

**NEWS RELEASE**

13 September 2007

**MOMENTUM BUILDS AT VULCAN'S KUHMO NICKEL PROJECT**

Further high-grade platinum and palladium in drilling  
at Hietaharju nickel deposit, Finland

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Vulcan Resources Limited ("Vulcan") today announced it has received further high-grade platinum and palladium results from the Hietaharju nickel sulphide deposit at the Kuhmo Nickel Project in Finland.

Vulcan is actively exploring six identified nickel sulphide deposits and has reported results from Peura-aho and Hietaharju in the last few months, results are now available from the last four drillholes at Hietaharju.

Holes HIE-27 and 28 returned multiple zones of shallow sulphide mineralisation (12 metres below surface) including:

**5 metres at 2.1% nickel, 1.5% copper, 3.7 g/t palladium and 2.7 g/t platinum**

Results for the complete drill programme at Hietaharju are given in table 1.

The high palladium and platinum values are very encouraging. Hietaharju clearly has potential to deliver platinum group element (PGE) grades which may contribute significantly to revenue from mining.

Assays for drilling at the Vaara deposit are pending and drilling at the Arola and Sika-aho deposits, some 100 kilometres south of Hietaharju, will commence next week. A full metallurgical testwork programme has commenced on composite samples from the Peura-aho deposit with testwork on Hietaharju expected to commence at the GTK facility in Outokumpu shortly.

Vulcan is planning an extensive geophysical exploration programme at its Finnish nickel deposits, employing for the first time in Finland, the modern 'deep-looking' EM techniques that have been key to many recent discoveries in Australia. The programme will initially focus on the extensions and environs of the 12 known sulphide deposits and occurrences.

Vulcan's Managing Director, Dr Alistair Cowden, said "The continued receipt of high values from shallow drilling reaffirms our view of the likelihood for Resource upgrades and Resource growth at Peura-aho and Hietaharju. Vulcan is building momentum at Kuhmo."

"We intend to complete systematic, shallow infill and extension drilling on all six known deposits, extensive metallurgical testwork and Resource modelling. Scoping studies will commence later this calendar year" Dr Cowden said.

- ENDS -

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Table 1: Hietaharju 2007 Drilling Campaign

Hole	From (m)	Interval (m)	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)	Pd + Pt (g/t)
SMS/HIE-21	37.0	0.1	1.68	0.52	0.13	0.60	0.82	1.42
SMS/HIE-22	10.8	0.3	1.59	0.24	0.12	1.84	0.75	2.59
SMS/HIE-22	28.2	11.7	1.09	0.52	0.07	0.98	0.43	1.40
incl	29.6	5.3	1.24	0.58	0.08	1.08	0.49	1.57
incl	36.5	3.5	1.57	0.75	0.10	1.40	0.62	2.02
SMS/HIE-23	35.4	0.3	2.49	0.96	0.16	1.14	0.28	1.42
SMS/HIE-23	38.3	8.8	0.95	0.34	0.06	0.68	0.38	1.06
Incl	40.3	6.9	1.15	0.41	0.07	0.82	0.46	1.27
SMS/HIE-24	10.9	5.2	2.49	1.44	0.13	4.02	2.41	6.43
SMS/HIE-24	21.4	1.7	2.37	1.31	0.13	2.86	1.77	4.64
SMS/HIE-24	30.7	0.7	1.13	5.66	0.06	3.16	0.21	3.37
SMS/HIE-25	1.8	3.2	2.45	1.39	0.14	4.30	2.58	6.88
SMS/HIE-25	29.1	1.1	2.18	0.98	0.12	2.74	1.47	4.21
SMS/HIE-25	33.2	2.1	2.46	0.97	0.13	2.11	1.81	3.91
SMS/HIE-25	38.3	0.3	2.94	0.65	0.17	3.48	2.01	5.49
SMS/HIE-26	18.8	0.9	2.40	0.83	0.13	3.51	2.41	5.93
SMS/HIE-26	29.1	17.8	0.87	0.52	0.05	1.00	0.52	1.52
incl	41.4	5.5	1.12	0.76	0.06	1.08	0.53	1.62
SMS/HIE-27*	15.5	1.2	1.56	0.66	0.12	4.26	0.63	4.89
SMS/HIE-27*	30.6	0.1	0.72	22.20	0.04	4.64	3.36	8.00
SMS/HIE-27*	48.1	0.7	2.30	1.27	0.12	6.98	2.50	9.48
SMS/HIE-28*	24.6	5.0	2.11	1.52	0.11	3.65	2.68	6.33
SMS/HIE-29*	No significant assays							
SMS/HIE-30*	No significant assays							

\* not previously reported

## Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG, Mr Nicholas Walker, BSc (Hons), MSc MAIG and Mr Jarmo Vesanto, MSc (Geology), 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 Nicholas Walker and Mr Jarmo Vesanto consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## About the Kuhmo Nickel Project

The Kuhmo Nickel Project is 95% owned by Vulcan and comprises a discontinuous holding of tenements over 150 kilometres of north-south strike of the Kuhmo-Suomussalmi greenstone belt in eastern central Finland. This greenstone belt has close geological similarities to the Leinster - Wiluna greenstone belt of Western Australia and many of the deposits identified to date are geological analogues of significant Australian nickel mines. Both belts are 2.75 billion years old. The type example of these komatiite hosted nickel deposits is Kambalda in Western Australia.

There are 12 drilled or outcropping nickel occurrences and mineral Resources have been reported for five of these. Exploration has been sporadic over 40 years and was largely conducted by Outokumpu and the Geological Survey of Finland (“GTK”).

At Vaara, a large tonnage low grade but high nickel tenor deposit is hosted in a thick serpentinite (cumulate) unit and thin intersections of massive sulphide have been made in talc carbonate altered komatiite units in the footwall to this mineralisation. Five different drilled nickel sulphide occurrences occur elsewhere in this highly prospective 20 kilometre komatiite belt and numerous nickel anomalies in soil, boulder and shallow till drilling have been found in the area.

At Peura-aho and Hietaharju, some five kilometres apart, low tenor massive sulphide deposits with associated disseminated mineralisation have been identified. Massive sulphides outcrop at Peura-aho and grade up to 3% nickel, 2% copper and 15 g/t palladium. At Peura-aho, massive sulphides are hosted within footwall felsic rocks. At Hietaharju multiple massive sulphide lenses are inter-layered with disseminated sulphide within a talc carbonate altered ultramafic unit.

At Arola and Sika-aho, high tenor nickel mineralisation is hosted in sheared and altered mafic rocks closely spatially associated with a complex series of komatiitic rocks.

Resources for the project are detailed below.



#### Mineral Resources at the Kuhmo Nickel Project

Location	Tonnes (Mt)	Ni (%)	Cu (%)	Co (%)	Pt (%)	Pd (%)
Vaara	6.1	0.35	0.03	0.01	0.25	0.25
Peura-aho	0.6	0.51	0.22	0.03	0.18	0.4
Hietaharju	1.0	0.53	0.28	0.03	0.19	0.26
Sika-aho <sup>1</sup>	0.175	0.66	0.01	n/a	n/a	n/a
Arola <sup>2</sup>	1.5	0.46	n/a	n/a	n/a	n/a
Total	9.38	0.40	Contained nickel		37,765 tonnes	

<sup>1</sup> GTK, 1998 Polygonal Resource Estimate, available in Public domain but not reported under JORC Code. Vulcan review classified as Inferred Resource.

<sup>2</sup> Outokumpu, Polygonal Resource Estimate, available in Public domain but not reported under JORC Code. Vulcan review classified as Inferred Resource.

Vulcan's strategy with each of its six nickel deposits is as follows:

1. Conduct shallow infill and extension drilling to 100 metres depth, verify previous drilling (up to 40 years old), delineate high grade zones and generate geological models.
2. Complete definitive metallurgical testwork on all ore types delineated.
3. Complete Resource Estimates and pit optimisation to current best practice.
4. Complement existing geophysics and geochemistry to inform further extension drilling based on the new geological understanding.

### **About Vulcan**

Vulcan Resources Limited is a base and precious metals development and exploration company in Finland.

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 which 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

A Definitive Feasibility study 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).