NIOCORP DEVELOPMENTS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2015

Contents

The following Management's Discussion and Analysis ("MD&A") is as of September 25, 2015 and relates to the consolidated financial condition and results of operations of NioCorp Developments Ltd. ("NioCorp" or the "Company") as of June 30, 2015. The MD&A supplements and complements the Company's consolidated financial statements for the year ended June 30, 2015 (the "consolidated financial statements") and the notes thereto, as well as the Company's Annual Information Form for the financial year ended June 30, 2015 (the "AIF"). Comparison is provided to the year ended June 30, 2014. All financial information herein, and in disclosure in respect of the Company's eight most recently completed financial quarters, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary figures are expressed herein, and in disclosure in respect of the Company's eight most recently completed financial quarters, are in Canadian Dollars unless otherwise indicated. United States Dollars are referred to as "US$".

CAUTIONARY STATEMENTS

Forward-Looking Statements

Except for statements of historical fact, certain statements contained in this MD&A constitute forward-looking statements, as such term is defined under applicable securities laws. Forward looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based on estimates and assumptions, which are always subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond NioCorp's control and many of which, regarding future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from results expressed in any forward looking statements made by or on the Company's behalf. Although NioCorp has tried to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors should be considered carefully and readers should not place undue reliance on NioCorp's forward-looking statements. Examples of such forward-looking statements within this MD&A include statements relating to: the future price of minerals, future capital expenditures, success of exploration activities, mining or processing issues, government regulation of mining operations and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "estimates", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", or "might occur". Forward-looking statements are made based on management's beliefs, estimates and opinions and are given only as of the date of this MD&A. The Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

Forward-looking statements reflect NioCorp's current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying the Company's expectations regarding forward-looking statements or information contained in this MD&A include, among others, the Company's ability to comply with applicable governmental regulations and standards, the Company's success in implementing its strategies, achieving the Company's business objectives, the Company's ability to raise sufficient funds from equity financings and debt instruments in the future to support its operations, and general business and economic conditions. The above list of assumptions is not exhaustive. Persons reading this MD&A are cautioned that forward-looking statements are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties. See "*Risk Factors*" below for further details.

See also "*Forward-Looking Statements*" in the Company's AIF dated September 25, 2015, available on SEDAR at www.sedar.com, for further detail.

Jeff Osborn, BSc Mining, MMSAQP of SRK Consulting (US) Inc., a Qualified Person as defined by National Instrument 43-101, has overall responsibility for SRK portions of the Elk Creek Preliminary Economic Analysis and has read and approved the technical information contained in this MD&A.

Eric Larochelle, B.Eng, Roche Engineering Inc., a Qualified Person as defined by National Instrument 43-101, is responsible for the Elk Creek hydrometallurgical and mineral processing programs and has read and approved the technical information contained in this MD&A.

Mineral Reserves and Mineral Resources

All Mineral Reserves and Mineral Resources referenced in this MD&A and the Company's other public filings are estimated in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and Canadian Institute of Mining, Metallurgy and Petroleum standards. While terms associated with various categories of "Mineral Reserve" or "Mineral Resource" are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher confidence category. Investors are cautioned not to assume that all or any part of the Mineral Resources that are not Mineral Reserves will ever be converted into Proven Mineral Reserves or Probable Mineral Reserves.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in this document have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource information contained in this MD&A may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "Measured Mineral Resources", "Indicated Mineral Resources" or "Inferred Mineral Resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "Inferred Mineral Resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists or is economically or legally mineable.

BUSINESS OVERVIEW

NioCorp is a mineral development company pursuing high-quality resources and its main project is the Elk Creek niobium project ("Elk Creek Project"), located in southeast Nebraska. The Elk Creek Project is an advanced niobium exploration project that also contains scandium and titanium. Niobium is mainly used in the form of ferroniobium to produce High Strength, Low Alloy ("HSLA") steel, which is a lighter, stronger steel used in automotive, structural and pipeline applications. Scandium is used in solid oxide fuel cells and aluminum-scandium alloys in aerospace and automotive applications, as well as in ceramics, electronics, lasers and lighting applications. Titanium in the form of an oxide is used extensively as a pigment in paints, plastics and papers. As a metal, titanium is used in aerospace applications, armor, chemical processing applications, marine hardware applications, medical implants, power generation and in sporting goods.

The Company's primary strategy is to advance the Elk Creek Project through to production. NioCorp is focused on obtaining additional funds to carry out its near-term planned work programs to complete a feasibility study on the Elk Creek Project, as more particularly described below under *"Liquidity and Capital Resources"*, and subject to delivering a positive Feasibility Study, to secure the project financing necessary to fully complete mine development and construction plans for the Elk Creek Project.

The Company also holds positions in mineral exploration properties located in Canada. At the present time, these properties do not comprise a material aspect of the Company's business operations. Refer to the AIF for further detail regarding the Company's mineral exploration properties.

NioCorp is a Canadian corporation incorporated in the Province of British Columbia. On March 9, 2015, the common shares of the Company (the "Common Shares") commenced trading on the Toronto Stock Exchange ("TSX") and shares of the Company were delisted from the TSX Venture Exchange ("TSXV"). The Company's trading symbol on the TSX is "NB**".** In addition, the Company trades on the United States OTCQX as "NIOBF", and on the Frankfurt Stock Exchange as "BR3".

2015 HIGHLIGHTS

Strategic

- During the first half of the fiscal year, the Company completed in-depth drilling programs totaling 15,381 meters. Results of the drilling programs culminated in an updated NI 43-101 technical report dated effective February 20, 2015 entitled "NI 43-101 Technical Report, Updated Mineral Resource Estimate, Elk Creek Niobium Project, Nebraska" for the Elk Creek Project (the "Technical Report"), with an Indicated Resource of 80.5 million tonnes grading 0.71% Nb2O5, 2.68% TiO2 and 72 ppm Sc and an Inferred Resource of 99.6 million tonnes grading 0.56% Nb2O5, 2.31% TiO2 and 63 ppm Sc;
- On April 28, 2015, the Company announced that it had executed five-year extensions to all of the land agreements covering 100% of the Indicated and Inferred resources at the Elk Creek Project. The agreements are in the form of prepaid options that allow NioCorp the exclusive right to conduct mineral exploration activities on the subject properties over a five-year term.
- On April 13, 2015, the Company announced the completion of a positive Preliminary Economic Assessment ("PEA")[1] at the Elk Creek Project, with a projected pre-tax NPV of US$875 million, an IRR of 16.6% and average annual pre-tax cash flows of $178 million. The PEA technical report was completed and filed on SEDAR on May 19, 2015.
- On August 4, 2015, the Company announced that during bench and pilot testing of the metallurgical flowsheet for the proposed plant, it was determined that recoveries could be significantly increased by eliminating the flotation step and processing the resource directly through a hydrometallurgical process. The discovery of this positive change to the flowsheet prompted the Company to prepare a second Preliminary Economic Assessment ("PEA2")[1] at the Elk Creek Project, with a projected pre-tax NPV of US$3.07 billion, an IRR of 31.7% and an average pre-tax cash flow of US$438 million.

Financing and Other

- During the year ended June 30, 2015, the company raised $11.9 million, net of issuance costs, through two separate private placement financings. In addition, the Company received $4.2 million in proceeds from warrants and options exercised.
- On February 11, 2015, the Company was named as the top performing mining sector company on the TSXV in the 2015 TSX Venture 50® annual ranking.
- On March 9, 2015, the Common Shares of the Company commenced trading on the TSX.
- On April 2, 2015 and May 29, 2015, the Company announced certain management changes as more particularly described in "Management and Staffing" below.
- On June 17, 2015, the Company entered into a one-year loan in the amount of US$1.5 million with Mark A. Smith, Chief Executive Officer and Executive Chairman of NioCorp. Additionally, on July 1, 2015, the Company entered into an additional non-revolving credit facility agreement in the amount of US$2 million with Mr. Smith, under which US$0.5 million was drawn down (the "Smith Loans"). Both arrangements bear an interest rate of 10%, are secured by the Company's assets pursuant to a general security agreement, are subject to both a 2.5% establishment fee and 2.5% prepayment fee, and become due and payable on June 17, 2016.
- Subsequent to June 30, 2015, the Company received net proceeds of $1.9 million from the exercise of warrants and options and from the closing of the private placement discussed below in "*Financing*".

[1] The reader is advised that a Preliminary Economic Assessment is preliminary in nature and the Company's announcement on April 13, 2015 concerning the PEA included Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. The Company's announcement on August 4, 2015 concerning PEA2 was limited to Measured and Indicated Resources only. There is no certainty that a Preliminary Economic Assessment will be realized. Mineral Resources are not Mineral Reserves because they do not have demonstrated economic viability. There is no guarantee that Inferred Mineral Resources will be converted to the Measured and Indicated Mineral Resource categories and, therefore, there is no guarantee that the project economics described herein will be achieved.

RECENT DEVELOPMENTS

Elk Creek Project Update

Commencing in May 2014 and finishing in December 2014, the Company completed an 18-hole, three-phase infill drilling program in order to convert Inferred resources to Indicated resources. In these 18 holes, 15,381 meters of drilling was completed. This drilling program provided data to support the PEA and the Technical Report, both of which are discussed below. In addition, the drilling program has also provided important information on the hydrology, metallurgy, geochemistry and geotechnical properties of the Elk Creek Project. This data is being used to advance the design of an underground mine and metallurgical plant for the Elk Creek Project in order to produce niobium, titanium and scandium products. The drilling has also established that the deposit remains open at depth, as well as to the northwest and southeast.

Commencing in March 2015 and finishing in May 2015, the Company completed a three-hole drilling program to investigate the hydrogeologic properties of the Elk Creek carbonatite. These program included the installation of two instrumented piezometers distal from the resource and a centrally located groundwater well. Total drilling was 2,532 meters. From the completion of drilling through June 2015, a hydrogeologic test was conducted using the well and the piezometers which advanced the Company's understanding of the carbonatite aquifer.

On April 13, 2015, the Company announced the results of the PEA for the Elk Creek Project with an updated announcement released to the market on April 20, 2015. Highlights of the PEA include:

- Pre-tax NPV of US$875 million with an IRR of 16.6%
- After-tax NPV of US$606 million with an IRR of 14.6%
- Average pre-tax cash flow of US$178 million annually
- Annualized production rate of 7,500 tonnes of ferroniobium per year for full production years
- Annual production of 23,000 tonnes of titanium dioxide (TiO2) and 12.8 tonnes of scandium trioxide (Sc)
- An upfront capital cost of US$653 million, which includes US$136 million for the development of an underground mine and US$517 million for mineral processing, metallurgical and infrastructure costs
- Total upfront capital costs of US$919 million, which includes contingency and owner's costs

The basis for the PEA was a 3,700 tonne per day production rate over a 36-year operating life with an average grade of 0.82% Nb2O5, 2.90% TiO2 and 68 ppm Sc. The PEA was completed by SRK Consulting of Lakewood, Colorado and Roche Ltd. of Quebec City, Quebec and was filed on SEDAR on May 19, 2015. The resource supporting this production rate is discussed below.

After release of the PEA, and during bench and pilot testing of the metallurgical flowsheet for the proposed plant, it was determined that recoveries could be significantly increased by eliminating the flotation step and processing the resource directly through a hydrometallurgical process. The discovery of this positive change to the flowsheet prompted the Company's decision to prepare a new Preliminary Economic Assessment. These changes will ultimately allow the Company to recover significantly higher percentages of all three elements from the resource, including Niobium recovery of 89.2%, Scandium recovery of 90.0%, and Titanium recovery of 87.6%. This in turn will reduce the volume of the resource required to be mined on a daily basis and enable the Company to achieve the same level of Ferroniobium and Titanium Dioxide production, as was noted in the Company's first PEA report, while increasing Scandium Trioxide output by approximately 661%. These changes result in minimal increases to Capex, compared to the first PEA.

On August 4, 2015, the Company announced the completion of a second Preliminary Economic Assessment (PEA2) for the Elk Creek Project, with a full report to be made available for download on the Company's website within 45 days. This second PEA2 reflects the impacts of the changes to the metallurgical flowsheet described above, additional information available regarding the hydrogeologic conditions at the project site, and the completion of third-party market studies for ferroniobium and scandium trioxide.

In addition to the underground mine, PEA2 also includes a surface crushing and grinding operation. The ground ore will be fed to a hydrometallurgical operation that will produce a niobium precipitate as well as titanium dioxide and scandium trioxide co-products. A final pyrometallurgical step will convert the niobium precipitate to ferroniobium using an aluminothermic reduction process. In order to support these processing steps, a number of ancillary facilities would be constructed, including stockpile areas, water pumping and treatment facilities, reagent and fuel storage areas, warehousing, utility installations, rail infrastructure, office space and a tailings impoundment. The underground mine would be accessed by a shaft and mined using longhole stoping methods supported by a surface mine backfill plant.

Highlights of PEA2, and comparisons to original values reported in the initial PEA, are disclosed in the table below:

	PEA2	**Initial PEA**
Pre-tax NPV	US$3.01 billion	US$875 million
Pre-tax IRR	31.7%	16.6%
After-tax NPV	$2.30 billion	US$606 million
After-tax IRR	27.6%	14.6%
Average annual pre-tax cash flow	US$438 million	US$178 million
Annualized production rate of tonnes of ferroniobium per year for full production years	7,490 tonnes	7,340 tonnes
Annual production of titanium dioxide (TiO_2)	23,960 tonnes	22,575 tonnes
Annual production of scandium trioxide (Sc)	97 tonnes	12.8 tonnes
Total upfront capital costs, including contingency and owner's costs	US$979 million	US$919 million

On February 23, 2015, the Company announced an updated resource estimate for the Elk Creek Project, and the Technical Report was filed on SEDAR on March 11, 2015. Highlights of the Technical Report included the following:

- Indicated Resource of 80.5 million tonnes grading 0.71% Nb_2O_5, 2.68% TiO_2 and 72 ppm Sc; and
- an Inferred Resource of 99.6 million tonnes grading 0.56% Nb_2O_5, 2.31% TiO_2 and 63 ppm Sc.

As a result of positive indications from the Company's ongoing metallurgical testing and development program, titanium and scandium were added to the Mineral Resource Statement (as shown below) with updated Indicated and Inferred resources incorporated in the PEA results discussed above, and updated Indicated resource incorporated into PEA2. The Company's approach to the resource considers niobium to be the primary driver for the Elk Creek Project, with titanium and scandium considered to be co-products.

The Mineral Resource Statement announced on February 23, 2015 is summarized in the table below.

Elk Creek Project - SRK Mineral Resource Statement Effective Date 20th February 2015								
Classification	**Cutoff (Nb_2O_5 %)**	**Tonnage ('000 Tonnes)**	**Grade (Nb2O5 %)**	**Contained Nb_2O_5 ('000 kg)**	**Grade (TiO_2 %)**	**Contained TiO_2 ('000 kg)**	**Grade (Sc g/t)**	**Contained Sc ('000 kg)**
INDICATED	0.3	80,500	0.71	572,000	2.68	2,160,000	72	5,800
INFERRED	0.3	99,600	0.56	558,000	2.31	2,300,000	63	6,300

NOTES:

1 Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by the Company.

2 The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (December 2005) as required by NI 43-101.

3 SRK assumes the Elk Creek deposit to be amenable to a variety of Underground Mining methods. Using results from initial metallurgical test work, suitable underground mining and processing costs, and forecast niobium price SRK has reported the Mineral Resource at a cut-off of 0.3 % Nb_2O_5

4 SRK Completed a site inspection of the deposit by Mr. Martin Pittuck, MSc., C.Eng, MIMMM, an appropriate "independent qualified person" as this term is defined in NI 43-101.

For greater detail please refer to the Technical Report, available under the Company's profile at www.sedar.com.

Financing

On November 10, 2014 the Company announced it had closed a partially brokered and partially non-brokered private placement of 19,245,813 special warrants ("2014 Special Warrants") at an issue price of $0.55 per 2014 Special Warrant to raise aggregate gross proceeds of $10,585,197 (the "2014 Offering"). The brokered portion of the 2014 Offering was completed using Mackie Research Capital Corporation ("MRCC"), and each 2014 Special Warrant was exchangeable for no additional consideration into one unit of the Company (a "2014 Unit"). Each 2014 Unit consisted of one Common Share and one Common Share purchase warrant (a "2014 Warrant"). Each 2014 Warrant entitles the holder to acquire one Common Share at a price of $0.65 until November 10, 2016. MRCC received $112,917.59 and 205,304 options to acquire 2014 Units in consideration of its services in connection with the 2014 Offering. On January 15, 2015 the Company announced it had filed and obtained a receipt from the British Columbia Securities Commission for a final short form prospectus dated January 14, 2015. The receipt also evidences that the Ontario Securities Commission has received the filing, as well as regulators in Alberta and New Brunswick under the Multilateral Instrument 11-102 Passport System. That prospectus qualified the distribution of 19,245,813 2014 Units underlying the 2014 Special Warrants pursuant to the terms thereof, which were deemed to be issued on January 19, 2015.

On February 27, 2015 the Company announced that it had closed a bought deal private placement offering with MRCC consisting of 2,914,000 special warrants ("2015 Special Warrants"), including the exercise of

15% over-allotment option in full, at an issue price of $0.75 per 2015 Special Warrant for aggregate gross proceeds of $2,185,500 (the "2015 Offering"). Each 2015 Special Warrant was exchangeable for no additional consideration into one unit of the Company (a "2015 Unit"). Each 2015 Unit consisted of one Common Share and one Common Share purchase warrant (a "2015 Warrant"). Each 2015 Warrant entitles the holder to acquire one Common Share at a price of $1.00 until February 27, 2017.

In consideration for its services in connection with the 2015 Offering, MRCC received a cash commission equal to 6.5% of the gross proceeds from the 2015 Offering, excluding proceeds received from purchasers introduced to MRCC by the Company ("President's List Purchasers") and non-transferable Compensation Options ("Compensation Options") equal to 6.5% of the 2015 Special Warrants issued pursuant to the 2015 Offering (less any amount sold to President's List Purchasers). Each Compensation Option entitles MRCC to purchase one Common Share at a price of $0.85 for a period of 24 months from the closing date of the 2015 Offering.

On March 26, 2015 the Company announced it had filed and obtained a receipt from the securities regulators in British Columbia, Ontario, Alberta and Saskatchewan for a final short form prospectus dated March 23, 2015. The prospectus qualified the distribution of 2,914,000 2015 Units underlying the 2015 Special Warrants pursuant to the terms thereof, which were deemed to be issued on March 30, 2015.

On March 5, 2015, the Company announced that it obtained in-principle eligibility approval for a loan guarantee to be provided by the Federal Republic of Germany which will support the Company's debt financing strategy. This approval, which is the first of four approvals, is based on the signed offtake agreement discussed below under "*Contractual Obligations and Off Balance Sheet Arrangements*", and demonstrates that the Elk Creek Project will contribute in securing strategic raw materials supplies for Germany and that the supply of ferroniobium is in the economic interest of Germany. In addition, NioCorp appointed Northcott Capital Limited as its financial advisor with respect to project debt financing for the development of the Elk Creek Project.

On June 17, 2015, the Company entered into a one-year loan in the amount of US$1.5 million with Mark Smith, Chief Executive Officer and Executive Chairman of NioCorp. Additionally, on July 1, 2015, the Company entered into a non-revolving credit facility agreement in the amount of US$2.0 million with Mr. Smith, and drew down US$0.5 million. Both arrangements bear an interest rate of 10%, are secured by the Company's assets pursuant to a general security agreement, are subject to both a 2.5% establishment fee and 2.5% prepayment fee, and become due and payable on June 17, 2016.

On September 15, 2015, the Company announced that it will conduct a non-brokered private placement of unsecured convertible promissory notes (the "Notes"), for gross proceeds of up to USD$750,000 (the "Private Placement"). The Notes will bear interest at a rate of 8%, payable annually in arrears, are non-transferable and have a term of three years from the date of issue. Principal under the Notes is convertible by lenders into, and payable by the Company in, common shares of the Company at a conversion price of CAD$0.97 per common share, calculated on conversion or repayment using the then-current Bank of Canada noon exchange rate. Accrued but unpaid interest on the Notes will be convertible by lender into, and payable by the Company in, common shares at a price per common share equal to the most recent closing price of the Company's common shares prior to the delivery to the Company of a request to convert interest, or the annual due date of interest, as applicable, calculated using the then-current Bank of Canada noon exchange rate. The Private Placement was subsequently increased to US$775,000 on September 23, 2015.

OVERALL PERFORMANCE

	For the year ended June 30,		
	2015	2014	2013
Operating expenses	$ 8,888,003	$ 1,927,513	$ 2,937,499
Net loss	8,836,492	1,671,343	2,984,777

The Company's net loss increased to $8.8 million for the year ended June 30, 2015 from $1.7 million for 2014, and the net loss decreased to $1.7 million for the year ended June 30, 2014 from $3.0 million for 2013. These changes resulted primarily from increased administrative costs as exploration and development activities ramped up over the period as well as the issuance of stock options and warrants, as more fully described below under "*Results of Operations*", as well as the timing of mineral property write downs in 2013.

Results of Operations

During the years ended June 30, 2015 and 2014, the Company had no revenues. Operating expenses incurred related primarily to performing the activities necessary to support corporate and shareholder duties, and are detailed in the following table.

	For the year ended June 30,		
	2015	2014	2013
Operating expenses:			
Employee related costs	$1,116,078	$ 844,510	$ 402,386
Professional fees	510,840	57,296	40,251
Share-based compensation	2,892,483	407,249	278,063
Consulting and financial services	499,413	-	20,168
Finance fees	46,155	-	-
Investor relations and regulatory	468,855	257,307	100,608
Travel	169,437	103,589	8,160
Office and miscellaneous	291,372	220,235	94,963
Depreciation	11,573	6,716	3,056
Foreign exchange loss	216,728	5,672	2,209
Fair value of warrants granted	2,533,480	-	-
Writedown of properties and assets	131,589	-	2,095,315
Property costs (reimbursements)	-	24,939	(107,680)
Total operating expenses	**8,888,003**	**1,927,513**	**2,937,499**
Other costs (benefits)	(51,511)	(211,533)	(37,722)
Income tax expense (benefit)	-	(44,637)	85,000
Net Loss	**$ 8,836,492**	**$ 1,671,343**	**$ 2,984,777**

Overall increases in operating expenses reflect increased management costs as exploration and development activities ramped up over 2014 and 2015. Significant items affecting operating expenses are noted below:

Employee related costs represent costs incurred for general management of the Company, including costs paid under management contracts, consulting arrangements, or through employees. These costs increased during 2015, as compared to 2014, reflecting an increase in accounting, finance and legal personnel to support the exploration work performed. Employee related costs increased in 2014, as compared to 2013, due to the addition of the CEO position, including a one-time bonus payment totaling $181,000.

Professional fees primarily represent costs incurred for legal and accounting services and increased during 2015 primarily due to third party costs to support the Company's financing efforts and the related regulatory filings.

Share-based compensation related to grants of stock options. This represents non-cash charges, with the value of the options being calculated using the Black-Scholes pricing model as determined at the date of grant. Substantially all share-based compensation was charged to expense at the date of issuance, and variations between periods reflect the timing of individual stock option grants and the increase in employee headcount. The value of stock-based compensation expensed is added to the share-based payment reserve within shareholders' equity, resulting in no net effect on total shareholders' equity.

Consulting and financial services represent costs incurred for finance-related services and increased during 2015 reflecting payments to MRCC under each of the financial services advisory agreement between the Company and MRCC and a sponsorship agreement between the Company and MRCC, as well as the engagement of financial advisors during 2015 to assist with fundraising efforts.

Investor relations and regulatory expenses increased during 2015 as compared to 2014 primarily due to costs incurred with listing the Company's Common Shares on the TSX. Costs increased in 2014 as compared to 2013 as additional third-party investor communication platforms were utilized to increase the Company's presence in the market.

Travel expenses increased during 2014 and 2015 primarily due to the management's participation in presentations to potential investors in various parts of North America and Europe in support of the Company's financing efforts, as well as due to the general increase in corporate activities.

Office and miscellaneous costs represent general costs incurred for office support, and increased during 2015 due to support costs related to increases in corporate operations, costs associated with opening the Denver corporate offices, and headcount additions during 2015. Costs for 2014 increased as compared to 2013 primarily due to a one-time accrual for miscellaneous tax-related items.

Foreign exchange (gain) loss is primarily due to changes in the United States dollar ("USD") against the Canadian dollar ("CAD") as applied to USD-denominated transactions, the funding of USD banks, and the balance of USD-denominated accounts payables, all of which are related to expenditures on the Elk Creek Project. Variances are based on timing of individual transactions and payments and the increased costs in 2015 reflect the strengthening of the USD against CAD, as a portion of general expenditures are incurred in USD.

Fair value of warrants granted during 2015 represents the fair value of warrants granted to MRCC in connection with the 2015 Offering discussed above under "*Financing*" and the fair value of warrants issued in connection with the offtake agreement discussed below under "*Contractual Obligations and Off Balance Sheet Arrangements*".

Writedown of properties and assets includes one-time adjustments. For 2013, this primarily reflects the write off of $2,045,315 of deferred exploration costs at the Company's Archie Lake property. The 2015 expense reflects estimated restructuring costs associated with the headquarters relocation discussed below under "*Management and Staffing".*

Other costs and benefits represent non-recurring transactions unrealized gains and losses on marketable securities and other miscellaneous gains and losses. The change in 2015 from 2014 primarily reflects a gain recognized in 2014 related to the reversal of a flow-through tax premium liability totaling $244,890.

Exploration and Evaluation Assets

Exploration and evaluation assets ("EEA") include the cost of mineral licenses as well as costs incurred directly in exploration and evaluation activities. The following table presents expenditures capitalized at the Elk Creek Project during year ended June 30, 2015:

	Expenditures
Feasibility study and engineering	$ 6,909,437
Metallurgical	5,283,739
Drilling	4,827,252
Field management	1,303,432
Geologists and field staff	1,038,962
Core handling, sampling and assay	1,007,586
Land payments	797,241
Environmental	18,570
Total	**$21,141,435**

EEA expenditures primarily consisted of costs related to the drilling and field programs, Technical Report and PEA discussed above under *"Elk Creek Project Update",* as well as land payments and general project management costs. With the completion of the drilling, field programs, the Technical Report, and the filing of the PEA in May 2015, management focused on the work necessary to issue a feasibility study (the "Feasibility Study") for the Elk Creek Project. Management anticipates completion of the Feasibility Study in late 2015. Additionally, management is taking initial steps to secure utility infrastructure and other long-lead items needed to prepare the Company for future construction activities.

The continued operations of the Company and the recoverability of the amounts shown for EEA is dependent upon the ability of the Company to obtain the necessary financing to complete the development of the Elk Creek Project, and upon future profitable production, as discussed below under "*Liquidity and Capital Resources*".

SUMMARY OF QUARTERLY RESULTS

The following is a summary of results from the Company's eight most recently completed quarters:

	Revenues	Net Loss	Net Loss per share[1]
June 30, 2015	$ Nil	$1,615,674	$0.01
March 31, 2015[2]	Nil	$1,272,217	$ 0.01
December 31, 2014[3]	Nil	$4,436,567	$ 0.03
September 30, 2014[3]	Nil	$1,512,034	$ 0.01
June 30, 2014[4]	Nil	$ 758,567	$ 0.02
March 31, 2014	Nil	$ 377,917	$ 0.00
December 31, 2013	Nil	$ 402,456	$ 0.00
September 30, 2013	Nil	$ 132,403	$ 0.00

[1] Basic and diluted loss per share

[2] Net Loss includes $275,457 of warrants expense incurred in connection with the 2015 Special Warrants and 2014 Special Warrants

[3] Net Loss includes $1,627,339 of share-based compensation expense and $2,258,023 of warrants issued in connection with the 2014 Special Warrants and the offtake agreement discussed below under "*Contractual Obligations and Off Balance Sheet Arrangements*".

[4] Net Loss includes $407,249 of share-based compensation expense.

The Company's financial results are primarily impacted by the timing and nature of exploration-related activities and technical work programs undertaken and the award of share-based compensation and service-related warrants. To date, the timing of exploration and other fieldwork activities have not been subject to significant weather impacts or seasonality. In addition, the Company's exposure to USD currency fluctuations in prior periods has been limited as NioCorp's USD-based net monetary assets have not been material to the overall financial position. This exposure increased during the year ended December 31, 2015, as additional US-based contractors have been engaged, and the Company has moved the Corporate Headquarters to Denver, Colorado.

MANAGEMENT AND STAFFING

On April 2, 2015, the Company announced the following management changes:

- Mr. John Ashburn was appointed Vice President, General Counsel and Corporate Secretary. Mr. Ashburn is an attorney with 35 years of experience, including 25 years in extractive industries. Most recently, Mr. Ashburn acted as Vice President, Chief Legal Officer and a member of the Board of Directors of Simbol, Inc., a privately-held development stage Lithium production company. He previously served as Executive Vice President and General Counsel of Molycorp, Inc. and prior to that held senior legal positions with Chevron and Unocal Corporation. Mr. Ashburn holds a Juris Doctorate from Northern Illinois University, School of Law.
- Mr. Neal Shah was appointed to the position of Interim Chief Financial Officer. Mr. Shah is a graduate of the University of Colorado's Mechanical Engineering program (BSME) and Purdue University's Krannert School of Management (MBA), and has been with NioCorp since September 2014, fulfilling the role of Vice President of Finance.
- The Company accepted the resignation of Mr. Casey Forward, who stepped down as CFO after many years of service to the Company. Mr. Forward is remaining with the Company during a transition period.
- The Board of Directors of the Company (the "Board" or "Board of Directors") accepted the resignation of Mr. Peter Dickie as Corporate Secretary. He remained in the position of President.

On May 29, 2015, the Company announced the following management changes:

- Mr. Peter Dickie elected to retire from the Company and stepped down from his roles as President and Board member of NioCorp, effective May 31, 2015. Mr. Dickie agreed to provide consulting services to the Company on an as needed basis, in order to ensure a smooth transition. In conjunction with Mr. Dickie's retirement, the Company also announced that NioCorp's headquarters had been relocated from Vancouver, BC Canada to Denver, Colorado USA, where its senior management team is based.
- The Board appointed Mark Smith to assume the additional role of President, effective June 1, 2015.
- Effective May 26, 2015, Mrs. Teresa McGowan was appointed to the role of Senior Manager of Investor Relations. Mrs. McGowan brings significant buy-side and sell-side experience to the role, and most recently served as the Senior IR Specialist at DigitalGlobe Inc., an NYSE listed company.

LIQUIDITY, CAPITAL RESOURCES AND SELECTED ANNUAL INFORMATION

	For the year ended June 30,		
	2015	2014	2013
Total revenue	$ -	$ -	$ -
Net loss	8,836,492	1,671,343	2,984,777
Net loss per share – basic and diluted	$ 0.06	$ 0.02	$ 0.03
Cash flows			
Operating cash flows	$ (3,578,623)	$(1,666,360)	$ (434,718)
Financing cash flows	18,235,340	6,045,769	470,987
Investing cash flow	(16,792,614)	(1,458,481)	(14,223)
Exchange rate effect on cash	77,856	40,899	-
Change in cash flow	$ (2,058,041)	$ 2,961,827	$ 22,046

	As of June 30,	
	2015	2014
Working capital (deficit)	$(7,078,251)	$ 1,136,528
Total assets	36,908,791	17,724,840
Non-current liabilities	-	-
Total equity	28,745,182	15,766,571

As of June 30, 2015, the Company had cash of $0.9 million compared to $3.0 million as of June 30, 2014 and a working capital deficit of $7.1 million as of June 30, 2015, compared to a working capital surplus of $1.1 million as of June 30, 2014. Factors impacting the changes in cash and working capital are discussed below.

Operating Activities

During the year ended June 30, 2015, the Company's operating activities consumed $3.6 million (2014: $1.7 million) of cash. The cash used in operating activities reflects the Company's funding of losses of $8.8 million (2014: $1.7 million) adjusted for non-cash items of share-based compensation and warrants totaling $5.4 million (2014: $0.4 million), and other minor non-cash adjustments. Overall, the increase in operating cash outflows is due to additional administrative costs associated with the continuing ramp-up of Company operations. Going forward, the Company's working capital requirements are expected to increase substantially in connection the development of the Elk Creek Project.

Investing Activities

The Company's primary investing activity is its expenditures on EEA. During the year ended June 30, 2015 the Company spent $16.7 million (2014: $1.4 million) on the Elk Creek Project. Details of expenditures for the year ended June 30, 2015 are more fully described above at "*Exploration and Evaluation Assets*".

Financing Activities

For the year ended June 30, 2015, the Company received a total of $17.0 million (2014: $6.4 million) less issue costs of $0.6 million (2014: $0.2 million) from private placements of $12.8 million (2014: $5.5 million), with the remainder of inflows sourced from the exercise of warrants and options. In addition, the Company received $1.8 million from related party debt in 2015, as more fully described below under "*Related Party Transactions*".

The proposed use of proceeds were disclosed in the prospectuses for both the 2014 Special Warrants and the 2015 Special Warrants, available under the Company's profile at www.sedar.com, as follows:

Financing/ Closing Date	Net Proceeds ($000)	Use of Proceeds ($000)
2014 Special Warrants January 2, 2015	$10,472	$8,900 for advancement of the Elk Creek Project and exploration of the 2015 targets on the Elk Creek Project. $1,572 for general and administrative expenses.
2015 Special Warrants March 23, 2015	$2,048	$1,672 for advancement of the Elk Creek Project and exploration of the 2015 targets on the Elk Creek Project. This includes the $427 that was previously captured in unallocated working capital. $376 for General and administrative expenses.

Further details regarding the use of proceeds were in the prospectuses for both the 2014 Special Warrants and the 2015 Special Warrants. The following tables compare amounts estimated in these filing with actual amounts spent to date including descriptions for material variances.

2014 Special Warrants

	Proposed Use of Proceeds ($000)	Actual Use of Proceeds ($000)	Variance ($000)	Explanation
Phase 2 Drilling	$1,848	$2,553	($706)	Three metallurgical holes were added to the Phase II program that were not in the original scope. In addition, one of these holes was quartered and assayed, which further increased Phase II costs.
Phase 3 Drilling	$983	$1,004	($21)	
Additional Technical Requirements	$6,069	$5,343	$726	The overspend on drilling, noted above, limited the funds for additional technical work related to the Elk Creek Project. In addition, the discovery of high concentrations of Sc and Ti have increased the scope of work related to metallurgical process design.
Totals	**$8,900**	**$8,900**	**$0**	

2015 Special Warrants

	Proposed Use of Proceeds ($000)	Actual Use of Proceeds ($000)	Variance ($000)	Explanation
Additional Technical Requirements	$1,030	$1,168	($138)	The discovery of high concentrations of Sc and Ti have increased the scope of work related to metallurgical process design.
Advancement of Project to Next Phase	$215	$504	($289)	Represents additional bench, mini-pilot and pilot work needed to advance the design of the process flowsheet.
Totals	**$1,245**	**$1,672**	**($427)**	**Use of proceeds included unallocated working capital.**

Improvements to the engineering design of the hydrometallurgical flowsheet resulting in additional metallurgical testing requirements, along with the need to evaluate the proposed TiO2 and Sc products, increased the scope of work that was initially contemplated in the Company's technical report dated November 3, 2014. With these discoveries came a concerted effort by management to monetize this resource as much as possible. This decision was partially responsible for both the increased timeline to deliver the Feasibility Study and the increase to the metallurgical and process design aspects of the Elk Creek Project, portions of which still need to completed.

Cash Flow Considerations

As of June 30, 2015, the Company had a working capital deficit of $7.0 million compared to a working capital surplus of $1.1 million as of June 30, 2014. From July 1, 2015 through September 25, 2015, the Company received cash proceeds of approximately $0.7 million from the closing of the USD-denominated Private Placement, as well as $1.2 million from the exercise of warrants and options. The Company also received cash proceeds of $0.5 million from the related party non-revolving credit facility agreement discussed above under "*Financing"*. The Company cannot predict the timing or amount of additional options and warrants that may be redeemed, if any.

As noted above under "*Exploration and evaluation assets*", the Company has completed the drilling program, Technical Report, and original PEA, and is currently completing the PEA2 technical report. The next step in the work program is the completion of the Feasibility Study. Management estimates that completion of the Feasibility Study and ongoing project and operational activities will require total funding of approximately US$14 million through completion of the Feasibility Study. Of this amount, expenditures totaling approximately US$4 million have been incurred since June 30, 2015.

The Smith Loans are scheduled to become due prior to the Company earning any revenue from its operations. Accordingly the Company may be required to raise additional capital by completing either debt or equity financing to satisfy its obligations pursuant to the Smith Loans.

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

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

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success in developing the Elk Creek Project. Any quoted market for the Company's 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 Company's Common Shares could impact its ability to obtain equity financing on acceptable terms.

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

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximates their fair values due to their immediate or short-term maturity. Cash and marketable securities are carried at fair value using a level 1 fair value measurement. 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.

CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET ARRANGEMENTS

The Company currently has an offtake agreement dated November 10, 2014 (the "Offtake Agreement") with ThyssenKrupp Metallurgical Products GmbH ("ThyssenKrupp") whereby ThyssenKrupp will purchase, at market rates, approximately 3,750 metric tons, or fifty percent (50%), of the Company's current planned ferroniobium production from the Elk Creek Project for an initial ten-year term, with an option to extend beyond that timeframe. The Offtake Agreement presupposes the Company obtaining project financing, obtaining all necessary approvals and constructing a mine at the Elk Creek Project. ThyssenKrupp is based in Essen, Germany, and is part of the Business Area Materials Services, a global materials distributor and service provider with 500 branches in 44 countries. The Company appointed ThyssenKrupp as its exclusive sales agent of its production in Europe, with a stated amount to be sold in Germany. Pursuant to the Offtake Agreement, the Company has granted ThyssenKrupp a non-transferable warrant to acquire 8,569,000 Common Shares of the Company at an exercise price of $0.67 per Common Share, which expires on December 12, 2015.

On April 28, 2015, the Company announced that it had executed five-year extensions to all of the land agreements covering 100% of the Indicated and Inferred resources at the Elk Creek Project. The agreements are in the form of prepaid options that allow NioCorp the exclusive right to conduct mineral exploration activities on the subject properties over a five-year term. At any time during the five-year term, the Company can exercise an option to purchase the mineral rights and in some cases the surface rights for a price determined in accordance with the terms of the agreement. All of the surface and mineral rights in the vicinity of the Elk Creek Project are owned by private entities, and none of the land is owned by federal or state governments. The Company expended $797,241, including third-party fees, for these land extensions during 2015.

NioCorp has the following office, facility and equipment lease commitments in place as of June 30, 2015:

		Payments due by period			
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Debt	$1,846,200	$1,846,200	$ -	$ -	$ -
Operating Leases	651,628	249,803	329,623	72,202	-
Total Contractual Obligations	**$2,497,828**	**$2,096,003**	**$ 329,623**	**$ 72,202**	**$ -**

The Company does not have any other significant contracts or off-balance sheet arrangements.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of NioCorp and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with NioCorp's business and its involvement in the niobium exploration and development industry.

This section describes risk factors identified as being potentially significant to the Company and its material property, the Elk Creek Project. Additional risk factors may be included in the Technical Report, PEA and AIF, available under the Company's profile at www.sedar.com. In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results operations, plans and prospects.

Substantial Capital Requirements and Liquidity

The Company anticipates that it will make substantial capital expenditures for the continued exploration and development of the Elk Creek Project in the future. The Company currently has no revenue and may have limited ability to undertake or complete future fieldwork programs, metallurgical studies, permitting activities, and the design of a surface plant and processing facilities. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

The Company has not yet commenced commercial production at any of its properties and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at the Elk Creek Project. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will not continue to incur losses.

Metallurgical Testing

The Company has completed significant bench, mini-pilot and pilot scale metallurgical testing on the Elk Creek Project, and will continue to complete necessary metallurgical testing at the bench, mini-pilot and pilot scale as the development of the Elk Creek Project progresses. There can be no assurance that the results of such metallurgical testing will be favorable or as expected by the Company. Furthermore, there can be no certainty that metallurgical recoveries obtained in bench or pilot scale tests will be achieved in either subsequent testing or commercial operations. The development of a complete metallurgical process to produce a saleable final product from the Elk Creek Project is a complex and resource intensive undertaking that may result in overall schedule delays and increased project costs for the Company.

Reliance on Key Personnel

The senior officers of NioCorp are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as NioCorp grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As NioCorp's business activity grows, it will require additional key financial, administrative, engineering, geological and mining personnel as well as additional operations staff. If NioCorp is not successful in attracting and retaining qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of NioCorp. NioCorp is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences for NioCorp.

Property Commitments

NioCorp's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by NioCorp to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Access to water and energy required to operate a mine may be difficult and cost prohibitive. Conversely the Issuer will have to evaluate hydrology and hydrogeology and determine satisfactory methods to manage surface and ground water in the vicinity of the operation. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades being mined or dedicated to future production. Until actually mined and processed, the quantity of reserves and grade must be considered as estimates only. In addition, the quantity of reserves may vary depending on commodity prices. Any material change in quantity of reserves, grade or recovery ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that results obtained in bench or pilot metallurgical tests will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

Operations

NioCorp will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental pollution, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of NioCorp, personal injury or death, environmental damage or, regarding the exploration or development activities of NioCorp, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on NioCorp's future cash flows, earnings, results of operations and financial condition.

Additionally, NioCorp may be subject to liability or sustain loss for certain risks and hazards against which NioCorp cannot insure or which NioCorp may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on NioCorp's future cash flows, earnings, results of operations and financial condition.

Environmental

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Commodity Price Fluctuations

The price of commodities varies on a daily basis. However, price volatility could have dramatic effects on the results of operations and the ability of NioCorp to execute its business plan. Niobium is a specialty metal and not a commonly traded commodity such as copper, zinc, gold or iron ore. The price of niobium tends to be set through a limited long term offtake market contracted between the very few suppliers and purchasers. The world's largest supplier of niobium, Companhia Brasileira de Metalurgia e Mineração, supplies approximately 85% of the world's niobium, and any attempt to suppress the price of niobium by such supplier, or an increase in production by any supplier in excess of any increased demand, would have negative consequences on NioCorp. The price of niobium may also be reduced by the discovery of new niobium deposits, which could not only increase the overall supply of niobium (causing downward pressure on its price), but could draw new firms into the niobium industry which would compete with NioCorp.

Titanium dioxide is a common pigment used in paint, paper and plastics. An operation at Elk Creek would produce a small quantity of titanium dioxide relative to other North American producers. As a small producer, NioCorp would be subject to fluctuations in the price of titanium dioxide that would result from normal variations in supply and demand for this commodity.

Scandium trioxide is used in solid oxide fuel cells and has the potential to become a valuable alloy with aluminum in the aerospace and automotive industries. Supply has been sporadic in recent years, and there are no primary scandium mines in the world at present. Production occurs as a byproduct from rare earth or aluminum plants, primarily in Russia and China. The Elk Creek operation would significantly increase the world's supply of scandium trioxide. Although the Company's market studies indicate a positive outlook for demand, there is no assurance at present that the Company could sell all of its production.

Volatility of the Market Price of the Company's Common Shares

The Company's Common Shares are listed on the TSX under the symbol "NB", on the FWB in Germany under the trading symbol "BR3", and on the OTCQX International in the United States, under the symbol "NIOBF". While the TSX is a considerably more senior market than the TSXV, on which the Company's Common Shares principally traded previously, the TSX, and to a greater extent the FWB, and OTCQX International, are more limited markets than the New York Stock Exchange or the NASDAQ Stock Market.

Securities of junior companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. NioCorp's Common Share price is also likely to be significantly affected by delays experienced in progressing our development plans, a decrease in the investor appetite for junior stocks, or in adverse changes in our financial condition or results of operations as reflected in our quarterly financial statements. Other factors unrelated to our performance that could have an effect on the price of NioCorp's Common Shares include the following:

- The trading volume and general market interest in NioCorp's Common Shares could affect a shareholder's ability to trade significant numbers of Common Shares; and
- The size of the public float in NioCorp's Common Shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the Company's Common Shares at any given point in time might not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. NioCorp cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Economic and Financial Market Instability

Global financial markets have been volatile and unstable at times since the global financial crisis, which started in 2007. Bank failures, the risk of sovereign defaults, other economic conditions and intervention measures have caused significant uncertainties in the markets. The resulting disruptions in credit and capital markets have negatively impacted the availability and terms of credit and capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates. In the short term, these factors, combined with the Company's financial position, may impact the Company's ability to obtain equity or debt financing in the future and, if obtained, on terms that are favorable to the Company. In the longer term these factors, combined with the Company's financial position could have important consequences, including the following:

- Increasing the Company's vulnerability to general adverse economic and industry conditions;
- Limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;
- Limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the industry; and
- Placing the Company at a disadvantage when compared to competitors that have less debt relative to their market capitalization.

Issuance of Debt

From time to time the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The Company's articles do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to service its debt obligations will depend on the Company's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company.

Industry Competition and International Trade Restrictions

The international resource industries are highly competitive. The value of any future reserves discovered and developed by NioCorp may be limited by competition from other world resource mining companies, or from excess inventories. Existing international trade agreements and policies and any similar future agreements, governmental policies or trade restrictions are beyond the control of NioCorp and may affect the supply of and demand for rare earth elements, including niobium, around the world.

Governmental Regulation and Policy

Mining operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mines and refining and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of NioCorp with respect to the exploration and development of properties such as the Elk Creek Project, or any other properties in which NioCorp has an interest. NioCorp will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, NioCorp is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations, policies and practices, such as those affecting exploration and development of NioCorp's properties, could materially and adversely affect the results of operations and financial condition of NioCorp in a particular period or in its long term business prospects.

The development of mines and related facilities is contingent upon governmental approvals, licenses and permits which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licenses and permits are subject to many variables outside the control of NioCorp, including potential legal challenges from various stakeholders such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licenses or permits could have a material adverse effect on NioCorp, including delays and cost increases in the advancement of the Elk Creek Project.

Risk Related to the Cyclical Nature of the Mining Business

The mining business and the marketability of the products that are produced are affected by worldwide economic cycles. At the present time, niobium pricing is stable, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As NioCorp's mining and exploration business is in the exploration stage and as NioCorp does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Properties May be Subject to Defects in Title

NioCorp has investigated its rights to explore and exploit the Elk Creek Project resource and, to the best of its knowledge, its rights in relation to lands covering the Elk Creek Project resource are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to NioCorp's detriment. There can also be no assurance that NioCorp's rights will not be challenged or impugned by third parties.

Although NioCorp is not aware of any existing title uncertainties with respect to lands covering material portions of the Elk Creek Project resource, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on NioCorp's future cash flows, earnings, results of operations and financial condition.

No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. The Company is currently operating under a working capital deficiency, and requires additional financing to ensure it can continue to maintain a positive working capital position. If the Company does not generate sufficient cash flow from operating activities it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results. Defense and settlement of costs of legal claims can be substantial. There are no current claims or litigation outstanding against the Company.

Insurance

NioCorp is also subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of NioCorp, personal injury or death, environmental damage or, regarding the exploration or development activities of NioCorp, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on NioCorp's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If NioCorp is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which NioCorp's activities are subject will be available at all or at commercially reasonable premiums. The Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on NioCorp's future cash flows, earnings, results of operations and financial condition.

Currency

The Company is exposed to foreign currency fluctuations to the extent that the Company's material mineral property is located in the USA and its expenditures and obligations are denominated in U.S. dollars, yet NioCorp is currently headquartered in Canada, is listed on a Canadian stock exchange and historically raised funds in Canadian dollars. In addition, a number of the Company's key vendors are based in Canada, including vendors that supply geological, process engineering and metallurgical testing services. As such, NioCorp's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. NioCorp does not currently, and it is not expected to, take any steps to hedge against currency fluctuations.

Conflicts of Interest

NioCorp's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which NioCorp may, or may also wish to participate, the directors and officers of NioCorp may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation. NioCorp and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of NioCorp, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases NioCorp will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not NioCorp will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to NioCorp, the degree of risk to which NioCorp may be exposed and its financial position at that time. Other than as indicated, NioCorp has no other procedures or mechanisms to deal with conflicts of interest.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators. NioCorp's ability to advance the Elk Creek Project could be adversely affected by any inability on its part to obtain or maintain the required financial assurances.

Dividends

The Company has never paid cash dividends on our Common Shares, and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Company's Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares in the foreseeable future.

Hedging

The Company has no current hedging or other derivative transactions in place. However, management may elect to use such instruments in the future or be required to enter into such transactions as a condition of certain financing transactions. Derivative instruments may be used to manage changes in commodity prices, interest rates, foreign currency exchange rates, energy costs and the costs other consumable commodities. Common inherent risks associated with derivative transactions include (a) credit risk resulting from a counterparty failing to meet its obligation, (b) market risk associated with changes in market factors that affect fair value of the derivative instrument, (c) basic risk resulting from ineffective hedging activities and (d) legal risk associated with an action that invalidates performance by one or both parties. There is no assurance that any hedging or other derivative program will be successful.

Time and Cost Estimates

Time and cost estimates to develop, operate and close the Elk Creek Project were prepared in connection with the PEA. Other estimates of time and costs are made from time to time for exploration and other business activities. Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Elk Creek Project and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

Consumables Availability and Costs

The Company's planned development activities and operations, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include fly ash, concrete, acid, salt, natural gas, steel, copper, diesel, processing reagents and electricity. Other inputs such as labor, consultant fees and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

Mineral Resources Uncertainties

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Mineral Resources, there can be no assurances that Mineral Resources will be upgraded to Mineral Reserves as a result of continued exploration or during the course of operations.

There can be no assurances that any of the Mineral Resources stated in this MD&A or published technical reports of the Company will be realized. Until a deposit is actually mined and processed, the quantity of Mineral Resources or Reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of Mineral Resources or Reserves may vary depending on, among other things, metal prices. Any material change in the quantity of Mineral Resources or Reserves, grades, ore dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated Mineral Resources or Reserves. In addition, there is no assurance that metal recoveries in limited, small scale laboratory tests will be duplicated by larger scale tests or during production. Fluctuations in metal prices, results of future drilling, metallurgical testing, actual mining and operating results, and other events subsequent to the date of stated Mineral Resources and Reserves estimates may require revision of such estimates. Any material reductions in estimates of Mineral Resources or Reserves could have a material adverse effect on the Company.

Taxation

The Company is affected by the tax regimes of numerous jurisdictions. Revenues, expenditures, income, investments, land use, intercompany transactions and all other business conditions can be taxed. Tax regulations, interpretations and enforcement policies may differ from the Company's applied methods and may change over time due to circumstances beyond the Company's control. The effect of such events could have material adverse effects on the Company's anticipated tax consequences. There is no assurance regarding the nature or rate of taxation, assessments and penalties that may be imposed.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and accrued liabilities and advances from a related party. The carrying value of receivables, accounts payable and accrued liabilities and advances from a related party approximates their fair values due to their immediate or short-term maturity. Cash and marketable securities are carried at fair value using a level 1 fair value measurement.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reporting periods.

RELATED PARTY TRANSACTIONS

Related parties include the Company's Board of Directors, officers, close family members and enterprises controlled by these individuals as well as certain persons performing similar functions. Apart from those transactions detailed in the section, there were no other related party transactions.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and senior officers. The following expenses were incurred with key management personnel:

	Year ended June 30,	
	2015	2014
Salary related compensation		
Mr. Mark Smith, CEO and President	$ 327,783	$ 403,182
Mr. Peter Dickie, Former President and Corporate Secretary[1]	210,000	185,000
Mr. John Ashburn, Vice President and General Counsel[1]	136,883	-
Mr. Neal Shah, Interim CFO[1]	158,684	-
Mr. Casey Forward, former CFO[1]	121,000	54,500
Share-based compensation	1,949,425	211,202
Total key management remuneration	2,903,775	853,884
Rent[2]	-	36,889
Total	$ 2,903,775	$ 890,773

1 See "*Management and Staffing*", above, for information concerning changes to key management personnel.
2 Rent paid to Global Cobalt Corporation – a company with a former common director (Erin Chutter).

As at June 30, 2015, accounts payable included $52,839 owing to Mark Smith, President and CEO.

As noted above under *"Financing*", the Company entered into a loan agreement and non-revolving credit facility with Mark Smith, Chief Executive Officer and Executive Chairman of NioCorp. These arrangements provided the Company with short-term funding to allow work related to the Feasibility Study and PEA2 to continue while longer term funding arrangements were negotiated. Loan advances to date have totaled US$2.0 million.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

In applying the Company's accounting policies, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements is the policy on exploration and evaluation assets.

In particular, management is required to assess exploration and evaluation assets for impairment. Note 7 to the consolidated financial statements discloses the carrying values of such assets. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

The recoverability of exploration and evaluation assets is dependent on a number of factors common to the natural resource sector. These include the extent to which the Company can continue to renew its exploration and future development licenses with local authorities, establish economically recoverable reserves on its properties, the ability of the Company to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. The Company will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization. If a determination is made that a deposit does not contain economically recoverable mineralization, or if other factors are present that indicate the existence of an impairment, a property is written down to net realizable value, which could have a material effect on the financial positon and financial performance of the Company.

Share-based compensation is determined using the Black-Scholes pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to the consolidated statement of loss over each award's vesting period. The Black-Scholes pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate, which could impact amounts recognized as expense and carried as a component of shareholders equity. See Notes 9c and 9d in the Company's consolidated financial statements for the year ended June 30, 2015 for a summary of the assumptions used to calculate the value of share-based compensation.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. Management is also responsible for the design of internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's DC&P and ICFR as of June 30, 2015 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company. The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to evaluate the design and effectiveness of the Company's ICFR as of June 30, 2015 and have concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. During the year ended June 30, 2015, significant changes to key management positions were implemented. It is management's judgment that the related risks were properly managed and these changes in the Company's DC&P and ICFR did not have a material adverse effect, or are reasonably likely to have a material adverse effect, on the Company's internal control over financial reporting.

In preparing disclosures, management may make certain interpretations and rely on assumptions and estimates. There is no assurance that management's internal controls, interpretations, assumptions and estimates, or other precautions will completely ensure reliable and timely disclosures are made.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates are based on careful judgments and have been properly reflected in the Company's consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

OUTSTANDING SHARE DATA

A summary of outstanding shares, share options and warrants as of September 25, 2015 is set out below.

	Units Outstanding
Common shares	158,287,652
Stock options[1]	7,720,000
Warrants[2]	26,578,348
Convertible Debentures[3]	1,106,443

[1] Each exercisable into one Common Share

[2] 27,526,130 of which are each exercisable into one Common Share, and 1,000,000 of which are exercisable into units comprised of one Common Share and one warrant (each an "Underlying Warrant"). Each Underlying Warrant is exercisable into one Common Share.

[3] Represents estimated maximum shares convertible at $0.97/share in accordance with the Private Placement discussed above under "*Financing*". Actual shares issued may be impacted by the USD:CAD exchange rate, accrued interest payable and current trading price of the Company's common shares at conversion date.

The Company has one class of shares, being Common Shares.

OTHER

Additional information about the Company, including the AIF, is available on the Company's website at www.niocorp.com, or on SEDAR at www.sedar.com.