

NEWS RELEASE

22 October 2007

DRILLING EFFORT ACCELERATES IN FINLAND

Vulcan Resources Limited ("Vulcan") is pleased to announce the acceleration of drilling at both the Kuhmo Nickel Project and the Kylylahti Copper-Cobalt-Nickel Project in Finland.

Drilling has recommenced at Kylylahti after a pause of 9 months. During this hiatus, a review of the Resource model and both of Vulcan's drilling and prior Outokumpu drilling was completed. Several significant target areas which have considerable potential to increase the Resource at Kylylahti have been identified:

- Potential for high grade mineralisation at the lower edge of both the (upper) Wallaby Zone and (lower) Wombat Zone.
- Potential for both typical copper-cobalt-nickel mineralisation and also for poorly understood high grade nickel-cobalt-gold mineralisation in the 'hangingwall' (north-west margin) of the Wombat Zone.
- Extensions to the deposit at depth.

One drill rig has commenced operation and a second will shortly be on site. Drilling will be guided by downhole geophysics, and a review of prior surveys and of equipment available in Finland has resulted in the development of new strategies to discriminate mineralisation from barren sulphidic rocks.

At the Kuhmo Nickel Project drilling resumed after the summer break and a second rig has been secured for 2008. The status of drilling at each of the six deposits that are being evaluated is as follows:

Peura-aho: First pass drill results announced, metallurgical sampling completed and submitted, second round of drilling in preparation.

Hietaharju: First pass drill results announced, metallurgical sampling in progress, second round of drilling in preparation.

Vaara: Drilling completed, results pending.

Sika-aho: Drilling completed, samples to be submitted to laboratories.

Arola: Drilling commenced.

Kauniinlampi: Drilling pending.

Detailed geological and geophysical reviews of historic data are underway. These will inform extensive geophysical surveys utilising the 'late time' EM techniques which have been widely employed in Australia.

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About Vulcan

Vulcan Resources Limited is a base and precious metals company in Finland that provides a unique blend of development, exploration and commodity exposure.

The Company's primary focus is the completion of a definitive feasibility study on its 100% owned Kylylahti copper-cobalt project located in eastern Finland. The project has a Resource of 7.85 million tonnes grading 1.17% copper, 0.24% cobalt, 0.22% nickel, 0.49% zinc and 0.70 g/t gold.

The Definitive Feasibility Study, which is managed by SNC-Lavalin Australia, is examining the construction of a 13 year underground mine, concentrator and Ni-Co concentrate processing plant.

The Kuhmo Nickel Project is 95% owned by Vulcan and has a Resource containing 38,000 tonnes of nickel metal and over 80,000 ounces of platinum and palladium.

Vulcan also has extensive iron-vanadium-titanium and nickel-copper projects in northern Finland.

Vulcan is listed on the Australian Stock Exchange (VCN), the Frankfurt Stock Exchange (VUA) and the Norwegian OTC (VCNR), and plans to be listed at the Oslo Stock Exchange.