NIOCAN INC.

FINANCIAL STATEMENTS
(unaudited)

Period ended March 31, 2009

MONTREAL (QUEBEC)

NIOCAN INC.

FINANCIAL STATEMENTS
(unaudited)

March 31, 2009

Financial Statements

NIOCAN INC.

Report to the Shareholders

March 31, 2009, with comparative
figures for December 31, 2008

BALANCE SHEET

	March 31, 2009 (unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1 366 327	$ 1 592 088
Accounts receivable	11 188	21 538
Prepaid expenses	95 329	89 677
	1 472 844	1 703 303
Equipment (note 4)	8 384	8 912
Land	506 887	506 887
Mining and exploration properties (note 5)	5 820 168	5 821 557
	$ 7 808 283	$ 8 040 659
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 11 220	$ 150 787
Shareholders' equity:		
Capital stock (note 6)	12 853 902	12 853 902
Contributed surplus	968 120	968 120
Deficit	(6 024 959)	(5 932 150)
	7 797 063	7 889 872
	$ 7 808 283	$ 8 040 659

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, 2009, with
comparative figures for 2008

STATEMENT OF OPERATIONS AND DEFICIT
(unaudited)

	3-month period ended March 31	
	2009	2008
Revenue:		
Interest received	$ 5 263	$ 7 733
Leases	886	1 993
	6 149	9 726
Expenses:		
Professional fees	24 197	13 879
Office and administration	16 959	15 362
Directors fees	15 700	16 500
Trustees and registration fees	15 236	17 937
Rent	8 714	9 301
Taxes and permits	7 166	7 291
Travel and business development	5 449	6 580
Insurance	3 240	3 199
Telecommunications and web site	1 668	1 328
Amortization	528	366
Interest and bank charges	101	103
Costs of options granted	-	51 240
	98 958	143 086
Net loss	$ 92 809	$ 133 360

See accompanying notes to financial statements.

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Period ended March 31, 2009, with
comparative figures for 2008

STATEMENT OF OPERATIONS AND DEFICIT
(unaudited)

	3-month period ended March 31	
	2009	2008
Net loss	$ 92 809	$ 133 360
Deficit, beginning of period	5 932 150	5 400 269
Deficit, end of period	$ 6 024 959	$ 5 533 629
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, 2009, with
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STATEMENT OF DEFERRED EXPENDITURES
(unaudited)

	3-month period ended March 31	
	2009	2008
Balance, beginning of period	$ 5 021 557	$ 4 767 600
Increase :		
Environmental studies	(1 389)	134 460
	(1 389)	134 460
Balance, end of period	$ 5 020 168	$ 4 902 060
Cumulative deferred expenditures by project		
Oka	$ 4 792 192	$ 4 674 084
Grande-Baleine	227 976	227 976
Balance, end of period	$ 5 020 168	$ 4 902 060

NIOCAN INC.

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STATEMENT OF CASH FLOWS
(Unaudited)

	3-month period ended March 31	
	2009	2008
Operating activities:		
Net loss for the period	$ (92 809)	$ (133 360)
Adjustments for:		
Amortization	528	366
Cost of options granted	-	51 240
Net change in non-cash operating working capital items	(134 869)	(37 107)
	(227 150)	(118 861)
Investing activities:		
Deferred expenditures, net of credits	1 389	(134 460)
	1 389	(134 460)
Net decrease in cash and cash equivalents	(225 761)	(253 321)
Cash and cash equivalents, beginning of period	1 592 088	1 036 469
Cash and cash equivalents, end of period	$ 1 366 327	$ 783 148

Cash and cash equivalents are comprised 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.

1. Nature of operations and going concern :

The Company is at the development stage and has mineral exploration and development properties in the province of Quebec. Substantially, all of the company's efforts are currently devoted to financing, developing and obtaining permits for its niobium property in Oka.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects, excluding its Oka Niobium Project, contain ore reserves that are economically recoverable. With respect to the Oka Niobium Project, the Company has determined in 1999 that the property contains ore reserves which are economically recoverable. The ability of the Company to meet its commitments as they become payable, including the acquisitions of mineral properties and the development of projects, is dependent on the ability of the Company to obtain necessary financing. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete the acquisition, exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Change in accounting policies :

<u>Effective in 2008</u>

Effective January 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, Capital Disclosures, Section 3862, Financial Instruments - Disclosures, and Section 3863 Financial Instruments - Presentation.

Changes in accounting policies in conformity with these new accounting standards are as follows:

Section 1535 establishes disclosure requirements concerning (i) an entity's objectives, policies and processes for managing capital; (ii) the quantitative data about what the entity regards as capital; and

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NOTES TO FINANCIAL STATEMENTS

2. Change in accounting policies (continued) :

Effective in 2008 (continued) :

(iii) whether the entity has complied with any capital requirements and the consequences of non-compliance with such capital requirements.

Sections 3862 and 3863 consist of a comprehensive series of disclosure requirements and presentation rules applicable to financial instruments. They revise and enhance the disclosure requirements set out in Section 3861, Financial Instruments – Disclosure and Presentation, and carry forward unchanged the presentation requirements of Section 3861.

Section 3862 establishes disclosure requirements that enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, which replaces Section 3062, Goodwill and Other Intangible Assets, and amends Section 1000, Financial Statements Concepts. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and other intangible assets subsequent to its initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This new standard is applicable to fiscal years beginning on or after October 1, 2008 and the Company implemented it as of January 1, 2009.

The adoption of the new standards impacted the Company's disclosures provided but has not affected the Company's results or financial position.

Future accounting pronouncements

International financial reporting standards:

In February 2008, the Accounting Standards Board ("AcSB") announced that accounting standards in Canada are to converge with the IFRS and that public companies will be required to present their financial statements , with comparative data, under these standards for fiscal years beginning on or after January 1, 2011. The Company is currently evaluating the impact of these requirements on its financial statements.

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NOTES TO FINANCIAL STATEMENTS

3. Significant accounting principles :

(a) Mining and exploration properties and deferred expenditures :

Mining assets consist of deferred expenditures and development costs 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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NOTES TO FINANCIAL STATEMENTS

3. 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

3. 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, 2009		December 31, 2008
Cash	$	45,232	$	26,255
Money market fund		1,321,095		1,565,833
	$	1,366,327	$	1,592,088

(g) Resource tax credits and mining rights:

The Company incurs exploration expenses that are eligible for tax credits. The tax credits are recorded based on the estimated amounts to be recovered. The amounts claimed are subject to an audit by the tax authorities.

Tax credits on exploration costs relating to mining and exploration assets are deducted from the related asset.

4. Equipment :

						March 31, 2009		December 31, 2008
		Cost		Accumulated amortization		Net book Value		Net book Value
Equipment and furniture	$	16,565	$	11,328	$	5,237	$	5,510
Computer equipment		16,760		13,613		3,147		3,402
	$	33,325	$	24,941	$	8,384	$	8,912

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5. Mining and exploration properties :

	Cost of properties	Deferred Expenditures	March 31, 2009 Total
Oka	$ 800,000	$ 4,792,192	$ 5,592,192
Grande-Baleine	-	227,976	227,976
	$ 800,000	$ 5,020,168	$ 5,820,168

	Cost of properties	Deferred Expenditures	December 31, 2008 Total
Oka	$ 800,000	$ 4,793,581	$ 5,593,581
Grande-Baleine	-	227,976	227,976
	$ 800,000	$ 5,021,557	$ 5,821,557

a) Oka property :

The Oka mining property consists of mining rights comprised of 48 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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5. 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 Hudson Bay territory.

6. Capital stock:

Authorized:

An unlimited number of common shares without par value

		March 31, 2009		December 31, 2008
Issued:				
20,763,833 common shares	$	12,853,902	$	12,853,902

7. Stock option plan:

Under the stock option plan for the benefit of the directors and officers of the Company, 2,950,000 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, 2009		Average Exercisable Price	December 31, 2008		Average Exercisable Price
Balance, beginning of period	2,712,000	$	0.66	2,502,000	$	0.64
Issued	-		-	360,000		0.59
Exercised	-		-	(120,000)		0.55
Expired	(60,000)		0.50	(30,000)		0.55
Balance, end of period	2,652,000	$	0.66	2,712,000	$	0.66

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7. Stock option plan (continued):

As at March 31, 2009, the following options were outstanding and could be exercised:

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 23, 2018
240,000	shares at $0.63 per share until May 8, 2018

8. Future tax benefits:

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

	December 31, 2008
Future tax assets:	
Operating loss carry forwards	$ 814,000
Financing costs	12,000
Credits and other	326,000
	1,152,000
Valuation allowance	(278,000)
	874,000
Future tax liabilities:	
Mining properties	(216,000)
Deferred exploration expenditures	(658,000)
	(874,000)
Net future tax assets	$ -

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8. Future tax benefits (continued):

As at December 31, 2008, the Company had tax losses of approximately $2,806,000 available to apply against future taxable income as follows:

	Amount
2009	$ 564,000
2010	363,000
2014	380,000
2015	482,000
2026	228,000
2027	327,000
2028	462,000
	$ 2,806,000

The Company also has Canadian exploration expenditures of approximately $ 2,448,000 at the federal level and $2,448,000 at the provincial level which may be deducted from future taxable income.

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

9. Related party transactions:

During the quarter ended March 31, 2009, 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, 2009	December 31, 2008
Administration expenses – professional fees	$ 11,700	$ 32,300
Administration expenses – directors' fees	$ 4,000	$ 39,567
Share issue expenses- commission	-	$ 59,400

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10. Quarterly information:

Quarter ended	Total revenue	Net loss	Loss per share
	$	$	$
March 31, 2009	6,149	92,809	0.01
December 31, 2008	24,722	58,148	0.01
September 30, 2008	11,779	124,233	0.01
June 30, 2008	6,582	216,140	0.01
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

11. Financial instruments and risk management:

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

a) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. Cash equivalents consist of money market funds.

b) Interest rate risk:

The cash and cash equivalents bear interest at a variable rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

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11. Financial instruments and risk management (continued) :

c) Liquidity risk:

Management of liquidity risk aims to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Obtaining new funds allows the Company to pursue its activities. Prior success raising funds does not guarantee success in the future

d) Fair value

The fair value of financial instruments is summarized as follows:

	March 31, 2008		December 31, 2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Held for trading				
Cash and cash equivalents	$ 1,366,327	$ 1,366,327	$ 1,592,088	$ 1,592,088
Loans and receivables				
Taxes and other receivables	$ 11,188	$ 11,188	$ 21,538	$ 21,538
Financial liabilities				
Other liabilities				
Accounts payable and accrued liabilities	$ 11,220	$ 11,220	$ 150,787	$ 150,787

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments.

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12. Capital disclosures:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

In the management of capital, the Company includes the components of shareholders' equity, cash and cash equivalents as well as short-term investments.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. The Company does not use long-term debts since it does not generate operating revenues. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last period.

13 Commitments and contingencies:

(1) The Company has leases commitment for premises and the minimum amount payable is $20,289 in 2009.

(2) 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.

(3) 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.