

## ASX RELEASE

27 June 2007

### VULCAN TO RAISE \$49 MILLION, SEEK CO-LISTING IN NORWAY

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Vulcan Resources Limited ("Vulcan") (ASX: VCN) today announced a \$49 million capital raising and a decision to seek a co-listing on the Norwegian Stock Exchange (Oslo Bors).

The capital raising will be effected through a 1-for-1 non-renounceable rights issue at \$0.45 per share, supported by Pareto Securities ASA, one of Scandinavia's leading stockbroking groups.

Proceeds from the issue will be used to accelerate the development of the Kylylahti Copper-Cobalt-Nickel Project and Resource delineation and evaluation of the Kuhmo Nickel Project.

Pareto has entered into an agreement which provides Vulcan with a firm undertaking guaranteeing to place any shortfall to the issue. Pareto will place shortfall shares to its European and Norwegian institutional and other clients.

The developments represent a major boost for Vulcan's plans for the highly prospective Kylylahti and Kuhmo projects.

Vulcan Managing Director Alistair Cowden, said the support of Pareto and the strong interest from European institutions had created a platform to take the company to the next level.

"This measure of support underlines the quality of our projects and provides the opportunity to introduce new institutional investors to our register," said Dr Cowden.

"We believe this creates the opportunity to accelerate the development of these quality projects and drive value for all of our shareholders."

The Rights Issue will raise \$49 million (US\$41 million) before costs. The record date for entitlement to the rights is 6 July 2007 and the Prospectus will be despatched to eligible security holders by 10 July. The closing date for the Rights Issue is 24 July.

Vulcan has agreed with Pareto to seek a listing on the 'OTC' market in Oslo followed by a dual listing on the Oslo Bors. The Company believes that there is a substantial institutional and retail demand for Resource stocks in the Nordic countries and elsewhere in Europe and, in particular, for companies such as Vulcan with operations in the Nordic countries.

Pareto is one of Scandinavia's leading broking and financial services company based in Oslo, Norway. Pareto was founded in 1986 and offers a broad range of services in securities broking, equity raisings, debt raisings, advisory services, funds management, project finance and asset broking and management. Pareto has recently managed the listing of resource companies Northland Resources, Crew Minerals and London Mining on the Oslo Bors.

The Oslo Bors is a regulated international securities market which offers trading in equities, derivatives and bonds. Market capitalisation of listed companies is €280 billion (A\$450 billion). Trading volumes are €320 billion (A\$512 billion) per annum and 70% of trading originates outside Norway. Trading is highly liquid with volumes three times that on London's AIM market despite there being a sixth of the number of listings.

The attached Appendix 3B provides a summary of the proposed issue.

- ENDS -

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**About Vulcan**

Vulcan Resources Limited is a base and precious metals development and exploration company in Finland.

The Company's primary focus is the completion of a definitive feasibility study on its 100% owned Kylylahti copper-cobalt project located in eastern Finland which has a Resource of 7.85 million tonnes grading 1.17% copper, 0.24% cobalt, 0.22% nickel, 0.49% zinc and 0.70 g/t gold

A Definitive Feasibility study managed by SNC-Lavalin Australia is examining the construction of a 13 year underground mine, concentrator and Ni-Co concentrate processing plant.

The Kuhmo Nickel Project is 95% owned by Vulcan and has a Resource containing 30,000 tonnes of nickel metal and over 120,000 ounces of platinum, palladium and gold.

Vulcan also has extensive vanadium, nickel-copper and platinum group element projects in northern Finland.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Name of entity	ABN
VULCAN RESOURCES LIMITED	60 100 072 624

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- Class of securities issued or to be issued  
Ordinary shares
- Number of securities issued or to be issued (if known) or maximum number which may be issued  
108,939,042
- Principal terms of the securities (e.g., if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)  
Fully paid ordinary shares
- Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?  
Yes  
  
If the additional securities do not rank equally, please state:
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

**Appendix 3B**  
**New issue announcement**

5	Issue price or consideration	\$0.45 per share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The main purpose of the Rights Issue is to raise funds for the Company's mining projects, principally to accelerate the development of the Kylylahti Copper-Cobalt mine, and advancing the Kuhmo Nickel project to feasibility stage.	
7	Dates of entering securities into uncertificated holdings or despatch of certificates	1 August 2007	
8	Number and class of all securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	Class
		217,878,084	Ordinary fully paid (VCN)
9	Number and class of all securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	Class
		2,500,000	Options (Various) expiring 30 June 2008, ex 20 cents (VCNAZ)
		2,500,000	Options (Various) expiring 30 June 2009, ex 20 cents (VCNAB)
		520,000	Options (Employee) expiring 1 February 2009, ex 30 cents (VCNAD)
		10,000,000	Options (Macquarie Bank) expiring 28 February 2009, ex 25 cents (VCNAE)
		1,000,000	Options (Director) expiring 28 February 2009, ex 26 cents (VCNAF)
		600,000	Options (Employee) expiry 1 July 2010, ex 30 cents. (VCNAG)
		3,000,000	Options (Director) expiry 1 July 2010, ex 30 cents. (VCNAH)
		500,000	Options (Director) expiry 28 February 2009, ex 30 cents. (VCNAI)
		950,000	Options (Employee) expiry 31 December 2010, ex 35 cents. (VCNAJ)
1,000,000	Options (Employee) expiry 1 July 2010, ex 35 cents. (VCNAL)		
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a	

## Part 2 - Bonus issue or pro rata issue – *Not Applicable*

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the securities will be offered	1 for 1
14	Class of securities to which the offer relates	Fully paid ordinary shares
15	Record date to determine entitlements	6 July 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	USA, Japan, South Africa, Hong Kong & France
19	Closing date for receipt of acceptances or renunciations	24 July 2007
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/a
25	If the issue is contingent on security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	10 July 2007

## Appendix 3B

### New issue announcement

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	28 June 2007
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	Despatch date	1 August 2007

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities -**

*(If the additional securities do not form a new class, go to 43)*

*Tick to indicate you are providing the information or documents*

- 35  If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36  If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over
- 37  A copy of any trust deed for the additional securities  
*(now go to 43)*

**Entities that have ticked box 34(b)**

- 38 Number of securities for which quotation is sought
- 39 Class of securities for which quotation is sought
- 40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?  
  
 If the additional securities do not rank equally, please state:  
 • the date from which they do  
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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- 41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period  
  
 (if issued upon conversion of another security, clearly identify that other security)
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- 42 Number and class of all securities quoted on ASX *(including the securities in clause 38)*
- |  | Number | Class |
|--|--------|-------|
|  |        |       |

**Appendix 3B**  
**New issue announcement**

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(now go to 43)

**All entities**

**Fees**

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

**Quotation agreement**

- 1 Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those securities should not be granted quotation.
  - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
Company Secretary

Date: 27 June 2007

Print name:

**ANTHONY BEGOVICH**

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