

ASX RELEASE
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PRE-FEASIBILITY STUDY COMMENCED KYLYLAHTI COPPER-COBALT DEPOSIT, FINLAND

HIGHLIGHTS

Vulcan has kicked off its pre-feasibility study on the Kylylahti Copper-Cobalt Deposit in Finland. Consultant engineers SRK and consultant metallurgists Lycopodium Engineering Pty Ltd ("Lycopodium Engineering") have been appointed to conduct the study under Vulcan's new General Manager of Operations, Mr Campbell Baird. Vulcan expects the study to be completed mid year and to make a decision to commence a full bankable study on completion. Vulcan has also commenced a review of all geological and geophysical data with a view to delineating drill targets for deposit extensions and adjacent new deposits.

Pre-Feasibility Study

Vulcan has completed the appointment of pre-feasibility study engineers, metallurgical and marketing consultants and strengthened its management team with the appointment of a General Manager, Operations.

The Kylylahti Copper-Cobalt Deposit, "Kylylahti", has a Resource of 3.4 million tonnes grading 1.8% copper, 0.3% cobalt, 0.2% nickel and 1 g/t gold or 8.2% copper equivalent with a metal inventory of 60,000 tonnes of copper and 10,000 tonnes of cobalt.

Kylylahti was discovered in the 1980's and following extensive diamond drilling numerous mining, geological and metallurgical studies were completed by Outokumpu Oy up until 1995. Vulcan's pre-feasibility study aims to review and update that work with completion expected in mid year followed by a decision to commence a bankable study later in 2005.

The pre-feasibility study will include the capture and validation of all existing data, geological modelling, construction of an updated Resource Model, metallurgical review, marketing studies, metallurgical testwork if warranted, infill and extension drilling, geotechnical studies, hydrology and environment, mine and process design and financial analysis.

Vulcan's strategy is to develop an underground decline mine with an annual production rate of 300,000 to 400,000 tonnes and to grow the resource inventory through infill, extension and near mine drilling. The deposit remains open at depth and there are a number of geophysical targets to test. The potential is highlighted by drillhole OKU-808 which intersected 70 metres at 3.1% copper and 0.37% cobalt.

Study Consultants

Internationally renowned engineering and mining consultancy SRK (Steffen Robertson and Kirsten) have been appointed to conduct the pre-feasibility study. SRK have extensive project feasibility experience in base metals, underground mining and have experience in projects in Finland.

Perth based consultancy Lycopodium Engineering have been appointed metallurgical consultants to the study and are currently involved in a major bankable feasibility study in Finland.

Mr Gaston Reymenants has been appointed to advise the Company on the marketing of potential copper, cobalt, nickel and gold-bearing concentrates. Mr Reymenants is based in Europe and the USA and has a wide experience in metals marketing with particular expertise in cobalt.

Management Appointment

Mr Campbell Baird, B.Eng (Mining), has joined Vulcan as General Manager Operations. Mr Baird is a mining engineer with extensive experience in operations, management, planning and feasibility studies and mine design. Campbell has worked with WMC at Kambalda, Mt Morgans Gold Mine with Homestake, Northparkes and the Iron Ore Company of Canada with North Limited and for the last five years has been a senior consultant with SRK and has been intimately involved with numerous feasibility studies in various commodities across the globe.

Mr Baird will be responsible for taking Kylylahti through feasibility to development.

About Vulcan

Vulcan Resources (ASX code VCN, “Vulcan”) is a Western Australian company based in Perth which is focussed on exploration, development and mining of base and precious metal deposits in Finland. It has 45.8 million shares on issue.

The 100% owned Kylylahti Copper-Cobalt Deposit has a Resource of 3.4 million tonnes grading 1.8% copper and 0.3% cobalt, or 8.2% copper equivalent. Outokumpu completed extensive metallurgical and other studies in the period 1985-1995. The project is the subject of a pre-feasibility study to be completed in mid 2005. Vulcan’s strategy is to develop a 300,000 to 400,000 tonne underground decline mine in 2007.

Vulcan also holds platinum exploration tenements adjacent to Goldfields’ 12 million ounce Arctic Platinum Project in northern Finland.

Vulcan’s nickel assets in Finland are held by its subsidiary Kuhmo Nickel plc which is planning an AIM listing in 2005. An 150km long greenstone belt contains six drilled nickel sulphide deposits and numerous geophysical and geochemical targets. These deposits and rocks are directly analogous to Western Australian type examples of such deposits. The potential for expansion and development of the deposits and drilling of compelling targets will be completed early in 2005.

Competent Person Statement

The information on mineralisation contained in this report accurately reflects information compiled by Dr Alistair Cowden B.Sc (Hons), Ph.D, M.Aus.I.M.M., M.A.I.G. who is a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation and is an employee of Vulcan Resources Limited. He has consented to the form of this report.

Please direct enquiries to:

Alistair Cowden, Chairman
Tel: +61 8 9485 2929
Mobile: 0419 914 988
Email: admin@vulcanresources.com.au
Web: www.vulcanresources.com.au

Kevin Kartun
The Capital Group
Tel: 0413 806 353