

## ASX RELEASE

31 August 2006

### APPOINTMENT OF CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

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Vulcan Resources Limited ("Vulcan") (ASX: VCN) is pleased to announce the appointment of Mr Anthony Begovich as Chief Financial Officer and Company Secretary with effect from 31 August 2006. Mr Begovich is a chartered accountant and has spent over 10 years specialising in the energy and mining sector with one of the big four accounting firms with postings in Australia, Indonesia and London. More recently Mr Begovich was Chief Financial Officer and Company Secretary for a successful Australian listed property management company.

With the recent changes in management and board of the Company and in accordance with its remuneration policy, the Company has reviewed the remuneration and incentives offered to senior management and directors. As a result of the review the Company has resolved to issue Dr Cowden, the Managing Director, 3 million options and Mr Begovich, the Company Secretary, 600,000 options. The options will be exercisable in three tranches, each with significant and increasing hurdles; the first tranche will only be exercisable once the share price has reached \$0.35, the second only once the share price has reached \$0.50, and the third only once the share price has reached \$0.75. In addition Mr Heikki Solin has been awarded 500,000 options exercisable at \$0.30. The issue of options to Dr Cowden and Mr Solin and the full terms and conditions of them will be put to shareholders for approval at this years Annual General Meeting.

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#### **About Vulcan**

Vulcan Resources (ASX: VCN) is an Australian company based in Perth focussed on the development of base metal deposits in Finland. Vulcan has a unique portfolio of commodities spanning a range from near decision to mine to resource definition and exploration.

The Kylylahti copper-cobalt-nickel-gold deposit is 100% owned by Vulcan and is located 24 kilometres from Outokumpu in Eastern Finland in the heart of the plus 1 million tonne copper Outokumpu mining camp. Vulcan has completed a Pre-Feasibility Study and commenced a Bankable Study for development of a 500,000 tonnes per annum underground mine.

The current resource at Kylylahti is 7.4 million tonnes of 1.0% copper, 0.2% cobalt, 0.2% nickel and 0.6 grams per tonne gold.

The Kuhmo project is 95% owned by Vulcan and has extensive tenure in the Kuhmo-Suomussalmi greenstone belt. Six nickel sulphide occurrences have been identified and the deposits are directly analogous to those found in Western Australia. Vulcan is commencing Resource Estimates on three deposits and a Scoping Study on mining.

The Syöte vanadium project is 100% owned by Vulcan and has known vanadium bearing magnetite gabbro horizons up to 130 metres thick and up to 10 kilometres long. Historic metallurgical testwork indicates that the project has the potential to be a world class vanadium mine similar to the now closed adjacent Mustavaara mine.

Finland is a mining friendly country within the European Union with a competitive and low risk economy. Finland has a long mining tradition and has one of the world's largest concentrations of metallurgical infrastructure.