

Volcan Holdings Provides Summary of Corporate Developments in 2009 and Strategic Vision for the Remainder of Fiscal 2010 and Beyond

Volcan makes significant progress towards achieving its goal of becoming a world class producer and exporter of bauxite, alumina and aluminum from its extensive bauxite holdings in Australia

Volcan Holdings, Inc. (OTCBB:[VOHO](#)) (the “Company” or “Volcan”), a resource company with exclusive bauxite (source rock for aluminum) exploration rights to approximately 10,000 square kilometers of land in Australia, today provided a summary of important corporate developments achieved during 2009 and its strategic vision for 2010 and beyond.

Since completing its merger in late 2008 and becoming a public company trading in the U.S., the company began to focus on studying its tenement land holding throughout 2009 to determine the feasibility of potential mining operations from its tenement holdings which the company believes is rich in large deposits of bauxite.

The Company’s mission is to achieve significant revenues for the benefit of its shareholders. Management has a two pronged approach to reach this objective. First, The Company is pursuing a short term strategy of negotiating off-take agreements to directly ship ore (DSO) from one of Volcan’s many project areas of approximately 5 million tons of its bauxite on an annual basis, with an estimated profit of \$10 per ton, to the global market, and is conducting feasibility studies for this planned operation. Should Volcan be successful in securing such an off-take agreement, management expects to be able to achieve profitability in calendar 2010.

A second parallel approach being pursued by management is to build alumina refineries positioned on the projects with the largest bauxite reserves. To achieve this goal, and to further monetize its extensive bauxite ore resources ideally positioned for the Chinese market, management has entered into a strategic relationship with Quantum Mines and Minerals to undertake a feasibility study for the mining of the bauxite and to build a world class refinery on the Company’s primary tenement near Inverrel in New South Wales, Australia.

Since late 2008, the Company has analyzed surface maps and extensive outcrop samples of gibbsite-rich (aluminum hydroxide) bauxitic rocks and contracted for independent analysis of those same items by ALS Laboratory Group of Brisbane Australia, and such process further independently reviewed by Terence Willstead & Associates Consulting Mining Engineers of Sydney Australia. As a result of this preliminary analysis the Company now believes that on one of its many projects, the Nullamanna project in Inverrel in NSW, may contain a minimum of several hundred million tons of commercial grade bauxite. Of the extensive number of samples examined, the average available alumina content was approximately 32% with average reactive silica content of 4.9% with extensive richer zones with sample grades of available alumina ranging up to 58% Al₂O₃, and as low as 0.9% SiO₂, and average grades across the richer zones of approximately 40% available alumina and between 2-3% reactive silica.

These results are extremely significant, particularly as the available alumina has been recovered in the lab through a low temperature refining process. Processing of the alumina from the bauxite through low temperature refining would result in substantial reduction in energy costs as compared to many other bauxites that require an energy intensive high temperature refining process.

As a result of the initial success of the samples taken from its land holding indicating the potential for large tonnage amounts of commercial grade bauxite in this type of geological system previously unrecognized for its bauxite potential, the Company embarked on an aggressive land acquisition programme throughout calendar 2009. The Company focused on investigating similar geological systems in Australia to secure additional exclusive exploration rights from the Government for potential bauxite reserves. Toward that end, during 2009 the Company applied for the exclusive exploration rights over a further 23 tenements in Queensland, Australia covering similar potential bauxite bearing systems as identified by the Company's geoscientists.

In an effort to further its research into the potential commercialization of the Company's assets, the Company entered into a joint venture agreement in the beginning of fiscal 2010 with Martin Place Securities Pty Ltd ("*MPS*"), a Sydney Australian based investment banking and brokerage firm specializing and focused in the resource industry, headed by Mr Barry Dawes, who has a background as a renowned and respected expert resource industry analyst in Australia working for Bankers Trust and Macquarie Bank. The joint venture, initially owned 50% by Volcan and 50% by MPS, resulted in the creation Plateau Bauxite Limited ("*PBL*"), a New South Wales company. PBL was granted the right to purchase an option interest in certain tenement holdings held by Volcan. The option entitles PBL to earn progressive minority interests in the Company's tenements as detailed below for payments totaling approximately A\$35M. The option payment was for A\$500,000 of which A\$250,000 would be used for payments to the government for securing exploration rights and A\$250,000 for further working capital. PBL made that payment in November of 2009 and received the option.

The option provides for the conditions by which PBL could acquire an equity interest in 29 tenements currently held by Volcan. For 28 of those 29 tenements covered in the option, PBL must invest a minimum of A\$500,000 per tenement or a total of A\$14 million to further exploration and development efforts by October 30, 2011. PBL will receive a 10% equity interest in each tenement once they provide the required capital within the specified time period. Should PBL complete the A\$14 million investment in the required time period they will be granted an additional 10% interest in the 28 tenements bringing their total ownership to 20% provided that they purchase 50,000 shares of Volcan Holdings common stock at A\$10 per share on or before October 30, 2011 per tenement being a total of A\$14M for 1.4M shares in Volcan Holdings. PBL has currently raised over A\$1.5M and Volcan retains an approximate 35% shareholding in PBL.

(The \$A is currently trading at approximately 90c USD).

For the remaining tenement, where Volcan has conducted its most extensive research for bauxite reserves to date, PBL can earn a 12.5 percent equity interest in the tenement provided that it

bears all the costs associated with identifying a JORC compliant inferred resource of 100 million tons of economic grade bauxite on that tenement and purchases 300,000 shares Volcan Holdings common stock at a price of A\$10 per share for a total of A\$3 million on or before October 30, 2009. In the event that PBL is successful in identifying a JORC compliant inferred resource of 300 million tons of economic grade bauxite on that tenement in that same time period, and purchases a total of A\$6 million shares of Volcan Holdings common stock in that same time period, PBL would own a 25% equity interest in that tenement.

This investment through the JV vehicle Plateau Bauxite Limited (PBL) is intended to ultimately inject over A\$35M in Volcan and its projects for approximately a 20% interest in the Company's current projects. This investment should very substantially increase the value of the Company's projects with the successful conclusion of the upcoming field programs in conjunction with PBL and the mining and refinery feasibility studies being performed in conjunction with Quantum Mines and Minerals.

Management of Volcan believes that the company has positioned itself to be able to exploit this vast opportunity through its efforts in calendar 2009. Additionally the company has identified a number of goals it will look to achieve in fiscal 2010. First, the Company intends to work closely with Plateau Bauxite to move forward on its plan to secure independent third party validation from recognized agencies as to the amount and quality of bauxite reserves according to JORC compliant standard on its current tenement holdings. Second, the company intends to work closely with its strategic partners, primarily with Quantum Mines and Minerals, to not only reach commercialization through mining efforts but, to also begin plans for refining operations in the coming years to derive additional value for Volcan and its shareholders for many years to come. And third, management intends to continue to identify additional opportunities to acquire additional tenement rights as it looks to capitalize on its team's ability to uncover significant mining opportunities in Australia.

Commenting on the review, Sholom Feldman, Managing Director of Volcan Holdings, stated "In 2009 we began to lay the foundation to exploit this major opportunity and potentially build our company into a leading Australian expansive commercial enterprise. By partnering with Martin Place Securities through the PBL joint venture, and with Quantum Mines and Minerals we have an experienced team capable of developing, financing and commercializing the extensive bauxite resources that we believe may exist within our tenement holdings. We are confident that the steps we take in 2010 will begin to unlock the potential of what we see as a multi-billion dollar opportunity. We intend to work diligently together with our current partners to move rapidly to realize commercial viability for the benefit of our shareholders and to seek out additional strategic partners to further value add and develop the Company's numerous opportunities in project development and international sales."

About Volcan Holdings, Inc.

Volcan Holdings, Inc. (OTCBB:VOHO) is a bauxite resource development company headquartered in Sydney, Australia. Through its subsidiaries, Volcan Holdings, Inc. owns exploration rights to approximately 10,000 square kilometers of land believed to be rich in commercial grade bauxite in New South Wales and Queensland, Australia. Volcan Holdings,

intends to develop and commercialize its current tenement holdings into mining, refining and smelting opportunities on a world class scale. For more information about Volcan Holdings, please visit. www.volcanholdings.com

For further information email sholomfeldman@gmail.com or call Joe Moscato on +1-212-935-3550.

Safe Harbor Statement

This report contains certain forward-looking statements. Such statements may be preceded by the words “intends,” “may,” “will,” “plans,” “expects,” “anticipates,” “projects,” “predicts,” “estimates,” “aims,” “believes,” “hopes,” “potential” or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company’s control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, those risks and uncertainties set forth in the company’s filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K/A filed with the SEC on January 15, 2010. Investors and security holders are urged to read this document free of charge on the SEC’s web site at www.sec.gov. The Company does not undertake to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.