

ABOUT VULCAN RESOURCES

Vulcan Resources Limited has base and precious metals development and exploration projects in Finland.

Vulcan has announced a proposal to merge with Universal Resources (ASX: URL). Universal owns the large Roseby copper-gold project in Queensland.

The Company's principal project is the 800,000 tpa, 100% owned Kylylahti underground base metal deposit located near Outokumpu in eastern Finland. It has a Resource of 8.1 million tonnes grading 1.18% copper, 0.24% cobalt, 0.22% nickel, 0.47% zinc and 0.66 g/t gold¹.

Kylylahti is fully permitted and a Definitive Feasibility Study completed.

The Kuhmo Nickel Project is 95% owned by Vulcan and Vulcan is undertaking Resource delineation drilling at four shallow nickel-copper-PGE sulphide deposits.

ASX: VCN

Frankfurt: VUA (WKN: A0HHEF)

Norwegian OTC: VCNR

Shares on issue: 227,044,751

Options on issue: 8,290,000

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Major Acquisition in Finland:

Processing plant purchase is an enabling transaction for the Kylylahti Project

Vulcan has acquired a package of assets comprising an established processing plant, copper Resources and nickel Resources from the Bankruptcy Estate of a Finnish subsidiary of Canadian mining company Belvedere Resources.

- The principal asset acquired is the Luikonlahti processing plant which has a capacity of 350,000tpa upgradeable to 600,000tpa and is located only 45km from Vulcan's Kylylahti deposit. The plant is permitted and fully serviced.
- The purchase price is €4.71m² (A\$7.6m) for the plant, various Resources, mineral tenements, real estate and buildings. A deposit of €1.4m has been paid with settlement due by year end.
- The plant is currently on care and maintenance and the estimated cost for its refurbishment and upgrade is €6-7m (A\$9.7-11.3m).
- 3.3Mt of copper-nickel-cobalt Resources have also been acquired in the Outokumpu (Kylylahti) area. The Resource inventory in this area now totals 15.6Mt. Vulcan now controls this famous mining camp.
- The Kylylahti Definitive Feasibility Study is to be reviewed and optimised based on the Luikonlahti plant rather than construct an all new plant and associated infrastructure which was estimated in the April 2008 Definitive Feasibility Study to cost €85m (A\$137m).
- 4.3Mt of nickel Resources were also acquired in two project areas; Kotalahti and Vammala.

¹ Measured, Indicated and Inferred Resource. For detailed breakdown see ASX release 26 June 2007

² Exchange rate of €1 = A\$1.61



Luikonlahti Processing Plant and Tailings Dam

Overview

***Keystone asset
in building
significant
copper-focussed
global
development
company***

Vulcan Resources Managing Director, Dr Alistair Cowden, said that the mill acquisition was a significant step for Vulcan. “Vulcan’s proposed merger with Universal will create a significant, copper-focussed global company. The purchase of the Luikonlahti processing plant is a cornerstone asset to build upon after completion of the merger,” he said.

“The possession of built and permitted processing infrastructure is an important step in the path to development and towards our aim of building a mid tier base metal miner.”

“The transaction also demonstrates the importance of the prudent and measured approach Vulcan took to expenditure at the onset of the Global Financial Crisis. By acting swiftly to preserve the company’s balance sheet and defer expenditure in September 2008, Vulcan was able to take advantage of distressed assets in the wake of the crisis,” said Dr Cowden.

***Potential for
increases to
Outokumpu area
Resource
Inventory***

Vulcan has a dominant position in the Outokumpu area. It will own:

- The Luikonlahti processing plant which is permitted and has all infrastructure and services in place.
- The 8.1Mt Kylylahti copper-cobalt-nickel deposit which is fully permitted and had a Definitive Feasibility Study completed.
- The 3.2Mt Hautalampi nickel-copper-cobalt deposit which sits on granted mining licences and is awaiting final approvals.
- Additional copper-cobalt-zinc-nickel Resources and mineralisation in three deposits within 35km of the Luikonlahti plant.
- Substantive exploration targets in two nickel-copper deposits.

Vulcan will immediately commence a review and update of the Kylylahti Definitive Feasibility Study to incorporate the Luikonlahti processing plant with the aim of making a development decision early in the second quarter of 2010.

Universal transaction proceeding

Vulcan directors continue to believe that the merger with Universal gives Vulcan shareholders significant strategic value through exposure to the Roseby Copper Project. The new board of the Merged Group will consider the results of the updated Kylylahti Definitive Feasibility Study and determine if Kylylahti should be the first project to be developed by the Merged Group. The Scheme documentation was lodged with ASIC on 9 November 2009 and will be modified to include the subject of this announcement. This may result in a delay to the document being despatched to shareholders.

Luikonlahti Processing Plant

Plant only 45km from Kylylahti

The Luikonlahti processing plant is located some 45km via sealed road from the Kylylahti deposit. The mill was constructed in 1968 to process ore from the Luikonlahti copper-cobalt-nickel-zinc deposit. It operated for 15 years and processed 7.7Mt of copper-cobalt-nickel-zinc ore virtually identical in its grade and metallurgical characteristics to the Kylylahti deposit. The photographs above and below give an aerial view of the extensive infrastructure purchased and the interior of the mill and flotation hall.

From 1984 to 2006 the plant was converted to process talc ore producing both talc and nickel sulphide concentrates. The plant was acquired by Belvedere in 2007 and refurbishment and upgrade activities commenced before Belvedere was placed into bankruptcy in July 2009.

Rail, road and power infrastructure

The plant has a paved road to site. The national rail system is 1.5km from the processing plant and a rail spur to the concentrate shed was operating in the past. Rails and refurbishment are required to re-establish the spur line. There is grid power to a site substation, environmental permits are in place and a tailings storage facility with approximately 15-20 years capacity through raising the walls of the pond.

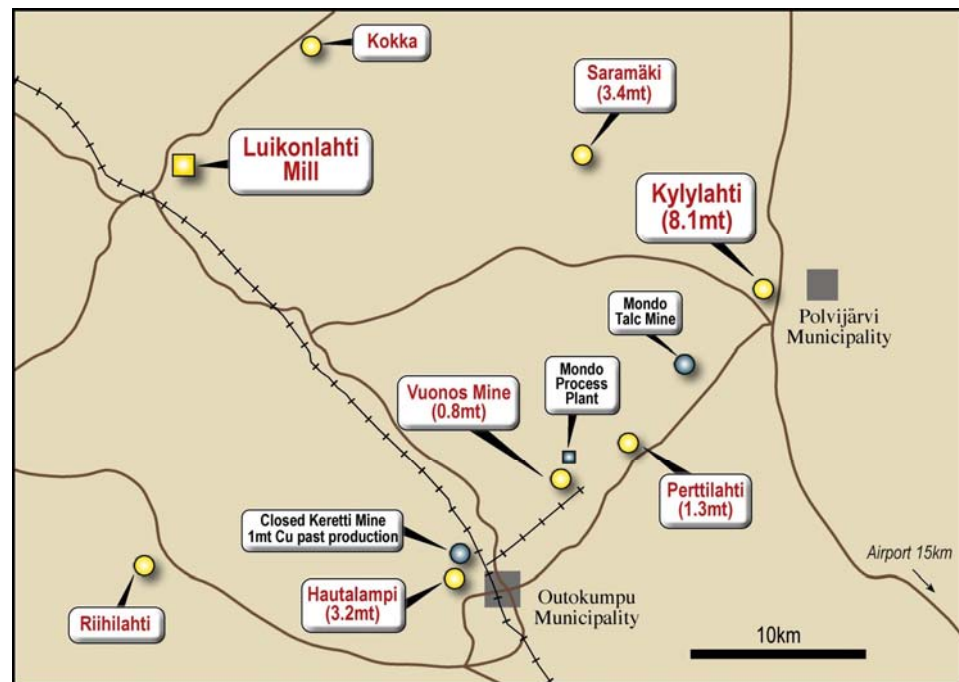


Figure 1. Location of Vulcan's Assets in the Outokumpu area

Milling Hall



Flotation Cells



Primary Grinding Mill



Vulcan's Finnish subsidiary, Kylylahti Copper Oy, is applying to renew Belvedere's €1.25m grant from the Employment and Economic Development Centre to assist with the refurbishment of the plant.

Extensive due diligence indicates plant is well configured for Kylylahti ore

Vulcan has undertaken engineering due diligence, environmental due diligence, legal and commercial due diligence. In addition, the suitability for the mill to treat Kylylahti ore was assessed based on the extensive metallurgical testwork and process engineering work undertaken during the Kylylahti Definitive Feasibility Study, the Feasibility Study on the Luikonlahti plant completed by Belvedere in 2009 and the prior operating history of the facility. The equipment at Luikonlahti was found to be appropriate for treating Kylylahti ore. The facility was designed to treat ore with a Ball Mill Work Index of 14.9kWh/t and a grind size of 78 microns. The Ball Mill Work Index for Kylylahti ore is 14.9kWh/t and the optimum grind size as per the Definitive Feasibility Study is 100 microns. A finer grind of Kylylahti ore would only improve metallurgical performance.

There are two existing mills, a primary rod mill and a secondary ball mill which as currently configured provide a throughput of 350,000tpa. The original circuit was a rod mill and two pebble mills. Most equipment to re-instate the second pebble mill remains onsite. The mills have sufficient motor capacity such that re-configuration of the circuit as ball mills rather than rod mills can easily achieve a throughput of 500,000tpa or more. Belvedere's Feasibility Study addressed the capital and operating aspects of such a plant upgrade

Plant in sound condition, well maintained

Vulcan engaged SWECO Industry Oy to audit the Feasibility Study on the refurbishment of the Luikonlahti mill completed by Belvedere in May 2009. SWECO commented that the plant was structurally sound and in good condition. SWECO recommend a cost allowance of €6.35m (A\$10.2) for refurbishment, automation, increasing tailings dam capacity and reconfiguring tailings decant. Vulcan estimates some additional expenditure will be required to increase concentrate filtration capacity.

Not all of this expenditure is required prior to the commencement of operations and will occur up to 2 years after commencing operations.

The Regional Environmental Centre has appealed against the amount of the environmental rehabilitation bond for the facility and asked for it to be increased from its current €750,000 to €1,100,000. The Administrative Court is due to give a decision in the near future.

Kylylahti Definitive Feasibility Study Update and Review

Plant enables new approach to developing Kylylahti

The Luikonlahti processing plant removes the need to construct a new processing plant at Kylylahti. The new concept for the Kylylahti Project is for a 500,000-600,000tpa underground mine with longitudinal open stoping with cemented rock fill. Surface infrastructure at Kylylahti would be minimal. ROM ore will be trucked to the Luikonlahti Plant (approximately €2.70/tonne) for processing.

A suite of four concentrates will be produced; copper-gold concentrate of approximately 26% copper and 10g/t gold, a low-grade zinc concentrate, a nickel-cobalt concentrate equivalent in value to a 6-8% nickel concentrate and a pyrite-pyrrhotite concentrate for temporary storage or tailings disposal.

Vulcan will undertake a review and update of the Definitive Feasibility Study. This review will consider the impact of the following:

- The reduction in capital cost through utilising an existing plant.
- The impact of increasing cut-off grades and hence production grades.
- Optimisation of mine development and production schedules for a processing rate of 500-600,000tpa rather than the 800,000tpa envisaged in the Definitive Feasibility Study.
- The reduction in costs due to replacing paste fill with cemented rock fill due to no tailings being available at the mine site.
- Reduction of surface infrastructure at Kylylahti for a mine only rather than mine plus processing plant.
- The potential for producing a different suite of concentrates from that envisaged in the Definitive Feasibility Study.
- Review of any amendments needed for environmental permit (unlikely as impacts are significantly less).

It is expected that this work will be completed such that a decision to proceed with the development of the project can be made early in the second quarter of 2010.

Outokumpu Area Resources

As part of the transaction Vulcan has acquired a significant tenement package in the Outokumpu area which includes the Hautalampi nickel-copper-cobalt deposit, part of the Perttilahti copper-cobalt-zinc deposit, the small Riihilahti deposit and the Kokka nickel deposit. The acquisitions now bring Vulcan's Resource inventory at Outokumpu to 15.6Mt. This excludes published historic Resources for Perttilahti and Kokka that do not meet the standards of JORC Code and are classified as exploration targets by Vulcan. There is clear potential to increase the Resource Inventory.

Table 1: Total Outokumpu Area Resources

Deposit	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Kylylahti	8,100,000	1.18	0.24	0.22	0.47	0.66
Saramäki	3,400,000	0.71	0.09	0.05	0.63	-
Vuonos	760,000	1.76	0.14	-	1.33	-
Hautalampi	3,160,000	0.36	0.11	0.43	0.07	-
Riihilahti	140,000	1.69	0.04	0.16	-	-
Total	15,560,000	0.94	0.17	0.21	0.46	-

See Appendix for JORC classification

Table 2. Exploration Targets based on published historic Resource Estimates

Deposit	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Perttilahti	1,100,000 to	1.7 to	0.13 to	0.12 to	1.5 to	-
	1,450,000	2.4	0.18	0.17	2.1	-
Kokka	1,980,000 to	-	-	0.30 to	-	-
	2,370,000	-	-	0.42	-	-

See Appendix for details

**Hautalampi:
Shallow
Resources with
decline in place**

The Hautalampi Project tenements cover the historic Keretti mine just outside the town of Outokumpu. The deposit is 1km long, 100-150m wide and up to 30m thick and the bulk of the deposit is situated between 70 and 120m below surface. There is potential to significantly increase the size of the Resource. The best drill intercept is 30.4m at 0.62% nickel. The deposit represents the deformed low-grade halo to the main Keretti deposit which produced 28Mt at 3.4% copper, 0.9% zinc, from 1913 to 1989.

An existing portal and 1,200m of decline have been sunk and the decline opening has been backfilled.

**Low cost, low
grade operation
would have
potential to
improve
Kyylylahti Ni-Co
concentrate
grades**

Whilst the deposit is low grade it is close to the Luikonlahti mill and produces excellent concentrates; copper concentrate 25% copper, 10 g/t gold and a mixed concentrate of 8.0% nickel and 2.3% cobalt. Blending of Hautalampi ore feed with Kyylylahti ore feed may improve payability of Kyylylahti nickel-cobalt concentrates. Belvedere completed a feasibility study on mining at Hautalampi and concluded that pre-production capital costs would approximate €6.5m (A\$10.5m), mobile equipment for mining would approximate €5m (A\$8.1m) and operating costs were estimated to be €21.40/tonne (A\$34.5/t).

Belvedere released a Proven and Probable Reserve Estimate of 2.2Mt at 0.38% nickel, 0.32% copper, 0.1% cobalt (see Appendix for details).

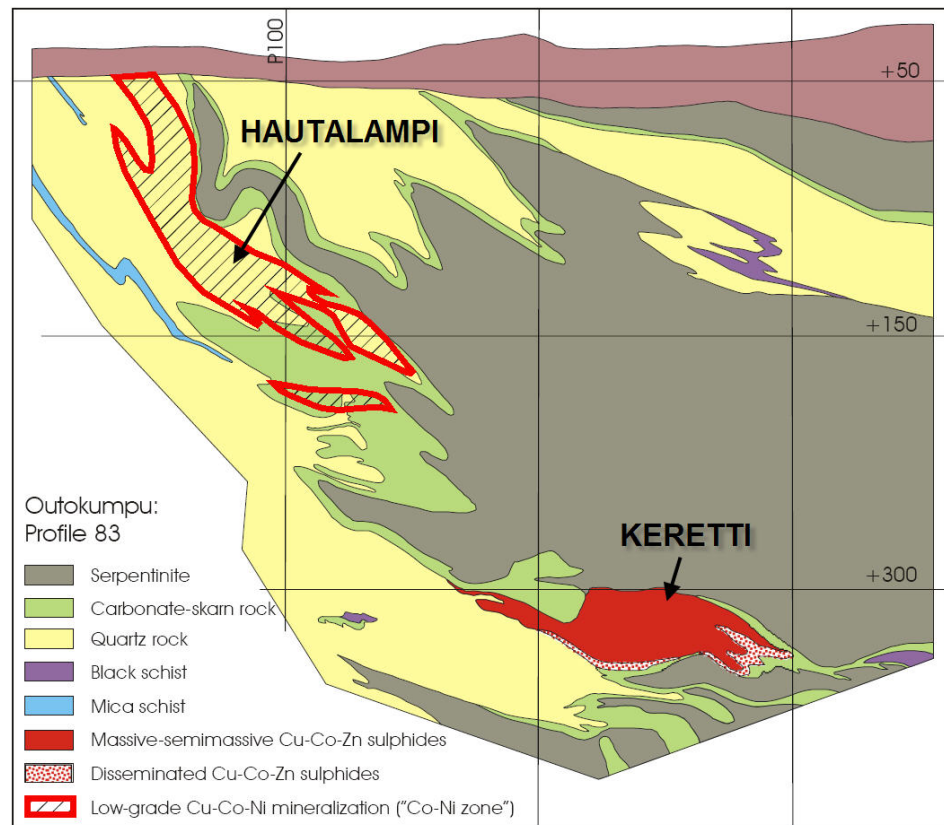


Figure 2. Cross Section of the Hautalampi and Keretti deposits. Modified after Geomex 2006

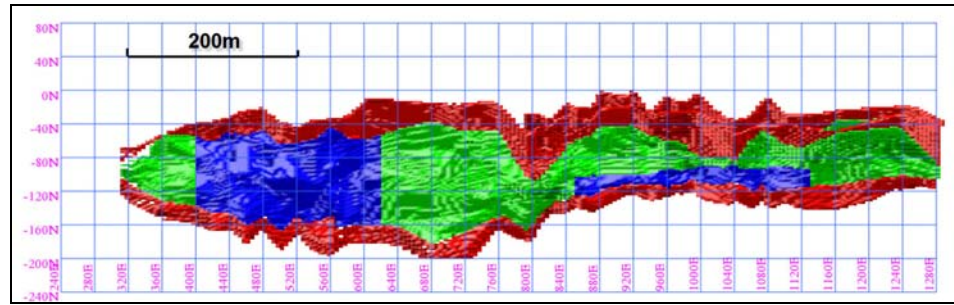


Figure 3. Hautalampi block model plan view coloured by resource category : Blue = Measured, Green = Indicated and Red = Inferred. Map grid is 40m x 40m.

Table 3. Most significant drill intercepts at Hautalampi

Hole	From (m)	Interval (m)	Est True Width (m)	Ni (%)	Cu (%)	Co (%)	S (%)
HL-9	109.80	21.90	20.00	0.47	0.18	0.09	2.00
HL-11	102.55	18.55	18.00	0.60	0.70	0.15	2.82
HL-29	98.50	24.20	24.20	0.53	0.25	0.12	2.54
HL-30	82.30	30.40	30.00	0.62	0.77	0.15	3.57
HL-31	71.25	21.45	21.00	0.49	0.96	0.14	2.84

Vulcan will consider subsequent to its update and review of the Kylylahti Definitive Feasibility Study the option of bringing Hautalampi into production at nickel prices in excess of US\$8.50/lb and in year 2-3 of the Kylylahti operation.

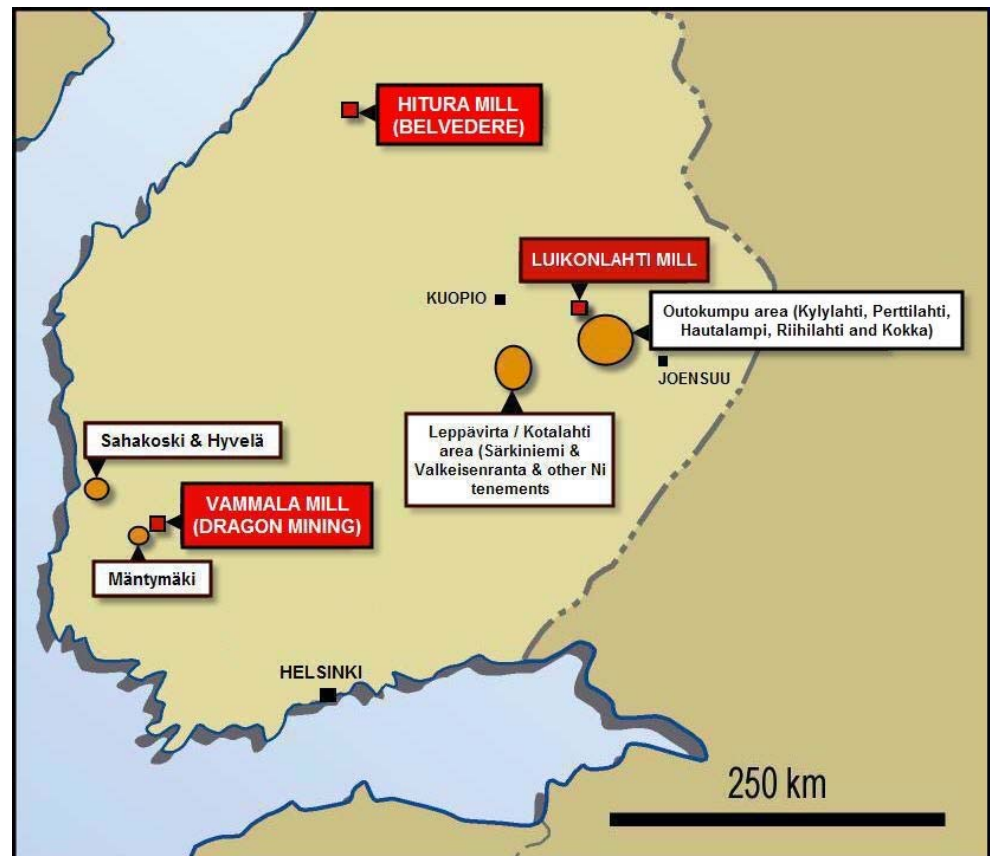


Figure 4. Location of Vulcan's assets in Southern Finland

Perttilahti

The Perttilahti deposit is a classic Outokumpu style deposit located on the main mineralised trend of Keretti-Vuonos-Perttilahti-Kylylahti. It is located some 10km south-west of Kylylahti.

Mineralisation is drilled on 500m spacings over 1.5km. It is generally thin (2-10m) and 50m wide. It occurs at depths of 500m. The published Resource Historic Estimate is not compliant with the JORC Code and is classed as an exploration target (Table 2 and 10). Grades are excellent (2.15% copper, 1.9% zinc) and the deposit has not been drilled for 25 years.

Other Deposits

Riihilahti is a small deposit west of Outokumpu and will be investigated during 2010.

The Kokka nickel deposit is 10km north-east of the Luikonlahti plant and was drilled by Outokumpu Oy and Malmikaivos Oy from 1958 to 1985 for 97 holes. Verification drilling by Belvedere in 2008 confirmed the previous work. Vulcan does not regard the historic Resource Estimate (Tables 2 and 10) as JORC standard and has classified as an exploration target.

Kotalahti Nickel Resources

Part of a former significant producing field

Vulcan has also acquired a number of nickel Resources. The most important of which are in the Kotalahti area 100km SW of Outokumpu.

The Valkeisenranta nickel-copper deposit is located 1.5km from the historic Kotalahti nickel mine which produced some 12.3Mt at 0.7% nickel and 0.3% copper from 1957 to 1987. The deposit is located some 120km from the Luikonlahti mill and was discovered by the Geological Survey of Finland (GTK). It occurs from 100-400m depth. Hosted in a 1.9Ga Proterozoic intrusion approximating a vertical pipe of 500 x 1,000m in area comprised of (serpentinites and pyroxenites) ultramafic rocks.

The best intercept to date is 52.30m at 1.45% nickel and 0.42% copper and the Resource Estimate reported by Belvedere is 1.54Mt at 0.71% nickel and 0.29% copper (see Appendix for details). Within this a high grade Resource has been reported of 0.85Mt @ 0.95% nickel and 0.38% copper. Metallurgical testwork at GTK in 2001 and 2008 indicated a concentrate of 7.5% nickel and 3% copper could be produced.

Table 4. Most significant drill intercepts at Valkeisenranta

Hole	From (m)	Interval (m)	Ni (%)	Cu (%)	Co (%)	S (%)
R460	251.20	52.30	1.45	0.42	0.06	8.70
R460B	252.75	48.65	1.27	0.43	0.05	8.63
R460B	321.65	34.40	0.34	0.10	0.02	2.43
R464	194.35	24.75	0.70	0.22	0.03	4.28
R492	286.40	19.45	0.65	0.13	0.02	2.29
R492	331.85	75.20	1.04	0.46	0.04	6.57
R494	371.80	13.65	1.11	0.27	0.04	6.26

Table 5: Resource Estimate for Kotalahti Area

Deposit	Tonnes (m)	Ni (%)	Cu (%)
Valkeisenranta	1,540,000	0.71	0.29
Särkiniemi	100,000	0.70	0.35
Sarkalahti	190,000	1.02	0.33
Nilnimäki	80,000	1.07	0.32
Total	1,910,000	0.79	0.32

See Appendix for JORC classification

Särkiniemi

Särkiniemi is located in eastern Finland some 45km south of the town of Kuopio and close to historic Kotalahti nickel mine.

Belvedere carried out open pit mining at Särkiniemi during 2007-2008 and the ore was trucked to the Hitura mine for processing. The Hitura mill feed from the Särkiniemi mine was 123,000t at 0.92% nickel, 0.44% copper and 0.06% cobalt. The remaining Resource is about 100,000t at 0.7% nickel, and most of this is related to E-lens. Belvedere has already made underground development work for the E-lens but mining was ceased due to low nickel prices. The mining Reserve of E-lens is 69,000t at 0.77% nickel (*Appendix 4, Management Discussion and Analysis, Belvedere 30 April 2008*).

Open pit and underground workings are filling up with water. Discussion with the North-Savo Regional Environment Centre confirmed that the current environmental obligations are related to water quality monitoring and the existing bond is considered to be enough for mine closure work. The Environmental bond required is €100,000.

Other Assets

Some 100km south of Kotalahti are a number of small nickel deposits; Vehmasjärvi, Hanhisalo, Pihlajasalo and Heiskalanmäki.

Hanhisalo has been studied Kontoniemi, Olavi and Forss, Heikki (1998). Tutkimustyöselostus Leppävirran kunnassa valtausalueilla Hanhi 1 (kaiv.rek.nro 5473/1) ja Hanhi 2 (kaiv.rek.nro 5771/1) suoritetuista nikkelimalmitutkimuksista vuosina 1993-1996. Other deposits (Vehmasjärvi,Pihlajasalo,Heiskalanmäki) were reviewed by Outokumpu Technology Oy in 2006. (Meriläinen, Markku and Loven, Pekka (Outokumpu Technology Oy) and Strauss, Toby (Belvedere Resources Ltd. 2006. National Instrument 43-101 Technical report: Property portfolio of Suomen Nikkeli Oy (Finn Nickel Ltd) in southern Finland.)

Resource estimates were made but were unclassified and thus do not comply with the JORC Code. These deposits will be reviewed by Vulcan in 2010.

South-West Finland Nickel Assets

Pori Hyvelä and Sahakoski are former Outokumpu Nickel properties located on the western coast of Finland. Granted mining leases will expire in 2010.

Sahakoski Resource comprises five ore lenses down to some 450m vertical depth and would be subject to underground mining.

Table 6: SW Finland Resources

Deposit	Tonnes	Ni (%)	Co (%)	Cu (%)
Mäntymäki	260,000	0.70	-	0.32
Sahakoski	1,600,000	0.65	0.03	0.19
Hyvelä	230,000	0.76	0.04	0.34
Total	2,090,000	0.67	0.03	0.21

See Appendix for JORC classification

Details of the Transaction

The vendor is The Bankruptcy Estate of Finn Nickel Oy, a subsidiary of Canadian listed company Belvedere Resources ("Belvedere"). Belvedere purchased the Hitura nickel mine and concentrator from Outokumpu Oy in 2007 and operated that mine until November 2008 when low nickel prices forced the closure of the mine and subsequently the protection of bankruptcy. Vulcan is acquiring the assets of Belvedere other than the Hitura nickel mine.

Vulcan's offer to purchase these assets was approved by a creditors meeting held in Helsinki on 11 November 2009. On 13 November, Vulcan paid a non-refundable deposit of €1.4 million to the Bankruptcy Trustee of Finn Nickel Oy with the balance of €3.3 million being payable on closing of the Sale and Purchase Agreement which is expected to take place by the end of the year.

Current environmental bonds that are required to be replaced are: Luikonlahti €750,000, Hautalampi €118,000, Särkiniemi €120,000 and Riihilahti €40,000.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG, Mr Jarmo Vesanto, MSc, MAusIMM and Mr Jani Impola, MSc, MAusIMM, who are full time employees of the Company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Alistair Cowden, Mr Jarmo Vesanto and Mr Jani Impola consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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APPENDIX : Resources, Reserves and Exploration Targets (Historic Resources)

Mineralisation is reported in three ways in this report:

- Those Resource and Reserve Estimates previously reported by Vulcan and classified under the JORC Code.
- Those Resource and Reserve Estimates reported under Canadian National Instrument 43-101 (equivalent to JORC) and reviewed by Competent Persons (Messers Vesanto, Impola and Cowden as noted above) and deemed to comply with JORC reporting requirements.
- Mineralisation reported as exploration targets which are based on historic Resource Estimates made by various Finnish mining companies or the Geological Survey of Finland (GTK). These are not regarded as Resource Estimates.

Exploration Targets

ASX and JORC guidance requires explanation of the reporting of information relating to historic resources or exploration targets. Vulcan believes that disclosing information on this mineralisation is material and relevant as the information has been published by the GTK and by the previous owner, listed Canadian company Belvedere Resources. These estimates are freely available to the public and the disclosure is made here to clarify that these estimates made by others do not comply with the JORC Code and are exploration targets.

The JORC Code requires that exploration targets are stated to be conceptual in nature and that there has been insignificant exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource. For the 2 exploration targets described here the required information is detailed below.

For the Perttilahti deposit the drill spacing of up to 500m means the published historic Resource Estimate is inappropriate and a conceptual "exploration target" based on a range of -20% and +10% around that historic estimate is deemed to be appropriate. The Perttilahti target is based on quality exploration data including extensive diamond drilling. However that drilling is insufficient to define a formal resource. Vulcan will evaluate historic data in 2010 to determine if further exploration is warranted and there can be no assurance that a Resource Estimate can be made.

The Kokka deposit has been well drilled by 97 diamond drillholes that are up to 50 years old. Vulcan has not sighted or completed any QA/QC on assay data or on drillhole location. Given this uncertainty the published historic Resource Estimate is inappropriate and a conceptual "exploration target" based on a range of -20% and +10% around that historic estimate is deemed to be appropriate. The JORC Code refers to exploration targets having insufficient exploration, in the case of Kokka this insufficiency is the lack of QA/QC. Verification drilling, re-assay of pulps and any drill core that can be located is required. Such work may or may not result in a Resource Estimate being made.

MAJOR ACQUISITION IN FINLAND

Table 7. Hautalampi Mineral Resource

Class	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Measured Mineral Resource	1,030,000	0.47	0.13	0.47	0.06	-
Indicated Mineral Resource	1,230,000	0.30	0.11	0.42	0.07	-
Inferred Mineral Resource	900,000	0.30	0.10	0.40	0.10	-
Total	3,160,000	0.36	0.11	0.43	0.07	-

Estimate made by Outotec Oyj, March 2009, classified under Canadian National Instrument 43-101 and published in Appendix 4, Management Discussion and Analysis, Belvedere 30 April 2008. Reviewed by Vulcan and found to comply with JORC Code.

Table 8. Hautalampi Ore Reserves

Class	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Proven Ore Reserve	940,000	0.41	0.11	0.42	-	-
Probable Ore Reserve	1,280,000	0.25	0.09	0.36	-	-
Total	2,220,000	0.32	0.10	0.38	-	-

Estimate made by Outotec Oyj, March 2009, classified under Canadian National Instrument 43-101 and published in the Hautalampi Ni-Co-Cu Project Feasibility Study, May 2009, Finn Nickel Oy. Reviewed by Vulcan and found to comply with JORC Code.

Table 9. Outokumpu Area Mineral Resources held by Vulcan

Class	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Kylylahti ¹	8,100,000	1.18	0.24	0.22	0.47	0.66
Saramäki ²	3,400,000	0.71	0.09	0.05	0.63	-
Vuonos ³	760,000	1.76	0.14	-	1.33	-
Hautalampi ⁴	3,160,000	0.36	0.11	0.43	0.07	-
Riihilahti ⁵	140,000	1.69	0.04	0.16	-	-
Total	15,560,000	0.94	0.17	0.21	0.46	-

1 Data from ASX release 7 July 2009

2 & 3 Estimate by Outokumpu, classified under JORC as Inferred by Vulcan

4 Estimate by Outotec Oyj in March 2009 (see Table 7)

5 Estimate by Outokumpu Technology Oy in October 2006, classified under Canadian National Instrument 43-101 and published in Appendix 4, Management Discussion and Analysis, Belvedere 30 April 2008

Table 10. Previously published Resource Estimates in the Outokumpu Area, mineralisation is classified by Vulcan as Exploration Targets.

Deposit	Tonnes	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au (g/t)
Perttilahti	1,100,000 to	1.7 to	0.13 to	0.12 to	1.5 to	-
	1,450,000	2.4	0.18	0.17	2.1	-
Kokka	1,980,000 to	-	-	0.3 to	-	-
	2,370,000	-	-	0.42	-	-

Estimate by GTK in 1997, published in: Parkkinen, J., 1997. An outline of the history of exploration and mining in the Outokumpu district. In: Loukola-Ruskeeniemi, K., and Sorjonen-Ward, P. (eds.) Research and exploration - where do they meet? 4th Biennial SGA Meeting, August 11-13, 1997, Turku, Finland. Excursion guidebook A4: ore deposits in eastern Finland. Geologian tutkimuskeskus. Opas 42, 27-28.

2 Estimates from unpublished documents by Outokumpu Oy and Malmikaivos Oy

MAJOR ACQUISITION IN FINLAND

Seven of the nickel deposits acquired (Tables 11 and 12) have been previously reported by Canadian mining company Belvedere and classified under Canadian National Instrument 43-101 (refer Appendix 4, Management Discussion and Analysis, Belvedere 30 April 2008) and have been reviewed by Vulcan and found to comply with the JORC Code.

Table 11. Kotalahti Area Resources

Deposit	Classification	Tonnes	Ni (%)	Cu (%)	Co (%)
Särkiniemi ¹	Indicated	116,000	1.17	0.53	0.08
	Inferred	60,000	0.86	0.69	0.07
	Total	176,000	1.06	0.58	0.04
Valkeisenranta	Indicated	1,540,000	0.71	0.29	0.03
Sarkalahti	Inferred	190,000	1.02	0.33	-
Niinimäki	Indicated	60,000	1.13	0.33	0.04
	Inferred	20,000	0.89	0.30	0.03
	Total	80,000	1.07	0.32	0.04
Grand Total		1,986,000	0.79	0.32	0.03

¹ Pre-mining Resource, remaining indicated and inferred resource based on Belvedere's estimate is 100,000 tonnes @ 0.7% Ni

Table 12. Vammala Area Resources

Deposit	Classification	Tonnes	Ni (%)	Cu (%)	Co (%)
Sahakoski	Inferred	1,600,000	0.65	0.19	
Hyvelä	Indicated	110,000	0.83	0.35	0.04
	Inferred	120,000	0.70	0.34	0.04
	Total	230,000	0.76	0.34	0.04
Mäntymäki	Indicated	140,000	0.66	0.19	-
	Inferred	120,000	0.75	0.21	-
	Total	260,000	0.70	0.20	-
Grand Total		2,090,000	0.67	0.21	0.03

Four small deposits south of Kotalahti deposits have had previously published estimates but are classified by Vulcan as historical resources or exploration targets, a tabulation is presented below.

Note: not all elements were always analysed by prior owners.