

**NIOCAN ANNOUNCES A PRIVATE PLACEMENT
OF 2 MILLION UNITS**

Montreal, August 7th, 2001. The Board of Directors of NIOCAN has approved a private placement with Electrum Ferrometals LLC for 2 Million units consisting of one (1) share at \$0,65 and a half (1/2) warrant at \$0,80 per share for a period of thirty months, plus a half (1/2) warrant at \$1,00 per share for a period of 30 months. The closing is scheduled for mid- August.

Electrum Ferrometals LLC is a privately held investment company established to invest in attractive mining assets in the specialty metals field. Electrum Ferrometals LLC will be represented on the Board of Directors of NIOCAN.

Through the issue and the exercise of warrants, NIOCAN will be adding up to \$3,0 Million to its existing treasury. These funds will be used for (1) covering the costs of bankable due diligence prior to the financing of the debt portion of the senior financing; (2) provision of working capital until the senior financing is done; (3) the preparation of some of the submissions, documents and certain detailed engineering costs so as to accelerate the start- up of construction of the project as soon as the Certificate of Authorization is received from the Ministry of Environment; (4) and to reduce with the excess funds, part of the equity required when completing the senior financing of production.

Niocan Inc. is a minerals resource company that owns deposits of niobium in the Oka area. Current proven and provable reserves point towards a minimum 17 years of operation and an estimated recoverable value of \$1.0 billion. Niocan is working towards a start-up of these operations and the production of ferroniobium. Ferroniobium is used in the growing 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 -

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