

PRESS RELEASE

NIOCAN INC.

NIOCAN is pleased to announce it has concluded a \$2,5 million private placement with major institutions: Norshield Financial Group, SOQUEM Inc., Palos Capital Corporation and other investors.

With contributions of \$427,000 from the Quebec Ministry of Natural Resources under a program to support process optimization and \$50,000 from Hydro-Québec under a market research program, NIOCAN has \$3 million available to develop its niobium project.

These funds will be used to complete the pre-production tasks that include the environmental impact study & permitting, marketing & sales agreements, basic engineering, process optimization work at the Centre de Recherches Minérales and the purchase of surface rights for the eventual construction of the facilities.

These activities will be completed over a 10-12 months period and precede a senior financing and production decision expected to be taken around the end of the first quarter of year 2000.

The NIOCAN Board is also pleased to confirm the nomination of M. Richard Faucher as President & CEO of the Company. A metallurgist with extensive experience in the management of large mining and metallurgical projects, Mr. Faucher has been acting as consultant to NIOCAN since the first of September 1998.

At its annual meeting of shareholders to be held on June 3, 1999 at 11:00 at the Montreal Exchange auditorium, NIOCAN Board will propose the election of Richard Faucher, Hubert Marleau and Richard Neal as new directors of the Company. These new members will bring a valued contribution to NIOCAN shareholders toward achieving the goal of becoming a ferroniobium producer in the shortest time possible.

On behalf of the Board

René Dufour, P. Eng.,
Chairman

May 20 , 1999

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