

## **NIOCAN UPDATES THE OKA NIOBIUM MINE PROJECT STATUS**

MONTREAL, QC, August 17, 2009 – Niocan Inc. (TSX:NIO) today announced an update to its shareholders regarding its Oka Niobium Mine project.

Niocan continues to await the issuance of the Certificate of Authorization (“CA”) from governmental authorities to build its Niobium mine in Oka, Quebec. Niocan considers it has provided all necessary information and documentation to the authorities to receive the CA from the Ministry of Sustainable Development, Environment and Parks (“MSDEP”) of the Quebec Government. The Company last provided documents to the MSDEP in June 2008, when final documents for the review of the design and drawings of the mine complex were provided upon request from the MSDEP. In spite of the Company’s repeated attempts over the past months and years to obtain an indication from the MSDEP relative to its intent on the issuance of the CA, the Company has yet to receive conclusive information in this respect.

The following table sets forth the historical resources of Niocan’s Niobium Property in Oka:

### **Historical Resources-Oka Niobium Property**

Millions of tonnes (0.5% Nb<sub>2</sub>O<sub>5</sub> cut off grade)

<b>Historical Resource</b>	<b>Measured</b>	<b>Indicated</b>	<b>Grade</b> <b>% Nb<sub>2</sub>O<sub>5</sub></b>
S-60	7.30	3.11	0.66
HWM-2	1.32	2.22	0.56

The feasibility study of the niobium deposit was produced in 1998 by Met-Chem/Pellemont and was updated in 2000 by Met-Chem/SNC-Lavalin. Since that date, Niocan has been ready to proceed to the required fundraising in order to build the mine complex. Since both studies were completed prior to the entry into force of NI 43-101 requirements, Niocan may not refer the shareholders to such studies without including appropriate warnings that the studies do not permit the determination of mineral resources or mineral reserves in conformity with the requirements of NI 43-101. In addition, since no qualified person has performed sufficient work required to classify the historical estimate as current mineral resources or mineral reserves, Niocan is not treating the historical estimate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of NI 43-101, and therefore, the historical estimate should not be relied upon.

Niocan has granted a mandate to Met-Chem for the formal update of the capital/operating costs of the projected mine complex. This project will last 3 months and will cost approximately \$150,000. Niocan does not foresee any need to change the

mine plan and underground, surface and plant design. Moreover, the 2000 socio-economic study performed by KPMG is also being updated at an approximate cost of \$65,000 to provide additional new information to all the Company's stakeholders, shareholders, government officials and departments and the regional communities. The Oka ore resources are currently being reproduced as per NI 43-101 requirements by a qualified person at a cost of approximately \$50,000.

Niocan plans to complete the remaining segments of the feasibility study as per NI 43-101 only when the CA is issued by the MSDEP, and this information will be needed at that time for financing purposes.

In accordance with the 1998 and 2000 feasibility studies mentioned above, the construction of the mine and of the plant would take two (2) years and would require one hundred and ten million dollars (\$110,000,000) in funds. Since these estimates are over 9 years-old, they will have to be updated to take into account, amongst other things, the increase in the price of Niobium as well as increased construction costs.

Niocan has prepared a plan to intervene before many Quebec ministers and stakeholders in the Oka region during the fall of 2009, to obtain additional support to convince the MSDEP to issue the CA, which would allow the Company to build its underground Niobium mine in the Ste.Sophie range of Oka, Quebec as soon as possible.

The Board of Directors of Niocan remains strongly committed in developing Niocan's Oka niobium property when the necessary permits are issued.

For more information, please contact

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