

Vulcan

*As fast as we can
towards production*

essent start essent



The Finnish is just the Start!

Agenda

The background image shows a biathlon race in progress on a snowy slope. Two athletes are visible in the foreground, one in a red suit and one in a blue and purple suit, both in a crouched starting position. In the background, there are spectators, a red utility building, and banners for 'essent start' and 'VIROPIE'.

1. Overview
2. Kylylahti Copper-Cobalt Project
3. Kuhmo Nickel Project
4. Layered Intrusion Exploration
- Vanadium, PGE & Nickel
5. Summary

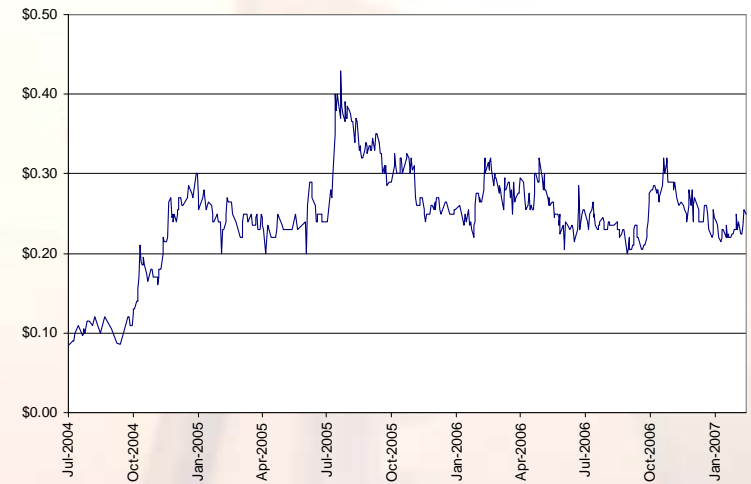
Key Investment Themes

- Mid 2007 - Kylylahti copper-cobalt mine Bankable Feasibility Study
- Late 2007- underground mine construction to start
- Production from early 2009, life of mine revenue of US\$1.5 bn
- Project pipeline - Nickel sulphide resources & targets, vanadium deposits



The Company

- ASX: VCN, listed 2002
- 99.7m shares, 34m options
- Market capitalisation A\$27m, cash A\$7.5m
- Major shareholders (top 40 hold approx 75%)
 - Cambrian Mining 16.1m (16.1%)
 - Finnish Industry Investment 10.7m (10.7%)
 - Directors 5.5m (5.5%)
 - Sempra Metals 5.3m (5.3%)
 - Macquarie Bank 2.5m (2.5%)



Vulcan's team - building a mining house in Finland



Barry Eldridge
Chairman



Michael Blakiston
Non-Executive Director



Jarmo Vesanto
Manager, Finland



Alistair Cowden
Managing Director



Campbell Baird
GM, Operations



Nick Walker
Chief Geologist



Heikki Solin
Non-Executive
Director



John Brodziak
Project Manager,
Kylälahti



Seppo Tuovinen
Mining Manager,
Finland

Finland is Mining Friendly

- First ranked Euro zone economy
- Government support, no royalties
- Cluster of base metals smelters & refineries
- Vibrant industry of miners, explorers & equipment manufacturers



Kylylahti Copper-Cobalt-Nickel Project

- Background
- Geology & Resources
- Mining & Processing
- Bankable Study

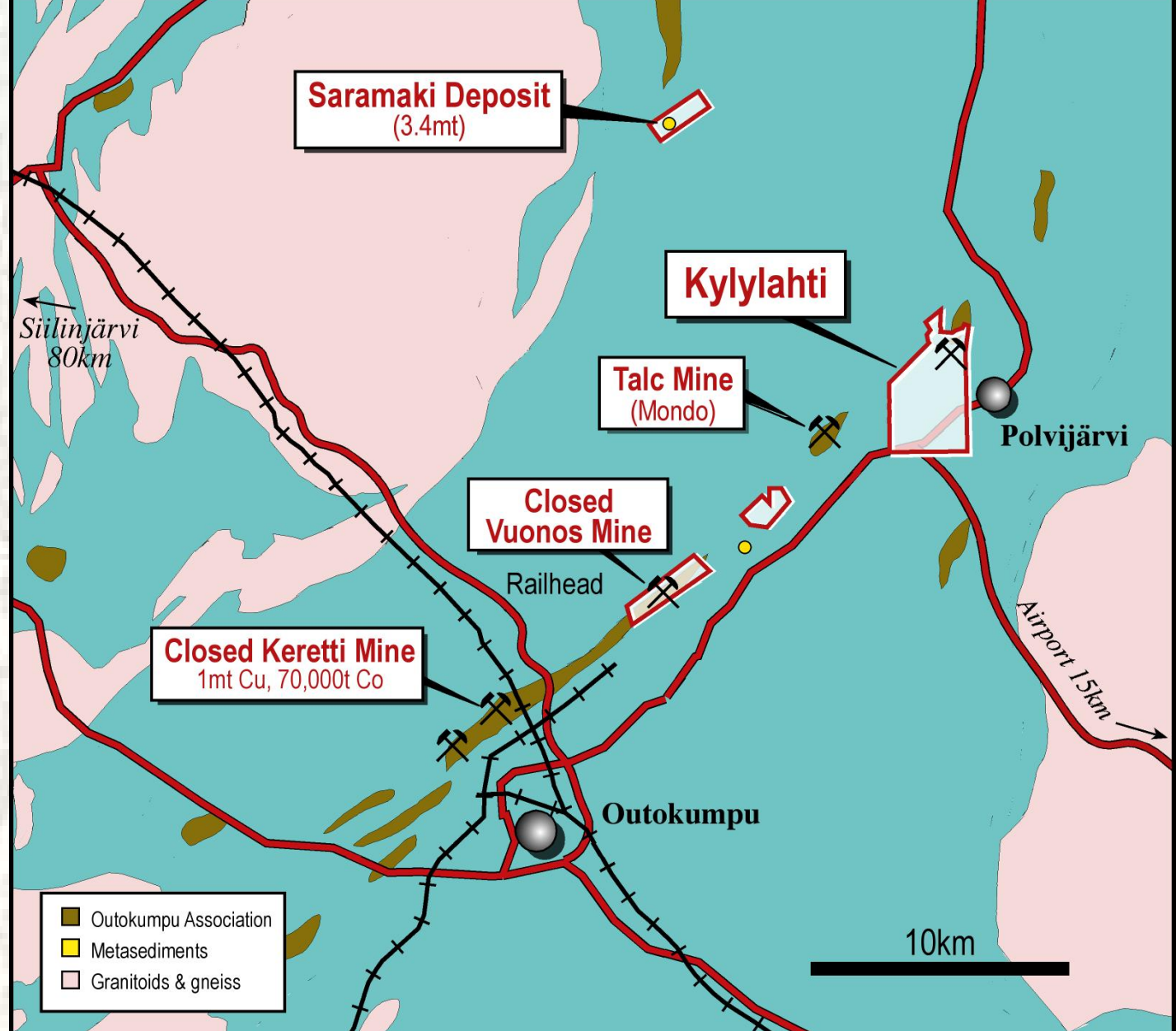




Kylylahti Background

Outokumpu Copper Camp

- 2 billion lbs Cu, 1m oz Au produced
- 80 year mining history (1914-1995)
- Excellent infrastructure



Local mining culture

Historic Outokumpu Plant 20km from
Kylylahti project

*Malmikumpu Bar,
Outokumpu*



Kylylahti History



Discovered by Outokumpu
1984

Never developed – prices &
change in corporate focus

Acquired by Vulcan
Dec 2004

Pre-Feasibility Study
Nov 2005

Definitive Feasibility Study
Completion mid 2007

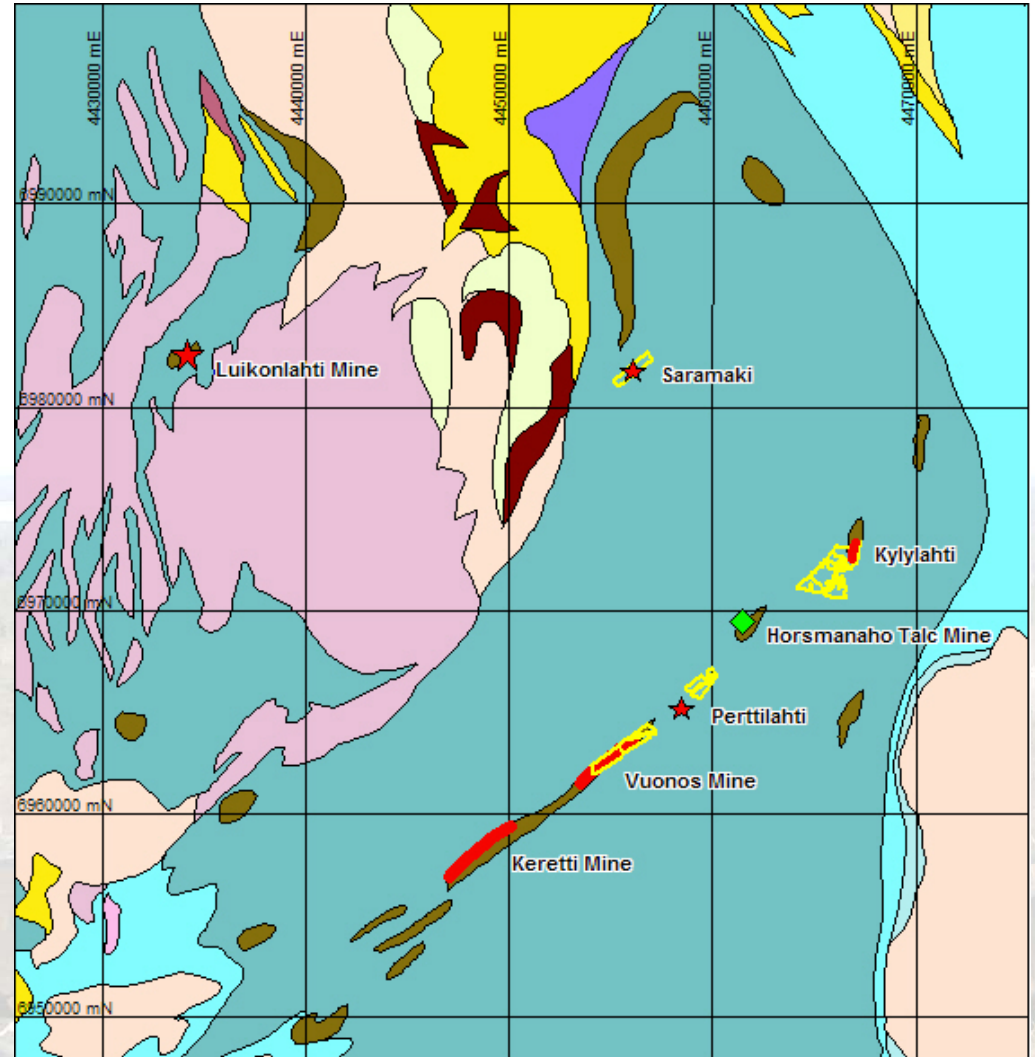
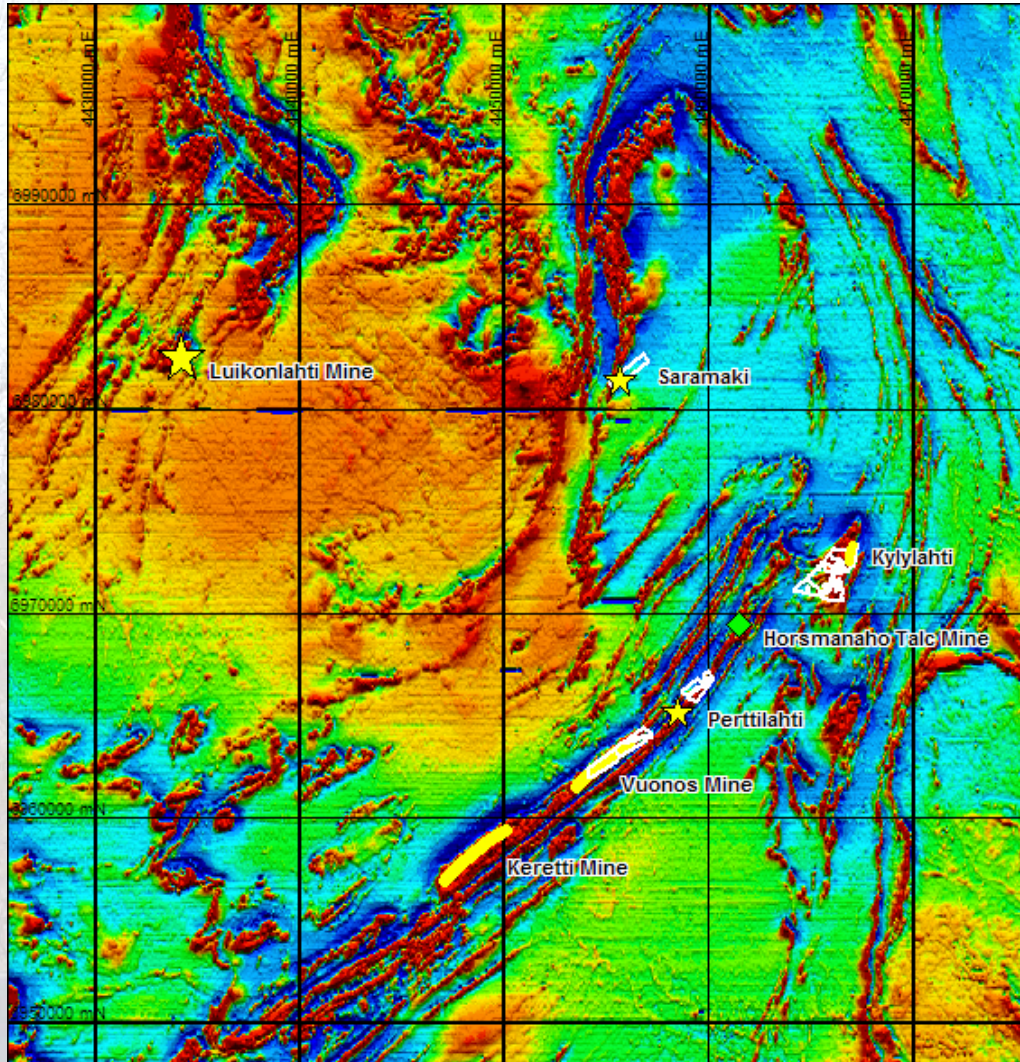




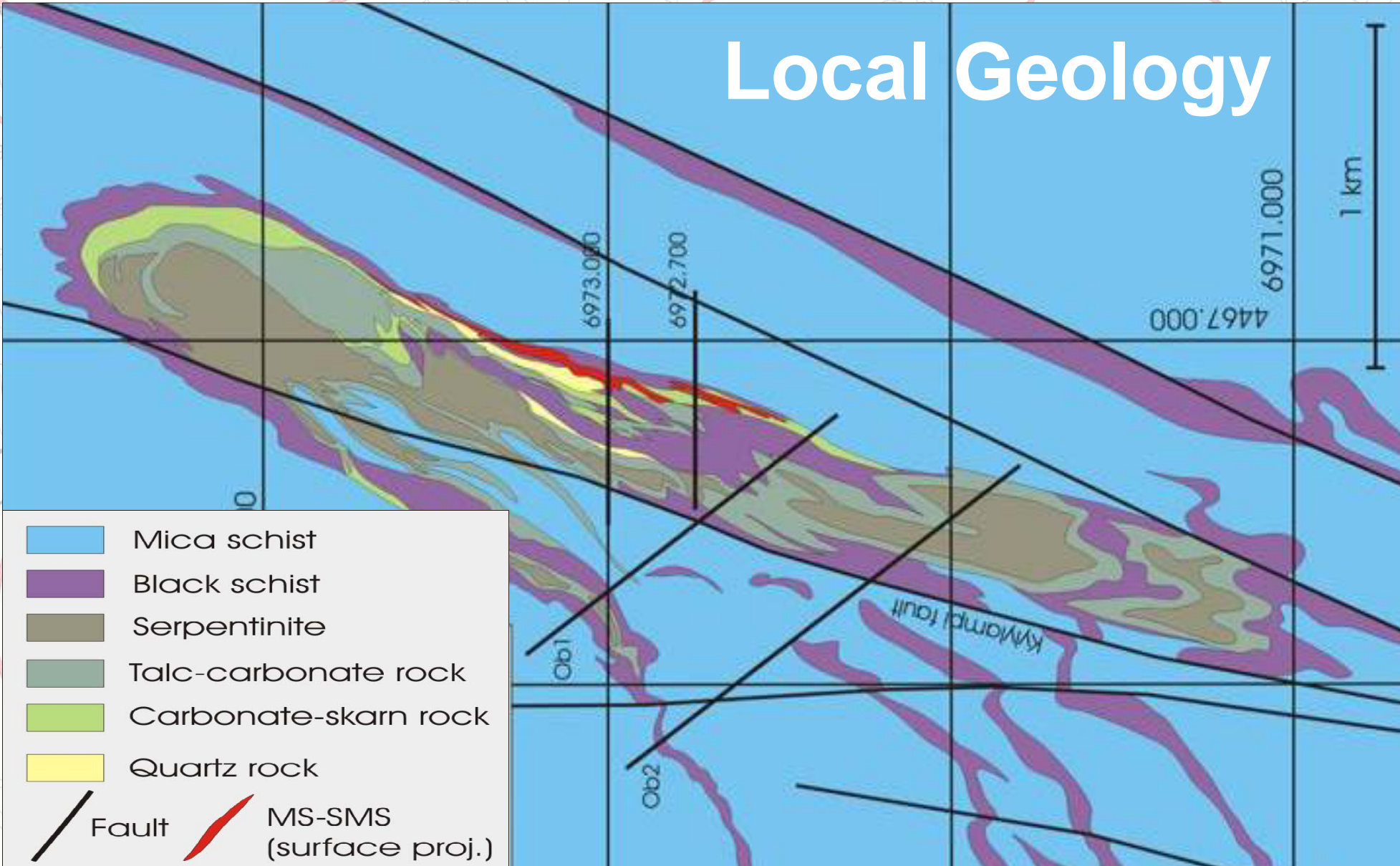
Kylylahti

Geology & Resources

Regional Geology

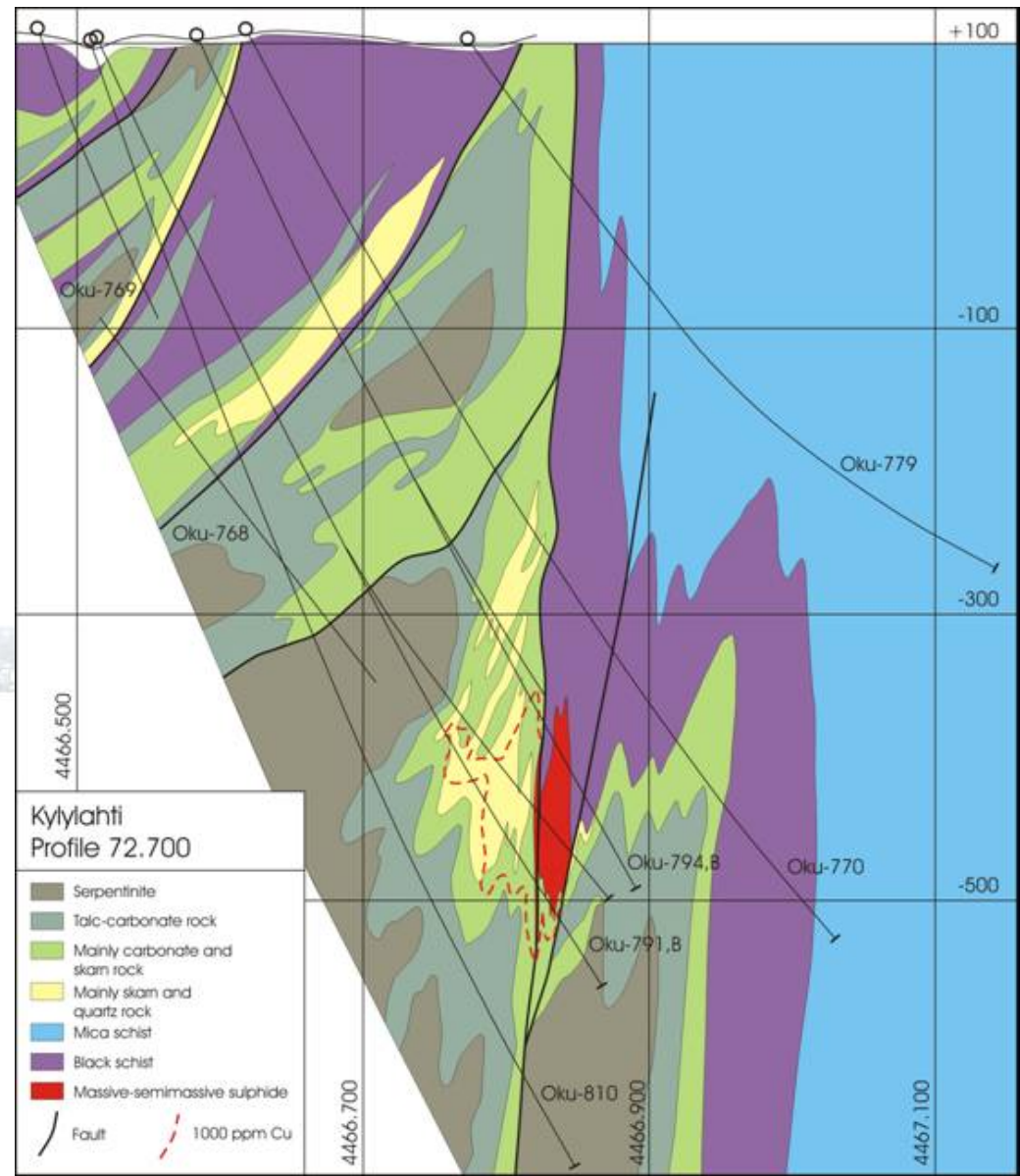


Local Geology



Schematic Cross Section

- Complex polyphase deformation
- Upper Amphibolite facies for 200Ma
- No modern analogue



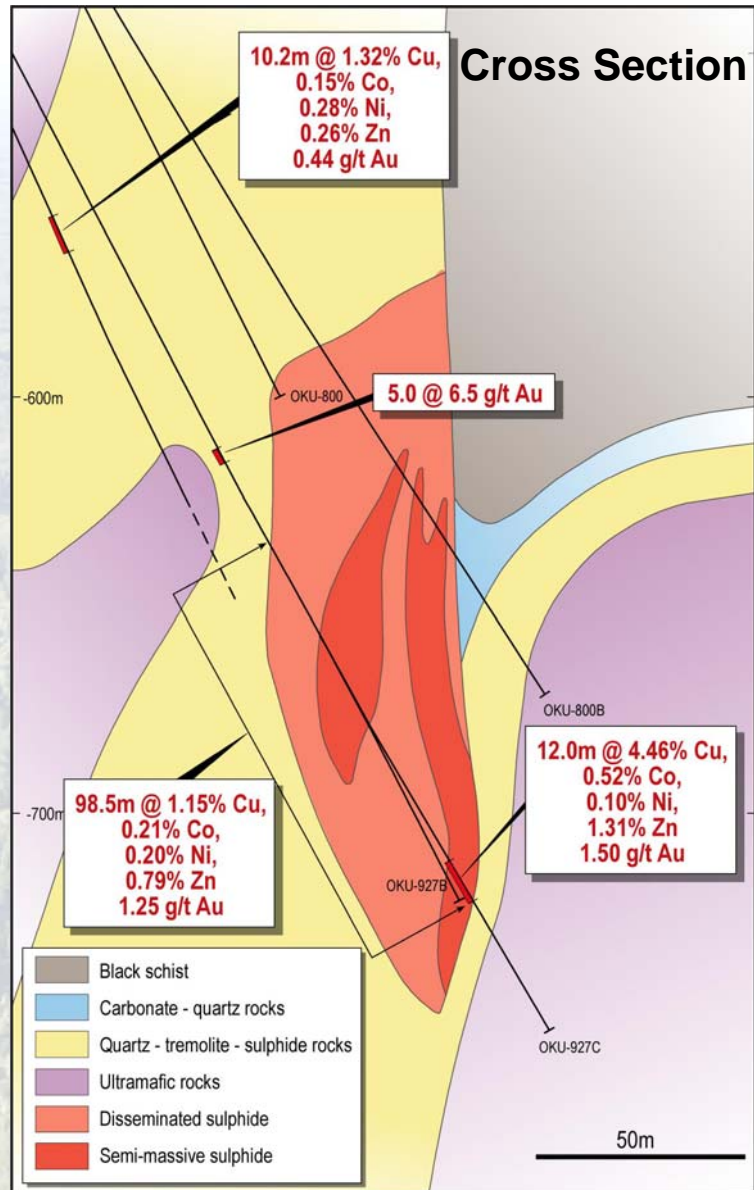
**Altered
ultramafic
rock:
quartz-
tremolite-
sulphide
mylonite**



**High grade
semi-
massive
sulphide
quartz-
sulphide
gneiss**



Large Growing Resource



- 7.45 million tonnes @ 5.5% Cu eq
 - 1.10% Cu
 - 0.22% Co
 - 0.22% Ni
 - 0.40% Zn
 - 0.7 g/t Au
- Contains metal equivalent in value to:
 - 900 million lbs copper
 - US\$2.3bn (US\$316/t) today's prices
- Open at depth

Exploration Upside

-200m

-400m

-600m

Wallaby

Infill the gap

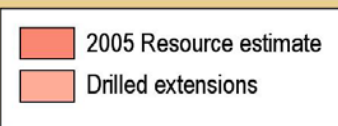
Extend high grade
down plunge

Wombat

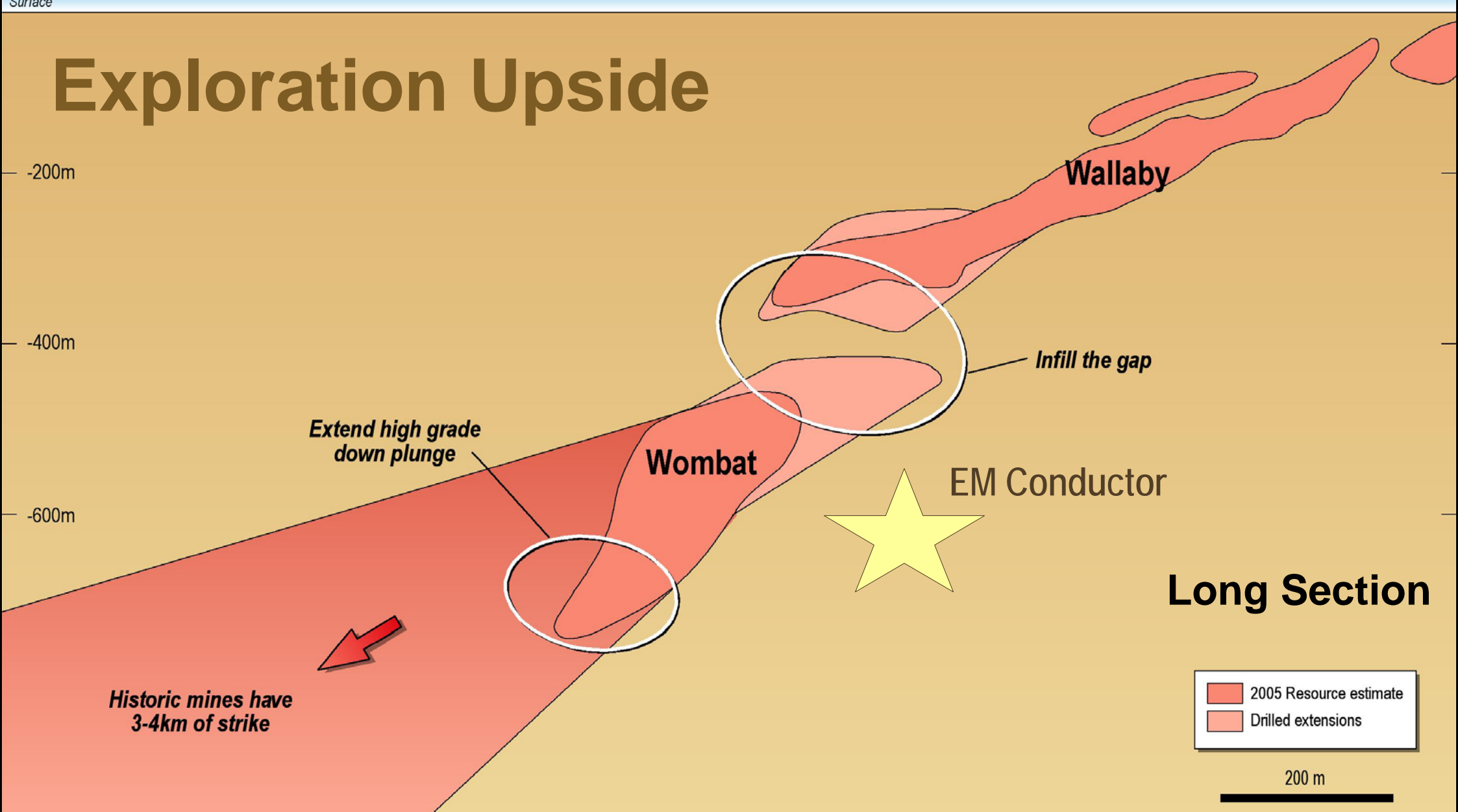
EM Conductor

Long Section

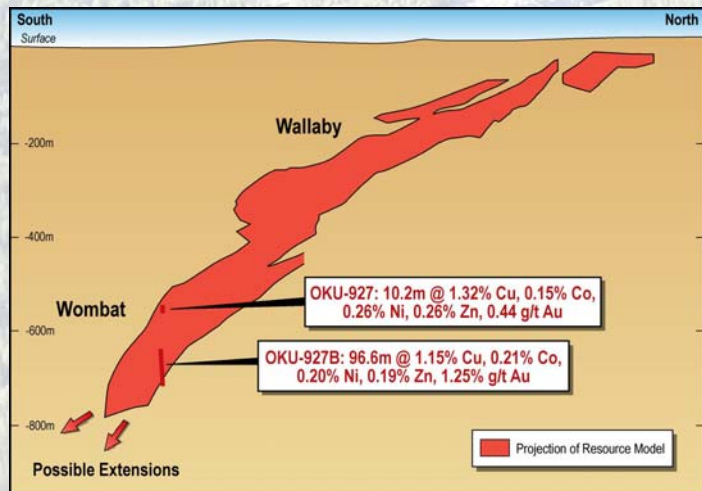
Historic mines have
3-4km of strike



200 m

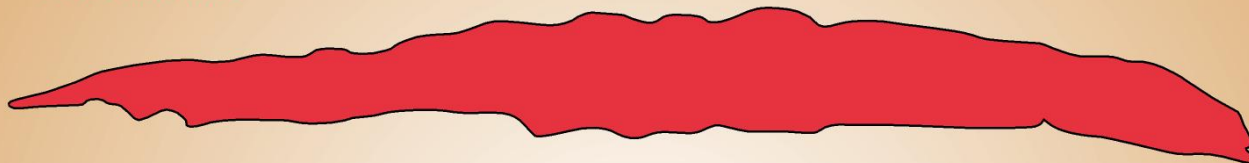


How Big will Kylylahti be?



Comparison of Three Major Deposits in the Outokumpu Copper Camp

Keretti Mine



29.2 Mt @ 3.3% copper, 0.8% zinc, 0.25% cobalt and 0.8 g/t gold

Vuonos Mine



11 Mt @ 2.14% copper, 1.31% zinc, 0.14% cobalt and 0.17% nickel

Kylylahti Deposit

Open



7.5 Mt @ 1.1% copper, 0.43% zinc, 0.22% cobalt, 0.22% nickel and 0.7 g/t gold



***Vulcan now has
the tools to
explore***

***Introduced directional
drilling & modern
downhole geophysics
to Finland***



Target of 10-15 million tonnes

- Kylylahti extensions (1km plus?)
- Satellite Resources
 - Saramäki, Vuonos & Perttilahti
- Anomalies adjacent to Kylylahti
- Modern exploration technologies





Kylylahti

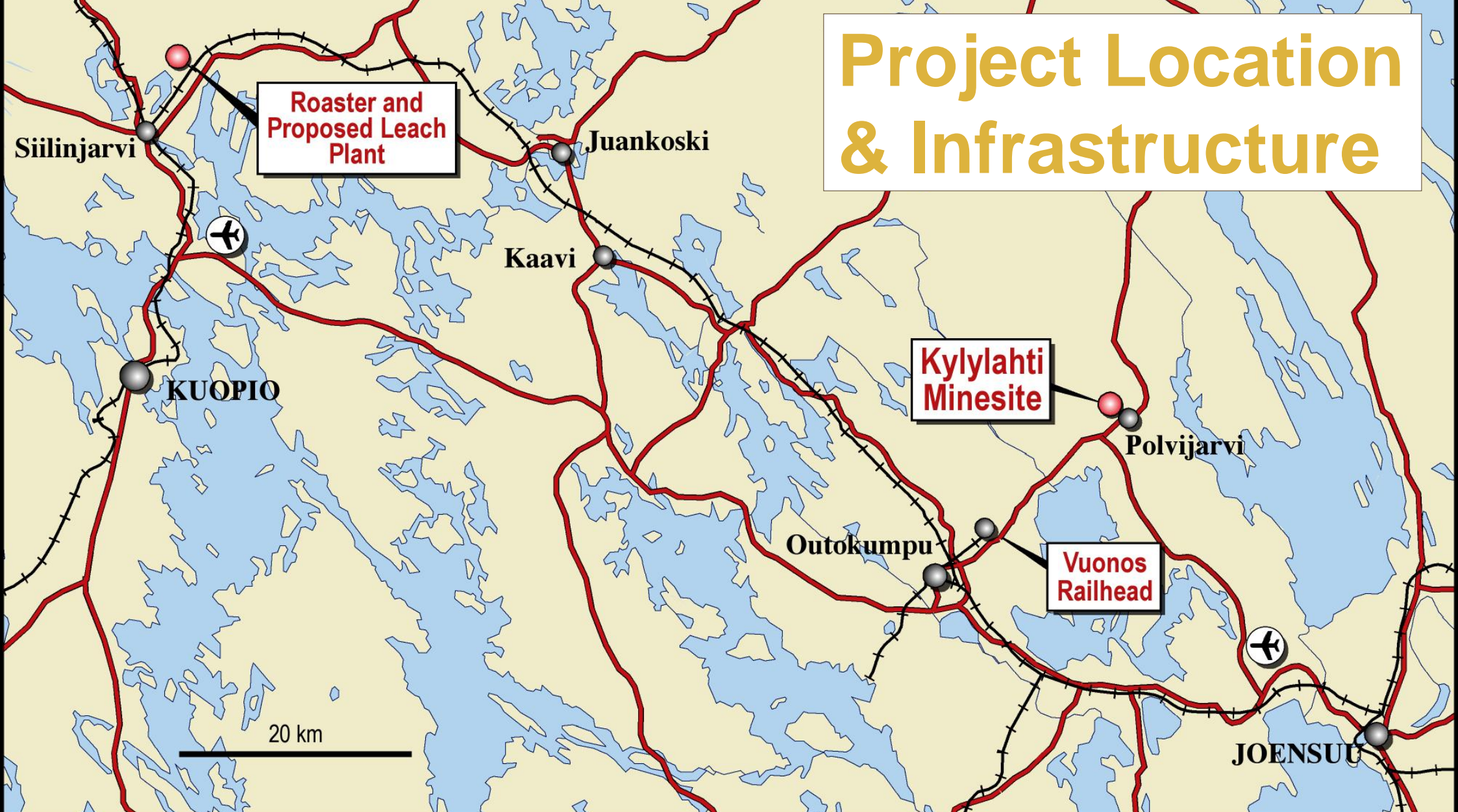
Mining & Processing

Project Outline

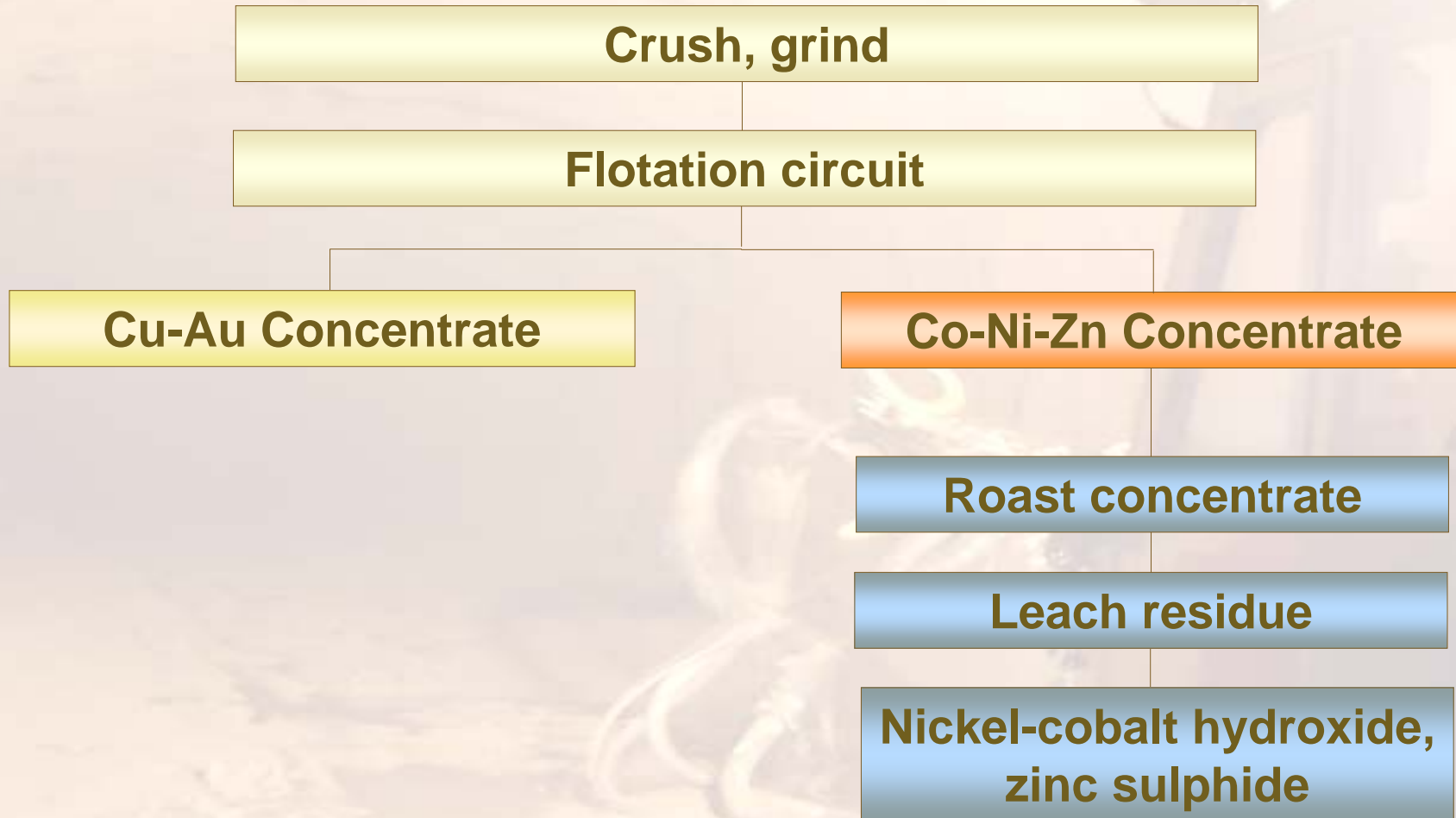
- Underground decline mine, 550,000tpa, 12 year life
- Long hole open stoping with paste fill for tailings disposal
- Conventional Concentrator produces Cu-Au & Ni-Co-Zn concentrates
- Concentrate processing plant produces Ni-Co hydroxide, Zn sulphide



Project Location & Infrastructure



Process Route



Low impact site, excellent infrastructure

**Construction
Materials - Talc Waste
Dump**



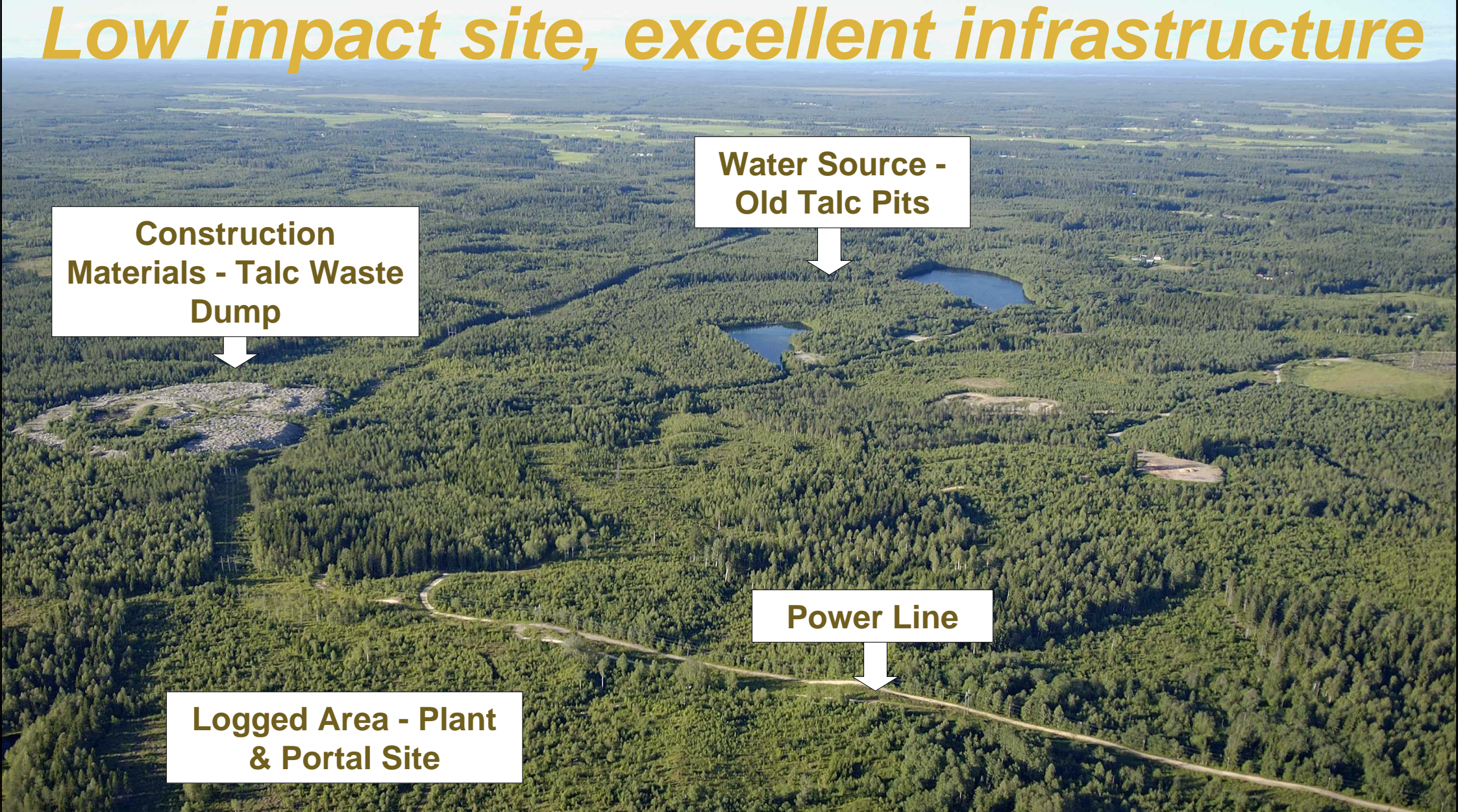
**Water Source -
Old Talc Pits**



Power Line



**Logged Area - Plant
& Portal Site**



Annual Production (Yrs 1-7)

Average metal in concentrate		Value (US\$) March 2007 Prices*
Cobalt	1,330 t	\$ 89.0 m
Copper	8,300 t	\$ 55.0 m
Nickel	750 t	\$ 36.0 m
Gold	8,780 oz	\$ 5.7 m
Zinc	1,950 t	\$ 6.6 m
		US\$193.0 m pa

* copper US\$3.00/lb, cobalt US\$30.50/lb, nickel US\$22.00/lb, gold US\$650/oz, zinc US\$1.53/lb



Kylylahti Bankable Study

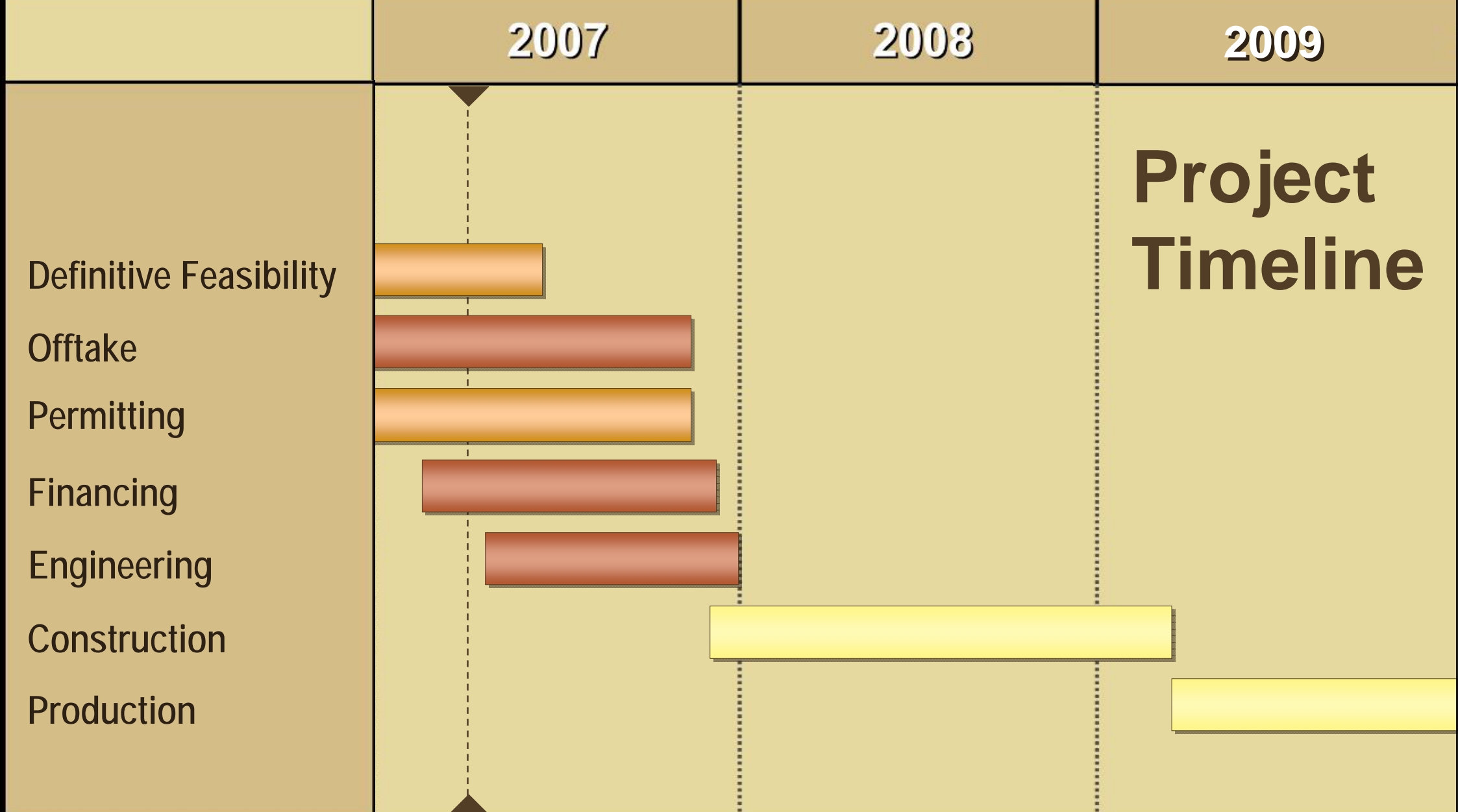
Bankable Study by mid 2007



Work Completed



- Compilation of historic drilling, geophysics & metallurgy
- Drilling – 43.5km Outokumpu, 14.5km Vulcan
- Geotechnical studies, mine design & schedules
- Physical, flotation, roasting & leaching testwork
- Process plant design & engineering
- Permitting in final stages
- Vulcan expenditure A\$10.5m



2007

2008

2009

Project Timeline

Definitive Feasibility

Offtake

Permitting

Financing

Engineering

Construction

Production

Offtake & Financing

Copper-gold concentrate

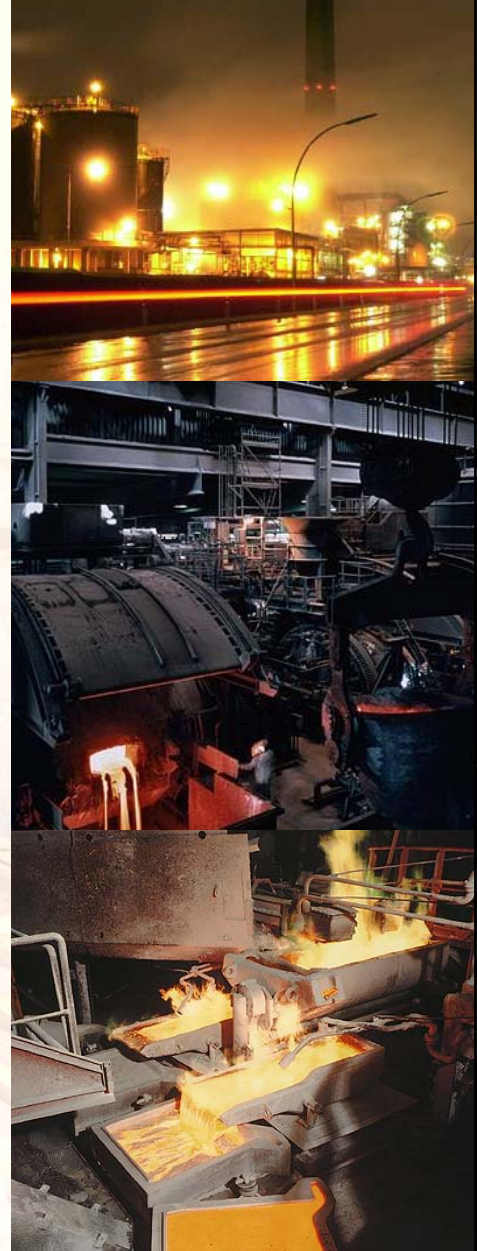
- Letters of Intent with New Boliden & Norddeutsche

Nickel-cobalt hydroxide

- Discussions with European & other refineries underway

Financing

- Discussions with banks, offtakers, partners underway, UK Financial advisor engaged



Cobalt Markets

New generation metal

- ipods, alternative fuels and hybrid cars

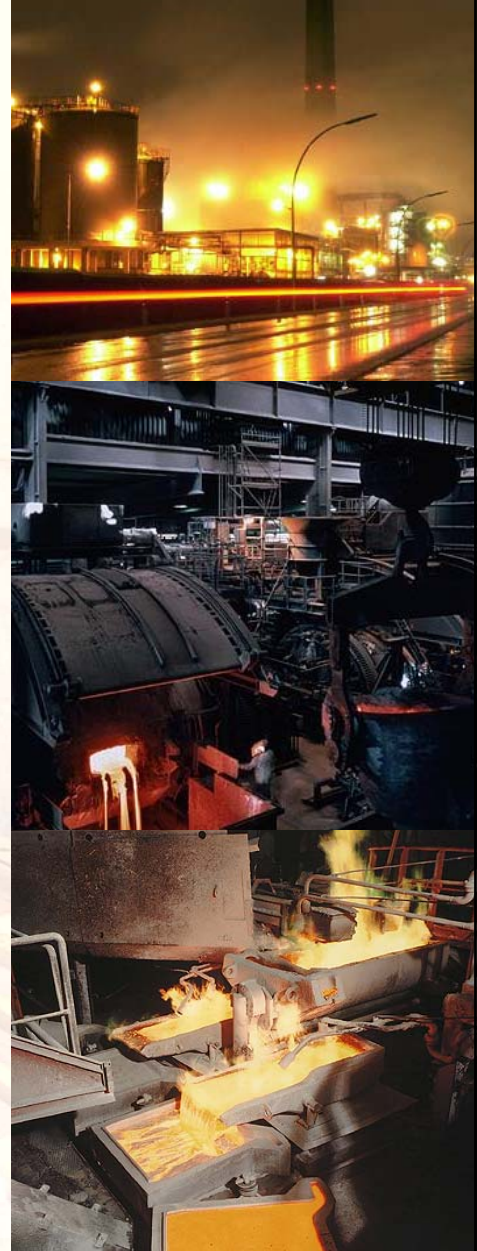
Demand forecast to double by 2015

- Market of 50,000tpa growing at 4-5,000tpa, a Ravensthorpe every 4 months

Structural change in market

- Stockpiles gone, Norilsk, OMG & China

Supply growth reliant on Congo & laterites





Finland - Nickel Industry

- Nickel smelter at Harjavalta owned/operated by New Boliden
- Nickel refinery at Harjavalta (Norilsk), cobalt refinery at Kokkola (OMG)
- Hitura nickel mine & mill owned by Belvedere (Toronto)
- Many former producing nickel mines, typically low grade



Kuhmo Nickel Project

- Outcropping massive nickel sulphides first discovered 1964
- Fragmented ownership allowed Vulcan to build a dominant land position
- Under-explored 150km long greenstone belt



Project History

The background of the slide is a faded, light-colored photograph of a winter mountain scene. It shows a ski lift with several red and white gondolas ascending a snowy slope. The surrounding area is filled with dense evergreen trees covered in snow, and a small building or cabin is visible on the mountain. The overall tone is bright and wintry.

- Nickel sulphide outcrops discovered in 1960's-1970's
- Limited exploration
 - Different style from known Finnish deposits
 - Metal prices
 - No large deposits found
- Outokumpu/GTK exploration in 1990's
 - Discovered Vaara, looked at PGE's
 - Outokumpu withdrew from mining
- Vulcan 2005

Analogous to Australia



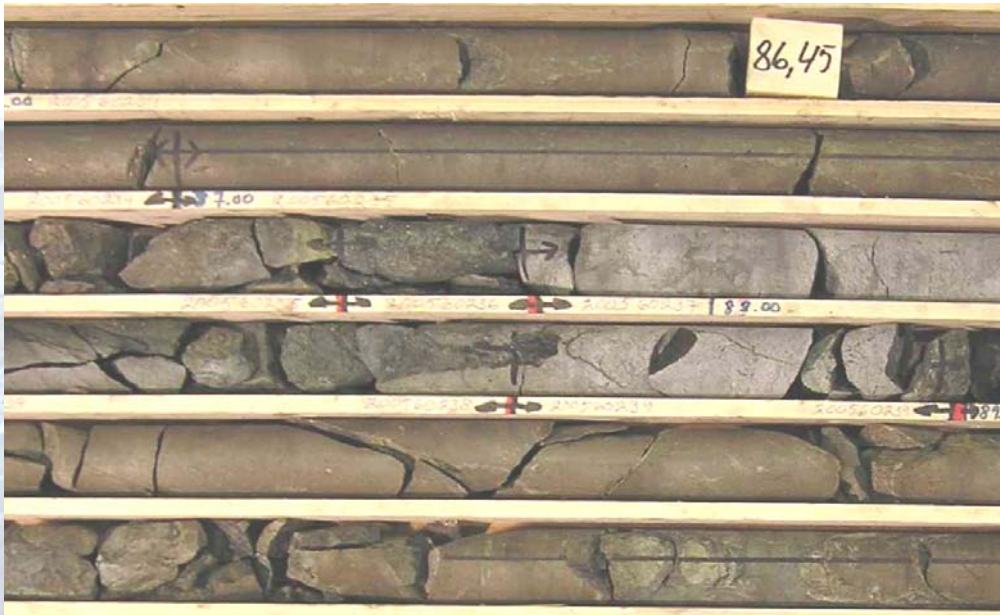
- Abundant targets, under-explored
- 12 drilled Komatiite hosted nickel sulphide occurrences
- 150km long greenstone belt
- Vulcan 95%
- Dominant land position

Vaara Deposit



1.5% Ni outcrop
discovered 10 years ago

Identical to Profitable Australian Mines



Up to 3% Ni, 2% Cu, 16 g/t PGE
(Vulcan drill core)

- 30,000t of nickel metal in shallow Resources indicates a fertile system
- 12 drilled Komatiite hosted nickel sulphide occurrences
- Applying Australian nickel exploration expertise

Peura-aho deposit

- 6m of massive sulphide drilled 2 weeks ago!

Outcropping 2.5% nickel massive sulphides discovered 1964



Layered Intrusion Exploration - Vanadium, PGE & Nickel

A pipeline of opportunity



Value Drivers - people & projects

- Completion of Definitive Feasibility Study at Kylylahti, funding & offtake
- Growth in resources & reserves from drilling & satellite resources
- Realisation of value from world class nickel project
- Growing appreciation of absence of sovereign risk in country of mining excellence





For more information go to our website

www.vulcanresources.com.au

To view the Competent Persons Report go to

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Investor information / Competent Persons Report

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