



# Vulcan looks to Finnish line

A quick glimpse of the company's recent activity and it is easy to understand why Vulcan Resources Ltd managing director Alistair Cowden gave such a bright and enthusiastic presentation at this year's Diggers & Dealers forum.

The company is racing towards development at its Kylylahti polymetallic project in eastern Finland and on the morning of Cowden's presentation announced it had completed a \$52 million raising to advance both that project and other exploration projects in the Scandinavian nation.

"For the first time I am in a company unconstrained by money, we can do what we want to do," a delighted Cowden told his audience.

What Vulcan wants to do is quickly move into development on Kylylahti, near the town of Outokumpu, famous for being the birthplace of its namesake engineering house.

"We were very lucky to get into Finland three years ago, before the world started paying attention to this part of the world. We now have the foundations of a serious mining house with the two projects we have now. I like to think we are in a position similar to what someone like Kagara (Zinc Ltd) was three to five years ago."

The resource at Kylylahti is 7.85mt @ 1.17% copper, 0.24% cobalt, 0.22% nickel, 0.49% zinc and 0.7 g/t gold making it what Cowden describes as a "truly polymetallic project".

Vulcan's exploration drilling at Kylylahti measures 15,000m so far, a figure which has seen the company increase the resource by 90% in the three years it has been on the ground.

"I think we can double this. It is 1.2km long and the mineralisation is about 600m deep.

**Alistair Cowden**

But it is still open because that is where the drilling finishes."

With the funding in place, Cowden said the company had mobilised a drill rig to site and was scheduled to start drilling before the end of August.

"I think it (the system) will go for at least 4km, it just depends whether it is economic or not."

The resource as it stands is now being incorporated into a BFS which Cowden said would be finished "in four to six weeks".

The operation will produce two products, a gold-copper concentrate and a bulk cobalt-nickel-zinc concentrate. The copper-gold concentrate will be sold to European smelters for which Vulcan already has letters of intent. The nickel-cobalt concentrate will be trucked to a nickel-cobalt concentrate processing plant. "This is to maximise payability and metal recovery, by taking advantage of the fantastic existing metallurgical facilities they have in Finland."

Cowden said the concentrate could produce a number of intermediate products that would not be available through regular nickel smelting.

"We have a collaborative arrangement with Kemira GrowHow which has an acid plant 100km away. We will be roasting and leaching and producing a range of intermediate products for direct sales to markets in Australia, Norway, Finland and Europe." If the BFS is successful Cowden expects to be breaking ground at Kylylahti by the end of the year.

Cowden believes the Outokumpu district represents an entirely new mining camp.

More than 2 billion lb of copper and 1 moz of gold was produced from the district between 1914-1995 and Cowden is convinced there is more to come.

"This is like any other mining camp, if you use modern exploration techniques and it gets up and running again, it could go for another 30-40 years."

Cowden said the 120km greenstone belt shared many similarities with Kambalda and it is to nickel which Vulcan is turning to provide it with a second potential operation.

"We have enormous intellectual capital in this country which we tend to forget. That's what we've brought to this project."

The Kuhmo project is showing potential with the company hoping to start a pre-feasibility study by the end of the year.

At the Peura-aho prospect, outcropping nickel massive sulphides have been sampled at 2.5% nickel.

"One hole we drilled (at Peura-aho), probably straight through the orebody, hit 58m @ 1.3% nickel, 0.6% copper, 1 g/t palladium and 0.2 g/t platinum and just this morning I announced more results from 5km away at Hietaharju where intersections included 5.2m @ 2.5%, 1.5% copper and 6.4 g/t platinum plus palladium; 6.9m @ 1.2%. These are very interesting projects," Cowden said.

**- Dominic Piper**

