NIOCAN INC.

FINANCIAL STATEMENTS
(unaudited)

Period ended March 31, 2008

MONTREAL (QUEBEC)

NIOCAN INC.

FINANCIAL STATEMENTS
(unaudited)

March 31, 2008

Financial Statements

NIOCAN INC.

Report to the Shareholders

March 31, 2008, with comparative
figures for December 31, 2007

BALANCE SHEET

	March 31, 2008 (unaudited)	December 31, 2007
ASSETS		
Current assets:		
Cash	$ 125,698	$ 86,752
Short-term investments, at cost	657,450	949,717
Accounts receivable	31,268	13,929
Prepaid expenses	115,984	87,372
	930,400	1,137,770
Equipment (note 2)	6,516	6,882
Land	506,887	506,887
Mining and exploration properties (note 3)	5,702,060	5,567,600
	$ 7,145,863	$ 7,219,139
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 83,330	$ 74,486
Shareholders' equity:		
Capital stock (note 4)	11,757,402	11,757,402
Contributed surplus	838,760	787,520
Deficit	(5,533,629)	(5,400,269)
	7,062,533	7,144,653
	$ 7,145,863	$ 7,219,139

See accompanying notes to financial statements.

On behalf of the Board:

Hubert Marleau, director

Ron Amstutz,
Acting Chief Financial Officer

NIOCAN INC.

Report to the Shareholders

Period ended March 31, 2008, with
comparative figures for 2007

STATEMENT OF OPERATIONS AND DEFICIT
(unaudited)

	3-month period ended March 31	
	2008	2007
Revenue:		
Interest received	$ 7,733	$ 11,965
Leases	1,993	1,378
	9,726	13,343
Expenses:		
Costs of options granted	51,240	62,800
Professional fees	30,379	30,766
Trustees and registration fees	17,937	14,354
Office	15,362	25,864
Rent	9,301	9,022
Taxes and permits	7,291	8,484
Travel and business development	6,580	4,231
Insurance	3,199	3,781
Telecommunications and web site	1,328	1,466
Amortization	366	471
Interest and bank charges	103	356
Publicity and public relations	-	4,938
Maintenance	-	175
	143,086	166,708
Net loss	$ 133,360	$ 153,365

See accompanying notes to financial statements.

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Period ended March 31, 2008, with
comparative figures for 2007

STATEMENT OF OPERATIONS AND DEFICIT
(unaudited)

	3-month period ended March 31	
	2008	2007
Net loss	$ 133,360	$ 153,365
Deficit, beginning of period	5,400,269	4,729,395
Deficit, end of period	$ 5,533,629	$ 4,882,760
Net loss per share, basic and diluted	$ 0.01	$ 0.01

See accompanying notes to financial statements.

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Period ended March 31, 2008, with
comparative figures for 2007

STATEMENT OF DEFERRED EXPENDITURES
(unaudited)

	3-month period ended March 31	
	2008	2007
Balance, beginning of period	$ 4,767,600	$ 4,783,932
Increase :		
Environmental studies	134,460	8,185
	134,460	8,185
Balance, end of period	$ 4,902,060	$ 4,792,117
Cumulative deferred expenditures by project		
Oka	$ 4,674,084	$ 4,564,141
James Bay	-	-
Grande-Baleine	227,976	227,976
Balance, end of period	$ 4,902,060	$ 4,792,117

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STATEMENT OF CASH FLOWS
(Unaudited)

	3-month period ended March 31	
	2008	2007
Operating activities:		
Net loss for the period	$ (133,360)	$ (153,365)
Adjustments for:		
Amortization	366	471
Cost of options granted	51,240	62,800
Net change in non-cash operating working capital items	(37,107)	(26,464)
	(118,861)	(116,558)
Investing activities:		
Deferred expenditures, net of credits	(134,460)	(8,185)
	(134,460)	(8,185)
Net decrease in cash and cash equivalents	(253,321)	(124,743)
Cash and cash equivalents, beginning of period	1,036,469	1,261,205
Cash and cash equivalents, end of period	$ 783,148	$ 1,136,462

Cash and cash equivalents are composed of cash and short-term investment maturing within 90 days.

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

The Company, incorporated under Part 1A of the Quebec Companies Act on August 29, 1995, holds a niobium property in Oka, Québec and exploration properties in the province of Québec. The Company is at the development stage of its mineral properties and has determined in 1999 that the Oka property contains ore reserves which are economically recoverable.

1. Significant accounting principles :

(a) Mining and exploration properties and deferred expenditures :

Mining assets consist of deferred expenditures and development cost related to properties for which economically recoverable reserves exist. Mining assets are, upon commencement of production, depleted over the estimated life of the ore reserve to which they relate or are written off if the property is abandoned or when there is an impairment in value.

Exploration assets are carried at cost. Exploration and development expenses relating to a non-producing property are deferred until the property is brought into production or abandoned. If exploration work does not provide positive results or upon abandonment, these costs are charged to earnings. Management reviews the carrying values of assets on a regular basis to determine whether any write-downs are necessary.

Recovery of the cost of mining and exploration assets depends on the discovery of economically recoverable ore reserves for the exploration assets, the Company's ability to obtain the necessary financing to complete the exploration and development of the properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value.

(b) Equipment :

Equipment is stated at cost. Depreciation is provided using the declining balance method at the following annual rates :

Asset	Rate
Equipment and furniture	20%
Computer equipment	30%

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1. Significant accounting principles (continued) :

(c) Stock-based compensation and other stock-based payments :

The Company adopted the new accounting recommendations published by the Canadian Institute of Chartered Accountants ("CICA") relating to stock-based compensation and other stock-based payments made in exchange for goods and services. Effective as of January 1, 2004, the Company uses the fair value method to record the stock options granted to all participants.

(d) Future income taxes :

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying values and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates anticipated to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The affect on future tax assets and liabilities of a change in tax rates is included in income in the period that includes the enactment date.

The Company renounces tax deductions relating to resource expenditures that are financed by the issuance of flow-through shares for the benefit of its shareholders, as permitted by the tax legislation.

Under the asset and liability method used to account for income taxes, future income taxes related to the temporary differences created by this renouncement are recorded in accordance with EIC-146 when the Company renounces these deductions and a corresponding cost of issuing the securities is also recorded.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS

1. Significant accounting principles (continued) :

(f) Cash and cash equivalents:

The Company considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents. The major components of cash and cash equivalent are as follows :

	March 31, 2008	December 31, 2007
Cash	$ 125,698	$ 86,752
Money market fund	657,450	949,717
	$ 783,148	$ 1,036,469

2. Equipment :

			March 31, 2008	December 31, 2007
	Cost	Accumulated amortization	Net book Value	Net book Value
Equipment and furniture	$ 15,670	$ 9,978	$ 5,692	$ 5,992
Computer equipment	12,790	11,966	824	890
	$ 28,460	$ 21,944	$ 6,516	$ 6,882

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NOTES TO FINANCIAL STATEMENTS

3. Mining and exploration properties :

			March 31, 2008
	Cost of properties	Deferred Expenditures	Total
Oka	$ 800,000	$ 4,674,084	$ 5,474,084
Grande-Baleine	-	227,976	227,976
	$ 800,000	$ 4,902,060	$ 5,702,060

			December 31, 2007
	Cost of properties	Deferred Expenditures	Total
Oka	$ 800,000	$ 4,539,624	$ 5,339,624
Grande-Baleine	-	227,976	227,976
	$ 800,000	$ 4,767,600	$ 5,567,600

a) Oka property :

The Oka mining property consists of mining rights comprised of 33 claims covering 1,604 acres, and surface rights on 231 acres.

The Company granted SGF Mines Inc. the option to acquire a 20% interest in two ore deposits of its mining property in consideration of a payment, representing 20% of total expenses incurred to bring the said ore deposits into production.

The Company also granted Teck Corporation the option to acquire a 25% interest of its mining property in consideration of a payment, representing 25% of total expenses incurred to bring the said ore deposits into production and by the payment of $1,000,000 cash of which $500,000 was received.

The options cannot be transferred without the Company’s approval.

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3. Mining and exploration properties (continued):

b) Grande-Baleine Property:

The Company owns a 100% interest in surface and mining rights for the iron property of Grande-Baleine covering 17,097.93 acres on the James Bay territory.

4. Capital stock:

Authorized:

An unlimited number of common shares without par value

	March 31, 2008	December 31, 2007
Issued:		
18,933,833 common shares	$ 11,757,402	$ 11,757,402

5. Stock option plan:

Under the stock option plan for the benefit of the directors and officers of the Company, 2,500,000 common shares are available and their life cannot exceed 10 years. The options vest immediately upon issuance.

The number of stock options outstanding fluctuated as follows:

	March 31, 2008	Average Exercisable Price	December 31, 2007	Average Exercisable Price
Balance, beginning of period	2,502,000	$ 0.64	2,262,000	$ 0.64
Issued	120,000	0.50	740,000	0.63
Exercised	-	-	(130,000)	0.70
Expired	(120,000)	0.55	(370,000)	0.58
Balance, end of period	2,502,000	$ 0.64	2,502,000	$ 0.64

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5. Stock option plan (continued):

As at March 31, 2008, the following options were outstanding and could be exercised:

30,000	shares at $0.55 per share until April 16, 2008
60,000	shares at $0.50 per share until February 23, 2009
600,000	shares at $0.50 per share until May 1, 2009
105,000	shares at $0.95 per share until October 5, 2009
105,000	shares at $0.72 per share until November 13, 2010
240,000	shares at $0.53 per share until March 26, 2012
40,000	shares at $0.50 per share until June 11, 2012
120,000	shares at $0.85 per share until September 15, 2013
175,000	shares at $1.10 per share until March 17, 2014
77,000	shares at $0.98 per share until March 2, 2015
130,000	shares at $0.44 per share until August 31, 2016
160,000	shares at $0.40 per share until January 8, 2017
540,000	shares at $0.72 per share until August 2, 2017
120,000	shares at $0.50 per share until January 16, 2018

During the period ended March 31, 2008, the Company granted 120,000 stock options at a price of $0.50 per share. These options vest immediately. The fair value of each option granted was determined using the Black-Scholes option pricing model. At the date of the grant, this weighted average fair value of stock options granted was $0.427 per option. The following weighted average assumptions were used in these calculations:

Risk-free interest rate	4%
Expected life	10 years
Expected volatility	85.03% to 87.32%
Expected dividend yield	0.00%

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6. Future tax benefits:

The income tax effect of temporary differences that give rise to future tax assets and liabilities is as follows:

	December 31, 2007
Future tax assets:	
Operating loss carryforwards	$ 828,000
Financing costs	-
Credits and other	266,000
	1,094,000
Valuation allowance	(210,000)
	884,000
Future tax liabilities:	
Mining properties	(216,000)
Deferred exploration expenditures	(668,000)
	(884,000)
Net future tax assets	$ -

As at December 31, 2007, the Company had tax losses of approximately $2,932,000 available to apply against future taxable income as follows:

	Amount
2008	$ 588,000
2009	564,000
2010	363,000
2014	380,000
2015	482,000
2026	228,000
2027	327,000
	$ 2,932,000

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6. Future tax benefits (continued):

The Company also has Canadian exploration expenditures of approximately $ 2,292,000 at the federal level and $2,292,000 at the provincial level which may be deducted from future taxable income.

The potential tax benefit relating to these elements has not been recorded.

7. Related party transactions:

During the quarter ended March 31, 2008, the Company incurred the following expenses with Directors or companies controlled by a director of the Company. These transactions were measured at the exchange amount.

	March 31, 2008	December 31, 2007
Administration expenses – professional fees	$ 12,500	$ 33,500
Administration expenses – director's fees	$ 4,000	$ 15,335

8. Quarterly information:

Quarter ended	Total revenue	Net loss	Loss per share
	$	$	$
March 31,2008	9,726	133,360	0.01
December 31,2007	13,457	112,561	0.01
September 30, 2007	13,844	367,199	0.03
June 30 2007	12,021	100,549	0.01
March 31, 2007	13,343	90,565	0.01
December 31, 2006	22,254	104,883	0.01
September 30, 2006	14,766	90,127	0.01
June 30, 2006	15,164	76,561	0.01
March 31, 2006	20,672	41,031	0.01
December 31, 2005	15,644	67,927	0.01
September 30, 2005	20,201	56,367	0.01

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NOTES TO FINANCIAL STATEMENTS

9. Financial instruments:

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

Short-term financial instruments:

Cash, short-term investment, accounts receivable, accounts payable and accrued liabilities are short-term financial instruments whose fair value approximates their carrying amount given that they will mature shortly.

10. Commitments and contingencies:

(a) The Company has leases commitment for premises and the minimum amount payable is $20,056 in 2008.

(b) On February 2, 2004, the Company entered into a purchasing agreement with the city of Oka for the acquisition of the St. Lawrence Columbium site in the amount of $200,000. A total non-refundable amount of $45,000 was paid and the balance of $155,000 will be payable at the beginning of the construction work on the site. The Company has also committed itself to restore and clean an adjacent site. The acquisition of the site is conditional on obtaining all necessary permits, certificates and other authorizations from the Ministère de l'Environnement, du Développement durable et des Parcs (MDDEP) du Québec for the Oka project.

(c) The Company has been named a defendant in a legal action claiming damages in the amount of $172,000. Management is of the opinion that there is a strong defense against the claim. Accordingly, no provision for losses has been reflected in the accounts of the Company for this matter.

11. Liquidity:

The Company's working capital is $847,070 as compared to $1,063,284 at the beginning of the period. The Company has no long-term debt and the working capital on hand is sufficient to cover the cost of current administrative expenses.

12. Capital resources:

There was no financing done during the period.