

Press Release

October 13, 2006

NIOCAN – Update on permitting for the niobium mine project in Oka

The answers to water management questions raised by BAPE's (Bureau d'audiences publiques sur l'environnement) are now available.

On September 25, 2006, Niocan Inc., (Nio on TSX) filed the final copy of Golder Associates' report with the Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) [Ministry of Sustainable Development, the Environment and Parks]. This report is the result of exhaustive field tests on the potential effects mine dewatering will have on groundwater and agricultural lands close to Niocan's underground niobium mine project on Ste-Sophie Road of Oka.

Golder Associates' report includes complementary studies required by the MDDEP before it will issue a Certificate of Authorization (CA). The CA is the final permit needed from the Quebec government before mine construction can be authorized. Following the BAPE report commissioned by the Minister of Environment at the end of 2004, MDDEP requested that field tests be carried out and a reliable hydrogeological model be developed to determine the following:

1. The extent to which deep groundwater levels will be lowered as a result of mine dewatering.
2. The extent to which groundwater levels in the superficial deposits will be lowered as a result of mine dewatering.
3. Characterization of the current quality of the groundwater and the expected quality of mine water.
4. Variations in the flow of mine water during the different stages of exploitation.
5. The potential decrease in the water levels of agricultural irrigation ponds.
6. Characterization of the ore deposits using metallurgical testing (including leach testing) on representative samples.

Niocan is presently undertaking a communication programme to educate/explain and inform on the Golder Associates' report to the citizens of Oka, the Town Council of Oka, the MRC, the UPA, the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation (Ministry of Agriculture, Fisheries and Food), the Ministère des Ressources naturelles et de la Faune (Ministry of Natural Resources and Wildlife), the people of Kanasetake and the Mohawks' Council, as well as any other interested stakeholders. This program will continue over the next month with the objective of reassuring the public. The Golder's report was well received by the MDDEP's experts who are now in their final analysis processing.

Golder Associates is a world-renowned engineering consulting firm, specializing in geological engineering and environmental services.

Niocan is confident that its niobium mine project in Oka now meets all sustainable development and environmental requirements and expects that the **Certificate of Authorization from the MDDEP will be issued.**

Niobium is often used in the steel industry to strengthen welded joints on pipelines, and to increase resistance to corrosion. The market for niobium is expanding worldwide and the price of this metal continues to rise.

Golder Associates' report is available at <http://www.sedar.com>.

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On behalf of Niocan,
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