

Press Release

Niocan inc.

Montreal, July 5, 1999 (ME:Nio)

Niocan is pleased to announced that it has completed its process optimization program at the CRM (Centre de Recherches Minérales) in Quebec city. This program confirms that high recoveries are achievable above the previous limit established in the 1997 test program and that reagent costs and consumption can be reduced.

The optimization program also had as an objective to simplify the flowsheet and this will resulted in lower capital and operating costs.

Niocan is now in the process of finalizing the scope and flow sheets of its plant with the consortium Met-Chem/SNC-lavalin and expects to initiate the base engineering work in the coming week.

Niocan has opened an office in Oka, located close to its deposits at the following address:

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Niocan inc. is a mineral resources company which owns a deposit of niobium with proven and probable reserves for a minimum of 15 years operation **with an estimated recoverable value of \$1.0 billion.** The company is focusing on the development of its project to produce ferroniobium by the end of 2001. Ferroniobium is used in the production of specialty alloys for aerospace, power turbines; and in high strength low alloy steel used in the automobile, construction and pipeline industries..

For more information please contact.

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