

ASX RELEASE

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VULCAN APPOINTS LONDON FINANCIAL ADVISOR FOR KYLYLAHTI

Vulcan Resources Limited ("Vulcan") (ASX: VCN) today announced that it has selected Cutfield Freeman & Company ("CF&Co") as its financial advisor to advise and assist in developing a strategy for financing the development of the Company's Kylylahti Copper-Cobalt Project in Finland.

CF&Co is a London-based independent advisory firm which specialises in the mining sector and has an extensive track record in securing financing for mine development.

Initially, the corporate advisors will be focussed on the strategic options for financing the development of the project in 2007. These options include debt, equity, mezzanine products, offtake finance, alternative financial products and assistance from government agencies.

Vulcan views the move to commence formal financing discussions as a further milestone in Kylylahti's advance towards production.

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Please direct enquiries to:

Alistair Cowden
Managing Director
Tel: +61 8 9485 2929
Email: admin@vulcanresources.com.au
Web: www.vulcanresources.com.au

Ann Nahajski
Porter Novelli
Tel: +61 8 9386 1233
Mobile: +61 400 205 433

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 550,000 tonnes per annum underground mine.

The current resource at Kylylahti is 7.0 million tonnes of 1.1% copper, 0.2% cobalt, 0.2% nickel, 0.4% zinc and 0.7 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.