         | 268,083,716                     | \$ 123,045       | \$ (106,310)           | \$ (1,067)                                    | \$ 15,668 |

For the three months ended March 31, 2022 and 2021

|                                 | Common<br>Shares<br>Outstanding | Common<br>Shares | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Total     |
|---------------------------------|---------------------------------|------------------|------------------------|---|-----------|
| Balance, December 31, 2020      | 240,110,267                     | \$ 100,683       | \$ (96,820)            | \$ (742)                                      | \$ 3,121  |
| Exercise of warrants            | 1,954,839                       | 1,138            | -                      | -   | 1,138     |
| Exercise of options             | 2,503,560                       | 74               | -                      | -   | 74        |
| Fair value of warrant granted   | -                               | 1,712            | -                      | -   | 1,712     |
| Debt conversions                | 976,921                         | 750              | -                      | -   | 750       |
| Share-based compensation        | -                               | -                | -                      | -   | -         |
| Reporting currency presentation | -                               | -                | -                      | (93)  | (93)      |
| Loss for the period             | -                               | -                | (1,013)                | -   | (1,013)   |
| Balance, March 31, 2021         | 245,545,587                     | \$ 104,357       | \$ (97,833)            | \$ (835)                                      | \$ 5,689  |
| Balance, December 31, 2021      | 264,026,990                     | \$ 120,935       | \$ (104,494)           | \$ (1,049)                                    | \$ 15,392 |
| Exercise of options             | 906,917                         | 10               | -                      | -   | 10        |
| Debt conversions                | 3,149,809                       | 2,100            | -                      | -   | 2,100     |
| Share-based compensation        | -                               | -                | -                      | -   | -         |
| Reporting currency presentation | -                               | -                | -                      | (18)  | (18)      |
| Loss for the period             | -                               | -                | (1,816)                | -   | (1,816)   |
| Balance, March 31, 2022         | 268,083,716                     | \$ 123,045       | \$ (106,310)           | \$ (1,067)                                    | \$ 15,668 |

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



**NioCorp Developments Ltd.**

**Notes to the Condensed Consolidated Financial Statements**

**March 31, 2022**

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

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**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 to construction and commercial operation. As further discussed in Note 3, the Company’s ability to continue as a going concern is uncertain and is dependent upon obtaining sufficient financing, the generation of profits from mineral properties, 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, 2021.

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, 2022, 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, 2021. The interim results are not necessarily indicative of results for the full year ending June 30, 2022, or future operating periods.

**b) Recent Accounting Standards**

**Issued and Adopted**

In December 2019, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes” (“ASU 2019-12”). ASU 2019-12 removes certain exceptions to the general principles in ASC Topic 740. ASU 2019-12 is effective for public entities for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company adopted ASU 2019-12 on July 1, 2021, with no material effect on the Company’s current financial position, results of operations or financial statement disclosures.

**Issued and Not Effective**

In August 2020, the FASB issued ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40) (“ASU 2020-06”), which simplifies the accounting for convertible instruments. ASU 2020-06 removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospective method of transition or a fully retrospective method of transition is permissible for the adoption of this standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of the new guidance on our financial statements.

**NioCorp Developments Ltd.**  
**Notes to the Condensed Consolidated Financial Statements**  
**March 31, 2022**

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

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.

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) Basic and Diluted Earnings per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of Common Shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of Common Share equivalents outstanding for the period determined using the treasury stock method or the if-converted method, as applicable. For purposes of this calculation, options to purchase Common Shares ("Options") and warrants to purchase Common Shares ("Warrants") are considered to be Common Share equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive. The following shares underlying Options, Warrants, and outstanding convertible debt were antidilutive due to a net loss in the periods presented and, therefore, were excluded from the dilutive securities computation for the three and nine months ended March 31, 2022 and 2021, as indicated below.

As of March 31,

| Excluded potentially dilutive securities <sup>(1)</sup> : | 2022       | 2021       |
|---|------------|------------|
| Options   | 14,089,000 | 15,990,000 |
| Warrants  | 13,470,118 | 14,303,772 |
| Convertible debt  | 6,329,000  | 15,084,450 |
| Total potential dilutive securities                       | 33,888,118 | 45,378,222 |

(1) The number of shares is based on the maximum number of shares issuable on exercise or conversion of the related securities as of the period end. Such amounts have *not* been adjusted for the treasury stock method or weighted average outstanding calculations as required if the securities were dilutive.

3. GOING CONCERN ISSUES

The Company incurred a loss of \$7,234 for the nine months ended March 31, 2022 (2021 - \$3,147) and had a working capital deficit of \$1,379 and an accumulated deficit of \$106,310 as of March 31, 2022. As an exploration stage entity, the Company has not yet commenced its mining operations and accordingly does not generate any revenue. As of March 31, 2022, the Company had cash of \$3,464, which may not be sufficient to fund normal operations and meet debt obligations for the next twelve months without deferring payment on certain current liabilities and raising additional funds. In addition, the Company will be required to raise additional funds for construction and commencement of operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

**NioCorp Developments Ltd.**  
**Notes to the Condensed Consolidated Financial Statements**  
**March 31, 2022**

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

The Company's ability to continue operations and fund its expenditures, which have historically averaged approximately \$1,118 per quarter, is dependent on management's ability to secure additional financing. Management is actively pursuing 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. The Company did not have any further funding commitments or arrangements for additional financing as of March 31, 2022. These consolidated financial statements do not give effect to any adjustments required to realize the Company's 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.

Since March 2020, several measures have been implemented in the United States, Canada, and the rest of the world in response to the increased impact from the novel coronavirus ("COVID-19") pandemic. The full extent to which the COVID-19 pandemic and our precautionary measures may continue to impact our business will depend on future developments, which continue to be highly uncertain and cannot be predicted at this time, including, but not limited to, the duration and geographic spread of the pandemic, its severity, the actions to contain the virus or treat its impact, future spikes of COVID-19 infections resulting in additional preventative measures to contain or mitigate the spread of the virus, the effectiveness, distribution and acceptance of COVID-19 vaccines, including the vaccines' efficacy against emerging COVID-19 variants, and how quickly and to what extent normal economic and operating conditions can resume. We believe this could have an adverse impact on our ability to obtain financing, development plans, results of operations, financial position, and cash flows during the current fiscal year.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|  | Note | As of<br>March 31,<br>2022 | June 30,<br>2021 |
|--|------|----------------------------|------------------|
| Accounts payable, trade                        |      | \$ 59                      | \$ 163           |
| Interest payable to related party              | 7    | 158                        | 40               |
| Other accruals                                 |      | 503                        | 205              |
| Total accounts payable and accrued liabilities |      | <u>\$ 720</u>              | <u>\$ 408</u>    |

**5. CONVERTIBLE DEBT**

|                               | As of<br>March 31,<br>2022 | June 30,<br>2021 |
|-------------------------------|----------------------------|------------------|
| Current portion               |                            |                  |
| Lind III convertible security | \$ 2,585                   | \$ -             |
| Nordmin note                  | -                          | 1,123            |
|                               | <u>2,585</u>               | <u>1,123</u>     |
| Non-current portion           |                            |                  |
| Lind III convertible security | <u>\$ -</u>                | <u>\$ 6,784</u>  |

**NioCorp Developments Ltd.**  
**Notes to the Condensed Consolidated Financial Statements**  
**March 31, 2022**

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

Changes in the convertible security (the “Lind III Convertible Security”) issued to Lind Global Asset Management III, LLC, and the convertible note issued to Nordmin Engineering Ltd. (the “Nordmin Note”), are as follows:

|                         | Lind III<br>Convertible<br>Security | Nordmin<br>Note |
|-------------------------|-------------------------------------|-----------------|
| Balance, June 30, 2021  | \$ 6,784                            | \$ 1,123        |
| Accretion expense       | 1,251                               | 49              |
| Conversions             | (5,450)                             | (1,172)         |
| Balance, March 31, 2022 | \$ 2,585                            | \$ -            |

Based on the Company’s closing Common Share price of C\$1.08 as of March 31, 2022, conversion of the remaining Lind III Convertible Security balance, including accrued interest, would require the issuance of approximately 6,329,000 Common Shares. For each C\$0.01 change in the fair value of one Common Share, the total Common Shares the Company would be obligated to issue would change by approximately 59,000 shares.

6. COMMON SHARES

a) Stock Options

|                         | Number of<br>Options | Weighted<br>Average<br>Exercise Price |
|-------------------------|----------------------|---------------------------------------|
| Balance, June 30, 2021  | 15,965,000           | C\$ 0.65                              |
| Granted                 | 3,975,000            | 1.36                                  |
| Exercised               | (1,926,533)          | 0.71                                  |
| Cancelled/expired       | (3,924,467)          | 0.77                                  |
| Balance, March 31, 2022 | 14,089,000           | C\$ 0.81                              |

On December 17, 2021, the Company granted 3,975,000 options to purchase Common Shares (“Options”) at a fair value price of \$C0.50 per Option, based on Black-Scholes models with an average risk-free rate of 1.18%, average share price volatility of 53.9%, and a three-year expected option life.

The following table summarizes information about Options outstanding at March 31, 2022:

| Exercise Price | Expiry Date        | Number<br>Outstanding | Aggregate<br>Intrinsic<br>Value | Number<br>Exercisable | Aggregate<br>Intrinsic Value |
|----------------|--------------------|-----------------------|---------------------------------|-----------------------|------------------------------|
| C\$ 0.47       | November 9, 2022   | 2,804,000             | 1,710                           | 2,804,000             | 1,710                        |
| C\$ 0.84       | September 18, 2023 | 1,050,000             | 252                             | 1,050,000             | 252                          |
| C\$ 0.54       | November 15, 2023  | 3,910,000             | 2,111                           | 3,910,000             | 2,111                        |
| C\$ 0.75       | December 14, 2023  | 1,825,000             | 602                             | 1,825,000             | 602                          |
| C\$ 0.75       | December 16, 2023  | 525,000               | 173                             | 525,000               | 173                          |
| C\$ 1.36       | December 17, 2024  | 3,975,000             | -                               | 3,975,000             | -                            |
|                |                    | 14,089,000            | C\$ 4,848                       | 14,089,000            | C\$ 4,848                    |

The aggregate intrinsic value in the preceding table represents the total intrinsic value, based on the Company’s closing Common Share price of C\$1.08 as of March 31, 2022, that would have been received by the Option holders had all Option holders exercised their Options as of that date. There were 10,114,000 in-the-money Options vested and exercisable as of March 31, 2022. As of March 31, 2022, there was \$0 of unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Option plans.

**NioCorp Developments Ltd.****Notes to the Condensed Consolidated Financial Statements****March 31, 2022**

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

| b) Warrants             |  |                       |  |
|-------------------------|--|-----------------------|--|
|                         |  | Number of<br>Warrants | Weighted<br>Average<br>Exercise<br>Price |
| Balance, June 30, 2021  |  | 14,341,868            | C\$ 1.16                                 |
| Exercised               |  | (871,750)             | 0.78                                     |
| Balance, March 31, 2022 |  | 13,470,118            | C\$ 1.18                                 |

At March 31, 2022, the Company had outstanding exercisable Common Share purchase warrants ("Warrants"), as follows:

| Number     | Exercise Price | Expiry Date       |
|------------|----------------|-------------------|
| 500,000    | C\$ 0.80       | December 18, 2022 |
| 4,412,118  | C\$ 1.63       | May 10, 2023      |
| 8,558,000  | C\$ 0.97       | February 19, 2025 |
| 13,470,118 |                |                   |

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

Borrowings under the non-revolving credit facility agreement (the "Smith Credit Facility") with Mark Smith, Chief Executive Officer, President, and Executive Chairman of NioCorp, bear interest at a rate of 10% and drawdowns from the Smith Credit Facility are subject to a 2.5% establishment fee. Amounts outstanding under the Smith Credit Facility are secured by all of the Company's assets pursuant to a general security agreement. The Smith Credit Facility contains financial and non-financial covenants customary for a facility of its size and nature. On December 13, 2021, the maturity date for the Smith Credit Facility was extended from December 15, 2021, to June 30, 2022. As of March 31, 2022, the principal amount outstanding under the Smith Credit Facility was \$2,000.

On July 23, 2021, the Company paid Mr. Smith \$40 related to accrued interest outstanding on the Smith Credit Facility. Accounts payable and accrued liabilities as of March 31, 2022, include accrued interest of \$158 payable under the Smith Credit Facility.

**8. EXPLORATION EXPENDITURES**

|                                   | For the Three Months Ended<br>March 31, |        | For the Nine Months Ended<br>March 31, |        |
|-----------------------------------|---|--------|--|--------|
|                                   | 2022                                    | 2021   | 2022                                   | 2021   |
| Technical studies and engineering | \$ 45                                   | \$ 10  | \$ 179                                 | \$ 11  |
| Field management and other        | 139                                     | 198    | 420                                    | 527    |
| Metallurgical development         | 625                                     | 44     | 1,211                                  | 128    |
| Geologists and field staff        | 36                                      | 45     | 147                                    | 45     |
| Total                             | \$ 845                                  | \$ 297 | \$ 1,957                               | \$ 711 |

**NioCorp Developments Ltd.**  
**Notes to the Condensed Consolidated Financial Statements**  
**March 31, 2022**

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

**9. LEASES**

The Company incurred lease costs as follows:

|                                       | For the Three Months Ended<br>March 31, |       | For the Nine Months Ended<br>March 31, |       |
|---------------------------------------|---|-------|--|-------|
|                                       | 2022                                    | 2021  | 2022                                   | 2021  |
| Operating Lease Cost:                 |   |       |  |       |
| Fixed rent expense                    | \$ 23                                   | \$ 27 | \$ 66                                  | \$ 86 |
| Variable rent expense                 | 2                                       | 2     | 7                                      | 4     |
| Short term lease cost                 | 4                                       | 4     | 12                                     | 10    |
| Sublease income                       | (8)                                     | (4)   | (23)                                   | (14)  |
| Net lease cost                        | 21                                      | 29    | 62                                     | 86    |
| Lease cost – other operating expense  | 21                                      | 23    | 62                                     | 67    |
| Lease cost – exploration expenditures | -                                       | 6     | -                                      | 19    |
| Net lease cost                        | \$ 21                                   | \$ 29 | \$ 62                                  | \$ 86 |

The maturities of lease liabilities are as follows at March 31, 2022:

|  | Fiscal Year Lease<br>Maturities |
|--|---------------------------------|
| 2021   | \$ 24                           |
| 2022   | 92                              |
| 2023 and thereafter                            | 23                              |
| Total lease payments                           | 139                             |
| Less portion of payments representing interest | (16)                            |
| Present value of lease payments                | 123                             |
| Less current portion of lease liability        | (79)                            |
| Noncurrent lease liability                     | \$ 44                           |

**10. 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, including investments in equity securities, 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.

**NioCorp Developments Ltd.**  
**Notes to the Condensed Consolidated Financial Statements**  
**March 31, 2022**

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

The following tables present information about the assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2022, and June 30, 2021, 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.

|                           | As of March 31, 2022 |                 |             |             |
|---------------------------|----------------------|-----------------|-------------|-------------|
|                           | Total                | Level 1         | Level 2     | Level 3     |
| Assets:                   |                      |                 |             |             |
| Cash and cash equivalents | \$ 3,464             | \$ 3,464        | \$ -        | \$ -        |
| Equity securities         | 10                   | 10              | -           | -           |
| Total                     | <u>\$ 3,474</u>      | <u>\$ 3,474</u> | <u>\$ -</u> | <u>\$ -</u> |

|                           | As of June 30, 2021 |                 |             |             |
|---------------------------|---------------------|-----------------|-------------|-------------|
|                           | Total               | Level 1         | Level 2     | Level 3     |
| Assets:                   |                     |                 |             |             |
| Cash and cash equivalents | \$ 7,317            | \$ 7,317        | \$ -        | \$ -        |
| Equity securities         | 16                  | 16              | -           | -           |
| Total                     | <u>\$ 7,333</u>     | <u>\$ 7,333</u> | <u>\$ -</u> | <u>\$ -</u> |

The Lind III Convertible Security discussed in Note 5 was initially recorded at fair value, which represented a nonrecurring fair value measurement using a Level 3 input. At March 31, 2022, the estimated fair value of this instrument approximates carrying value given that the instrument was issued in fiscal 2021 and has a short time period until maturity.

## 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, 2022, 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 have been based upon our current business and operating plans, as approved by the Company's Board of Directors; our cash and other funding requirements and timing and sources thereof; results of feasibility studies; the accuracy of mineral resource and reserve estimates and assumptions on which they are based; the results of economic assessments and exploration activities; and current market conditions and project development plans. The material assumptions used to develop the forward-looking statements and forward-looking information included in this Quarterly Report on Form 10-Q include: our expectations of mineral prices; our forecasts and expected cash flows; our projected capital and operating costs; accuracy of mineral resource estimates and resource modeling and feasibility study results; expectations regarding mining and metallurgical recoveries; timing and reliability of sampling and assay data; anticipated political and social conditions; expected national and local government policies, including legal reforms; successful advancement of the Company's required permitting processes; and the ability to successfully raise additional capital.

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 Business:

- 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 our history of losses;
- risks related to cost increases for our exploration and, if warranted, development projects;
- 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 a disruption in, or failure of, our information technology (“IT”) systems, including those related to cybersecurity;
- risks related to equipment and supply shortages;
- risks related to current and future offtake agreements, joint ventures, and partnerships;
- risks related to our ability to attract qualified management;
- risks related to the effects of the COVID-19 pandemic on our business plans, financial condition and liquidity;
- risks related to the effects of the current Russia/Ukraine conflict; and
- risks related to the ability to enforce judgment against certain of our Directors.

#### Risks Related to Mining and Exploration:

- risks related to feasibility study results;
- 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 the establishment of a reserve and resource for rare earth elements (“REEs” or “Rare Earths”) and the development of a viable recovery process for REEs;
- risks related to estimates of mineral resources and reserves;
- risks related to changes in mineral resource and reserve estimates;
- risks related to differences in U.S. and Canadian reserve and resource reporting;
- risks related to our exploration activities being unsuccessful;
- risks related to competition in the mining industry;
- risks related to the management of the water balance at our Elk Creek Project;
- risks related to claims on the title to our properties;
- risks related to surface access on our properties;
- risks related to potential future litigation; and
- risks related to our lack of insurance covering all our operations.

#### Risks Related to Government Regulations:

- risks related to our ability to obtain or renew 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 changes in federal and/or state laws that may significantly affect the mining industry;
- risks related to the impacts of climate change, as well as actions taken or required by governments related to strengthening resilience in the face of potential impacts from climate change; and
- risks related to land reclamation requirements.

#### Risks Related to Our Debt:

- risks related to covenants contained in agreements with our secured creditors that may affect our assets; and
- risks related to the extent to which our level of indebtedness may impair our ability to obtain additional financing.

#### Risks Related to Our Common Shares:

- risks related to our status as a “passive foreign investment company” under the U.S. Internal Revenue Code of 1986, as amended;
- risks related to our Common Shares, including price volatility, lack of dividend payments, dilution and penny stock rules; and
- risks related to our status as an “emerging growth company” and the impact of related reduced reporting requirements on our ability to attract investors.

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, 2021, as well as other factors described elsewhere in this report and the Company’s other reports filed with the Securities and Exchange Commission (“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 Chief Operating Officer. Additional information on the updated Feasibility Study for the Elk Creek Project (the “2019 Feasibility Study”) is available in our NI 43-101 Technical Report, issued May 29, 2019, which is available under NioCorp’s profile on the Canadian Administrators website at [www.sedar.com](http://www.sedar.com) and on our website at [www.niocorp.com/wp-content/uploads/180001\\_FINAL\\_43-101\\_FS\\_NioCorp\\_AS\\_FILED.pdf](http://www.niocorp.com/wp-content/uploads/180001_FINAL_43-101_FS_NioCorp_AS_FILED.pdf).

#### Company Overview

NioCorp is developing the Elk Creek Project, located in southeast Nebraska. The Elk Creek Project is an advanced Niobium (“Nb”), Scandium (“Sc”), and Titanium (“Ti”) exploration project. The Company also is evaluating the potential to produce several Rare Earth byproducts from the Elk Creek 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 automobiles, bridges, structural systems, buildings, pipelines, and other applications that generally increases strength and/or reduces weight, 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. Rare Earths are critical to electrification and decarbonization initiatives and can be used to manufacture the strongest permanent magnets commercially available.

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, construction, commissioning, and operation 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 did not have more than \$1.07 billion in annual gross revenue during our most recently completed fiscal year.

We will lose our status as an emerging growth company on June 30, 2022, which is the fiscal year following the fifth anniversary of the date of the 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”), require companies to hold shareholder advisory votes on executive compensation and golden parachute compensation.

Because we will lose our status as an emerging growth company as of June 30, 2022, we will become subject to Section 14A(a) and (b) of the Exchange Act beginning next fiscal year. However, notwithstanding the loss of our status as an emerging growth company, we will continue to be exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002 for so long as we are neither a “large accelerated filer” nor an “accelerated filer” as those terms are defined in Rule 12b-2 under the Exchange Act.

## COVID-19

Since March 2020, several measures have been implemented in the United States, Canada, and the rest of the world in response to the increased impact from the COVID-19 pandemic. Such impacts include, among others, supply chain disruptions, labor shortages, regulatory challenges, inflationary pressures, as well as market volatility. The full extent to which the COVID-19 pandemic and our precautionary measures may continue to impact our business will depend on future developments, which continue to be highly uncertain and cannot be predicted at this time, including, but not limited to, the duration and geographic spread of the pandemic, its severity, the actions to contain the virus or treat its impact, future spikes of COVID-19 infections resulting in additional preventative measures to contain or mitigate the spread of the virus, the effectiveness, distribution and acceptance of COVID-19 vaccines, including the vaccines’ efficacy against emerging COVID-19 variants, and how quickly and to what extent normal economic and operating conditions can resume. We believe this could have an adverse impact on our ability to obtain financing, development plans, results of operations, financial position, and cash flows during the current fiscal year. As a result of the COVID-19 pandemic, the Company is following, and will continue to follow, social distancing, health and safety protocol, business-related social gathering restrictions, and other similar guidelines promulgated by Colorado and Nebraska governmental officials.

The COVID-19 pandemic has caused, and continues to cause, uncertainty with regards to overall project funding timelines and a heightened risk remains that we may be unable to secure sufficient additional capital, including but not limited to equity and debt offerings, to fund future expenditures or to maintain our liquidity. It is also possible that the COVID-19 pandemic could further adversely affect our business plans, results of operations, financial condition or liquidity in the future. The impact of the COVID-19 pandemic is fluid and continues to evolve, and therefore, we cannot currently predict the extent to which our business plans, results of operations, financial condition or liquidity will ultimately be impacted.

## Russia/Ukraine Conflict

On February 24, 2022, Russian military forces launched a military action in Ukraine. In response to this action, the U.S. and other countries have imposed various economic sanctions and measures against Russia and related persons and entities. Russia has subsequently enacted countermeasures. We are monitoring developments and potential impacts from enacted sanctions and measures and will take mitigating actions as appropriate. This conflict and resulting response has impacted the global economy and financial markets and could adversely affect our business, financial condition, and results of operations.

## Recent Corporate Events

The Company developed and deployed an Environmental and Social Management System (“ESMS”) in the third fiscal quarter of 2022 based on the “Equator Principles.” The Equator Principles are intended to serve as a common baseline and risk management framework to facilitate the identification, assessment, and management of environmental, social, and governing risks (“ESG”), and are oftentimes used to evaluate projects in a financing context.

The development of the Equator Principles has formalized and documented many of NioCorp’s existing ESG practices. The ESMS includes the following elements:

- Environmental and Social Risk Assessment;
- Climate Change Risk Assessment;
- Environmental and Community Assessment, including an Environmental Justice evaluation;
- A website-based Grievance Mechanism for members of the local community;
- A series of management procedures to guide day-to-day activities; and
- Environmental and Social Management Plans for Air Emissions and Wastewater.

## Elk Creek Project Update

On January 3, 2022, the Company announced positive results from its ongoing metallurgical work regarding the process to extract Rare Earth elements (“REEs”) from ore samples sourced at its Elk Creek Project. Salt Lake City-based L3 Process Development (“L3”) has been conducting small-scale testing for NioCorp on Rare Earth recovery and flowsheet improvement, with the following results and planned work steps:

- L3 demonstrated that Scandium can be effectively extracted and separated from the REEs in solution using a phosphate-based extractant. With additional work, this phosphate-based recovery process could be shown capable of replacing the phosphoric acid-based extraction process that is part of the current Project design.
- L3 further demonstrated that the REEs (lanthanum through lutetium, including the magnetic Rare Earths neodymium, praseodymium, dysprosium, and terbium) can be selectively extracted and separated from the leach solution using an amide-based extractant.
- Additional testing is planned at L3’s laboratory to further verify and optimize a Rare Earth recovery operation for the Elk Creek project as well as establish metallurgical performance and recovery data for three prospective Rare Earth products: neodymium/praseodymium oxide, dysprosium oxide, and terbium oxide.
- L3 is now in the process of constructing a small-scale integrated demonstration plant at its Quebec facility, which will address hydrometallurgical recommendations from the Company’s 2019 Feasibility Study as well as demonstrating potential Rare Earth recovery operations.

Construction of this demonstration facility advanced during the current quarter along with the bench-scale testing needed to support final plant design. Management believes plant construction will be completed, and the test facility will be in operation, during our current fiscal quarter ending June 30, 2022.

Work efforts to define a mineral resource with respect to Rare Earth data continued during the quarter; however, it is not yet certain if this work will result in Rare Earth data being delineated as a mineral resource.

On April 15, 2022, the Company announced that the Nebraska Department of Environment and Energy (“NDDEE”) advised the Company that periodic extensions to the Elk Creek Project’s construction air permit are no longer required because the Company has met the regulatory definition of “construction, reconstruction, or modification of the source” since the permit was issued.

## Other Activities

Our long-term financing efforts continued during the quarter ended March 31, 2022. However, as noted above under “COVID-19,” the COVID-19 pandemic has created uncertainty and continues to impact processes related to the Company’s efforts to obtain project financing. As funds become available through the Company’s fundraising efforts, we expect to undertake the following activities:

- Continuation of the Company’s efforts to secure federal, state and local permits;
- Continued evaluation of the potential to produce Rare Earth products;
- Negotiation and completion of offtake agreements for the remaining uncommitted production from the project;
- Negotiation and completion of engineering, procurement and construction agreements;
- Completion of the final detailed engineering for the underground portion of the Elk Creek Project;
- Initiation and completion of the final detailed engineering for surface project facilities;
- Construction of natural gas and electrical infrastructure under existing agreements to serve the Elk Creek Project site;
- Completion of water supply agreements and related infrastructure to deliver fresh water to the project site;
- Initiation of revised mine groundwater investigation and control activities;
- Initiation of long-lead equipment procurement activities; and
- Construction and operation of a small-scale demonstration plant to address process recommendations contained in the 2019 Feasibility Study and to quantify REE metallurgical performance.

## **Financial and Operating Results**

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<br>Ended March 31, |          | For the Nine Months<br>Ended March 31, |          |
|---|---|----------|--|----------|
|   | 2022                                    | 2021     | 2022                                   | 2021     |
| Operating expenses                        |   |          |  |          |
| Employee-related costs                    | \$ 308                                  | \$ 327   | \$ 1,859                               | \$ 1,332 |
| Professional fees                         | 16                                      | 83       | 530                                    | 276      |
| Exploration expenditures                  | 845                                     | 297      | 1,957                                  | 711      |
| Other operating expenses                  | 217                                     | 138      | 1,324                                  | 802      |
| Total operating expenses                  | 1,386                                   | 845      | 5,670                                  | 3,121    |
| Other income                              | -                                       | (22)     | -                                      | (208)    |
| Loss on debt extinguishment               | -                                       | -        | -                                      | 163      |
| Change in financial instrument fair value | -                                       | (60)     | -                                      | (32)     |
| Foreign exchange (gain) loss              | (48)                                    | (94)     | 101                                    | (497)    |
| Interest expense                          | 477                                     | 354      | 1,457                                  | 612      |
| Loss (gain) on equity securities          | 1                                       | (10)     | 6                                      | (12)     |
| Income tax benefit                        | -                                       | -        | -                                      | -        |
| Net Loss                                  | \$ 1,816                                | \$ 1,013 | \$ 7,234                               | \$ 3,147 |

### **Nine months ended March 31, 2022 compared to nine months ended March 31, 2021**

Significant items affecting operating expenses are noted below:

*Employee-related costs* increased in 2022 as compared to 2021 due to increased share-based compensation costs, which primarily reflected the impact of increased Common Share values in the Black Scholes model. Options issued in both 2022 and 2021 were fully vested upon issuance and expensed on the grant date.

*Professional fees* increased in 2022 as compared to 2021, primarily due to the timing of legal services related to SEC filings, including our shelf registration statement on Form S-3 filed in November 2021.

*Exploration expenditures* increased in 2022 as compared to 2021, reflecting costs incurred in connection with high pressure grinding rolls comminution testing, process optimization, demonstration plant EPC efforts, Equator Principles program development and current efforts in evaluating the potential to update the existing mineral resource with REEs.

*Other operating expenses* include investor relations, general office expenditures, equity offering and proxy expenditures, board-related expenditures and other miscellaneous costs. These costs increased in 2022 as compared to 2021 primarily due to increased financial advisory fees and investor relations fees associated with our ongoing financing efforts. In addition, share-based compensation for directors and other advisors increased in 2022 as compared to 2021 due to increased share-based compensation costs, which primarily reflected the impact of increased Common Share values in the Black Scholes model. Options issued in both 2022 and 2021 were fully vested upon issuance and expensed on the grant date.

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

*Other income* for 2021 represents the one-time forgiveness of the Company's U.S. Small Business Administration Loan, which occurred on November 18, 2020.

*Loss on extinguishment* for 2021 represents the one-time loss incurred in connection with the December 18, 2020, conversion of the Nordmin accounts payable balance to a one-year convertible note (the "Nordmin Note").

*Foreign exchange (gain) loss* is primarily due to changes in the U.S. dollar against the Canadian dollar and reflects the timing of foreign currency transactions, primarily U.S. dollar-based related party loans, and subsequent changes in exchange rates, and the loss during 2022 as compared to a gain in 2021 is due to an increase in the U.S. dollar relative to the Canadian dollar in 2022, and a decrease in the U.S. dollar relative to the Canadian dollar in 2021.

*Interest expense* increased in 2022 as compared to 2021 primarily due to the accretion of the Nordmin Note, which was issued in December 2020, as well as accretion of the convertible security issued to Lind Global Asset Management III, LLC, which was issued in February 2021.

### **Three months ended March 31, 2022 compared to three months ended March 31, 2021**

Overall, the increase in net loss for the three months ended March 31, 2022, as compared to the same period in 2021, is primarily the result of the same factors underlying the nine-month changes in *exploration expenditures* and *interest expense* as discussed above.

### **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, the exercise of incentive stock options and share purchase warrants, and related party loans. While the COVID-19 pandemic has created uncertainty with respect to overall project funding timelines, we believe that we will be able to secure additional private placement financings in the future, although we cannot predict the timing, size, or pricing of any such financings. In addition, we could raise funds through the sale of interests in our mineral properties, although current market conditions and the impacts of the COVID-19 pandemic have substantially reduced the number of potential buyers/acquirers of any such interests. However, we cannot provide any assurances that we will be able to be successful in raising such funds.

As of March 31, 2022, the Company had cash of \$3.5 million and a working capital deficit of \$1.4 million, compared to cash of \$7.3 million and working capital surplus of \$3.4 million on June 30, 2021.

We expect that the Company will operate at a loss for the foreseeable future. The Company's current planned cash needs are approximately \$4.2 million until June 30, 2022. In addition to outstanding accounts payable and short-term liabilities, our average monthly planned expenditures are approximately \$500 per month where approximately \$245 is for corporate overhead and estimated costs related to securing financing necessary for advancement of the Elk Creek Project. Approximately \$255 per month is planned for expenditures relating to the advancement of Elk Creek Project by NioCorp's wholly owned subsidiary, Elk Creek Resources Corp. 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 not have sufficient cash to continue to fund basic operations for the next twelve months, and additional funds totaling \$5.5 million to \$6.25 million are likely to be necessary to continue advancing the project in the areas of financing, permitting, and detailed engineering. 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 -nil- until June 30, 2022. To maintain our currently held properties and fund our currently anticipated general and administrative costs and planned exploration and development activities at the Elk Creek Project for the fiscal year ending June 30, 2022, the Company will likely require additional financing during the current fiscal year. Should such financing not be available in that timeframe, 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 is currently pursuing 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.

Based on the conditions described within, management has concluded and the audit opinion and notes that accompany our financial statements for the year ended June 30, 2021, disclose that substantial doubt exists as 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 may 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. The continuing COVID-19 pandemic has resulted in business travel restrictions and capital market disruptions, and this has had an adverse impact on our ability to obtain financing, development plans, results of operations, financial position, and cash flows during the current fiscal year. We believe that the going concern uncertainty cannot be alleviated with confidence until the Company has entered into a business climate where funding of its planned ongoing operating activities is secured. Therefore, these factors raise substantial doubt as to our ability to continue as a going concern.

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, 2022, the Company's operating activities consumed \$4.4 million of cash (2021: \$3.6 million). The cash used in operating activities for the nine months ended March 31, 2022, reflects the Company's funding of losses of \$7.2 million, partially offset by the accretion of convertible debt, share-based compensation costs and other non-cash transactions, as well as a \$0.5 million increase in prepaid expenses related to the set-up of the L3 demonstration plant. Overall, operational outflows during the nine months ended March 31, 2022, increased from the corresponding period of 2021 due to an increase in exploration-related spending at the Elk Creek Project and a prepayment related to planned process optimization testing. Going forward, the Company's working capital requirements are expected to increase substantially in connection with the development of the Elk Creek Project.

## **Financing Activities**

Financing inflows were \$0.7 million during the nine months ended March 31, 2022, as compared to \$11.9 million during the corresponding period in 2021, primarily reflecting the timing of convertible debt issuance, warrant and option exercises, and related party debt repayments during the comparative periods.

## **Cash Flow Considerations**

As noted above under "*COVID-19*," the COVID-19 pandemic has created uncertainty with respect to overall project funding timelines. The Company has historically relied upon debt and equity financings to finance its activities. The Company may pursue additional debt and/or equity financing in the medium term; 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, including the impacts of the COVID-19 pandemic on the timing and availability of funding, 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, 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**

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 "Contractual Obligations" as of June 30, 2021, in our Annual Report on Form 10-K for the fiscal year ended June 30, 2021, other than reductions in convertible debt balances as noted in Note 5 to the financial statements accompanying this Quarterly Report on Form 10-Q, and the extension of the term of the related party credit facility as discussed in Note 7 to the financial statements accompanying this Quarterly Report on Form 10-Q.



## 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, 2021, in our Annual Report on Form 10-K for the fiscal year ended June 30, 2021.

## 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 “Risk Factors” section of the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2021, under the heading “Risks Related to the Common Shares.”

## Other

The Company has one class of shares, being Common Shares. A summary of outstanding shares, share options, warrants, and convertible debt option as of February 4, 2022, is set out below, on a fully-diluted basis.

|                               | Common Shares<br>Outstanding<br>(fully diluted) |
|-------------------------------|---|
| Common Shares                 | 269,041,264                                     |
| Stock options <sup>1</sup>    | 13,964,000                                      |
| Warrants <sup>1</sup>         | 13,470,118                                      |
| Convertible Debt <sup>2</sup> | 6,269,300                                       |

<sup>1</sup> Each exercisable into one Common Share

<sup>2</sup> Represents Common Shares issuable on conversion of aggregate outstanding principal amounts of \$4.05 million of convertible debt as of May 6, 2022, assuming a market price per Common Share of \$0.74 on that date.

## 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 U.S. dollars and Canadian dollars. Canadian dollar expenditures are primarily related to certain Common Share-related costs and corporate 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 Canadian dollars 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, 2022, 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, 2022, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control 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, 2021.

### **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, 2022, 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)      | <a href="#">Notice of Articles dated April 5, 2016</a>  |
| 3.2(1)      | <a href="#">Articles, as amended, effective as of January 27, 2015</a>  |
| 31.1        | <a href="#">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</a> |
| 31.2        | <a href="#">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</a> |
| 32.1        | <a href="#">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</a>                 |
| 32.2        | <a href="#">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</a>                 |
| 101.INS(2)  | Inline XBRL Instance Document   |
| 101.SCH(2)  | Inline XBRL Taxonomy Extension- Schema  |
| 101.CAL(2)  | Inline XBRL Taxonomy Extension – Calculations   |
| 101.DEF(2)  | Inline XBRL Taxonomy Extension – Definitions  |
| 101.LAB(2)  | Inline XBRL Taxonomy Extension – Labels   |
| 101.PRE(2)  | Inline XBRL Taxonomy Extension – Presentations  |
| 104         | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)  |

- (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) Submitted Electronically Herewith. Attached as Exhibit 101 to this report are the following formatted in inline XBRL (Extensible Business Reporting Language): (i) the Condensed Interim Consolidated Balance Sheets as of March 31, 2022 and June 30, 2021, (ii) the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss for the Three and Nine Months ended March 31, 2022 and 2021, (iii) the Condensed Interim Consolidated Statements of Cash Flows for the Nine Months ended March 31, 2022 and 2021, (iv) the Condensed Interim Consolidated Statements of Shareholders' Equity for the Three and Nine Months ended March 31, 2022 and 2021 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 6, 2022

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

Date: May 6, 2022

## 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 6, 2022

By: /s/ Mark A. Smith

Mark A. Smith  
Chief Executive Officer  
(Principal Executive Officer)

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## 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 6, 2022

By: /s/ Neal Shah

Neal Shah  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

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**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, 2022, 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 6, 2022

By: /S/ Mark A. Smith

Mark A. Smith  
Chief Executive Officer  
(Principal Executive Officer)

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**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, 2022, 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 6, 2022

By: /S/ Neal Shah

Neal Shah

Chief Financial Officer

(Principal Financial and Accounting Officer)

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