



Vulcan gets high-grade results in Finland

increase this estimate to 10-15 million tonnes.

Vulcan also signed key commercial agreements for Kylylahti during this period while approaching the completion of a DFS in mid-2007 for the development of a 550,000tpa underground mine and processing plant.

With the first ore predicted for the start of 2009, Kylylahti represents a core asset that will allow Vulcan to harvest commercial gains as it transitions from explorer to a base metals producer over the next few years.

Supported by strong current nickel prices, Vulcan maintained a strong interest in the north-eastern Finnish Kuhmo Nickel Project (95 per cent), commissioning an independent resource calculation. The results indicated 30,000 tonnes of nickel metal and over 120,000 ounces of platinum, palladium and gold, reconfirming the

existence of a greenstone belt directly analogous to those found in Western Australia.

Further work is required to achieve saleable concentrates from all ore types at Kuhmo and Vulcan will evaluate the potential for open pit mining of the shallow Resource and trucking of ore for treatment at the Kylylahti mill or a third party.

High concentrate grades of up to 1.4 per cent vanadium were uncovered

from initial metallurgical test work, analysis and re-sampling of existing drill core assays of three drill holes taken across Vulcan's vanadium tenure in northern Finland.

The results reveal potential for shallow outcropping deposits of many hundreds of millions of tonnes in size may permit development of a low-cost, large-scale vanadium mining and processing operation in Finland. ■

Emerging explorer and developer Vulcan Resources achieved significant progress at its Finnish projects for the half year ended December 2006, including its Kylylahti copper-cobalt project, the Kuhmo nickel project and the extensive Vanadium project tenure in northern Finland.

Much of Vulcan's focus during this period was directed towards the highly advanced 100 per cent owned Kylylahti copper-cobalt project.

The company uncovered further high-grade drilling results at Kylylahti and increased its indicated and inferred resource estimate to 7.45 million tonnes with a conservative metal valuation of US\$2.4bn at 1.07 per cent copper, 0.22 per cent cobalt, 0.22 per cent nickel, 0.43 per cent zinc and 0.69g/t gold (4.8 per cent copper equivalent).

Significantly, the ore remains open to depth below 600m and additional exploration is expected to further