

ASX RELEASE
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DRILLING COMMENCES AT KYLYLAHTI COPPER PROJECT

Vulcan Resources (ASX: VCN) today announced that it has commenced diamond drilling with two drill rigs at the Kylylahti Copper Project, near Outokumpu in Eastern Finland.

The 100%-owned Kylylahti Copper Project was acquired in December 2004 as a part of the Company's strategy to build shareholder value by securing a dominant position in one of the world's most significant copper mining camps.

A pre-feasibility study (PFS) on the project commenced in January 2004. The current indicated resource estimate was made by Outokumpu in 1995 and is 3.4 million tonnes at 1.8% copper, 0.3% cobalt, 0.6% zinc, 0.2% nickel and 0.9g/t gold for an in-situ copper equivalent grade of 9% copper.

Vulcan Resources Managing Director Alistair Cowden said the immediate focus of the drill program was to confirm and extend thick, high-grade mineralisation as displayed in drill hole OKU808 that intersected 70 metres at 3.1% copper and 0.4% cobalt.

"Today's announcement reinforces our commitment to fast track this project to take advantage of its outstanding commercial worth," said Dr Cowden.

"The drilling will provide sufficient material for definitive metallurgical test work, to raise the resource estimate confidence level and increase tonnage," he said.

As part of the PFS, a total of approximately 3,200 metres will be drilled to intersect mineralisation at depths between 450 and 700 metres. The drilling is designed to test and extend the limits to high grade mineralisation in the lower portion of the deposit.

Drilling targets have been identified following extensive database validation and geological modelling of historic data. The program is expected to take three months to complete.

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About Vulcan

Vulcan Resources (ASX: VCN) is a Western Australian company based in Perth, focussed on exploration, development and mining of base and precious metal deposits in Finland. It has 45.8 million shares on issue. It has a strategic alliance with London mining finance house and 20% shareholder Cambrian Mining plc.

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.