

PRESS RELEASE

Study Points to Improved Niocan Earnings

Montreal, January 18, 2001 – A feasibility study, released by Met-Chem/SNC-Lavalin early in the Year 2000, showed a 16% rate of return on 100% equity based exclusively on the production of ferroniobium for the steel industry. The study also indicated that the ore reserves contained several additional marketable minerals such as apatite, magnetite, calcite and rare earths, which could provide significant additional revenues.

Studies, carried out over the last few months on 15% of the annual concentrate output, **to recover the rare earths and tantalum present, show an increase of 0.6% on the IRR**; this figure would be much higher if a larger portion of the concentrate produced annually was treated. **A revision of the ore grades increases the IRR by another 1.3%.**

Rare Earth Economics :

In a September 20, 2000, letter to shareholders, Niocan announced that it had undertaken a study to assess the economic benefits of recovering the +13% of rare earth content and the 0.42% of Ta₂O₅ present in Niocan's pyrochlore concentrates before conversion into ferroniobium.

The conceptual study by J.R. Goode & Associates, on 1,200 tonnes of Niocan concentrate (15% the annual concentrate output), shows recovery and production potential of:

- 502 tonnes of +99% pure niobium oxide concentrate which could be used in higher value-added applications;
- 83 tonnes of a +95% cerium oxide concentrate;
- 34 tonnes of a bulk +80% rare earth oxide
- 4 tonnes of +80% tantalum concentrate

Tantalum is used in the production of components for computers, cell phones, pagers, etc. (This metal is in short supply).

Rare earths are essential in high tech products such as computers, TVs, cell phones, VCRs, CD players.

With a \$14 M capital investment, the study allows NIOCAN to estimate an added \$4.6 M annual gross profit, on 15% Niocan concentrate, which would add 0.6% to the Met-Chem/SNC Lavalin study's initial 16% rate of return. The increase would be much higher if a larger portion of the concentrate produced annually was treated.

Further testwork, engineering, marketing will be required to confirm these results.

Increase in the grade of ore reserves :

A revision of assaying methods used prior to March 1999, confirmed that all niobium content assays were understated by at least 3%. The previous method of assaying ignored the impact of Rare Earth elements on the reading of niobium content by fluorescence. This correction adds an additional value of \$2.00 per tonne of ore produced, further increasing the rate of return by 1.3%.

Niobium to be used in the next generation of computers :

In a December 2000 edition of the IEEE Spectrum magazine, an article by Brock, Track and Rowell describes the benefits of niobium as a superconductor in the development of the next generation of computers using 100 GHZ circuits. The authors go on to say that these technological developments should be in commercial production within 3 to 5 years. This adds a new dimension to the growth potential of niobium over and above the strongly forecasted growth of 5% to 6% in the steel industry and special alloys sector alone.

Niocan Inc. is a minerals resource company that owns a deposit of niobium in the Oka area. Current proven and provable reserves point towards a minimum 15 years of operation and an estimated recoverable value of \$1.0 billion. Niocan is working towards a start-up of its operations and the production of ferroniobium. Ferroniobium is used in the production of specialty alloys used in the aerospace and power generation industries, as well as in high strength low alloy steel used in the automobile, construction and pipeline sectors.

- 30 -

For additional information, contact :

René Dufour, Eng.
Chairman of the Board
Tel : (514) 340-4711 ext. 4926
Fax : (514) 340-7211

Richard Faucher, Eng.
President
Tel : (514) 288-8506
Fax : (514) 843-4809
E-mail : niocan@niocan.com