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NEWS RELEASE

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NEW DRILLING RESULTS FROM VAARA NICKEL DEPOSIT FINLAND – EXCEED PREVIOUS GRADES

Vulcan Resources Limited ("Vulcan") (ASX: VCN, FSE: VUA, WKN: A0HHEF, Norwegian OTC: VCNR) today announced that drilling at the Vaara nickel deposit, which is part of the Kuhmo Nickel Project, indicated that prior Resource estimates for the deposit understated nickel grades and possibly platinum and palladium grades. The drilling also indicated that the deposit remains open to the north-west.

Vaara is a large, low grade nickel sulphide deposit at the northern end of the Kuhmo greenstone belt in central eastern Finland (Figure 1).

Vulcan's General Manager in Finland, Mr Jarmo Vesanto, said the drilling at Vaara was designed to test the continuity and limits of the Resource.

"All intercepts exceeded the average grade of the prior Resource estimate of 0.35% nickel, some by two or three times," said Mr Vesanto.

A total of 13 holes for 969 metres were drilled in the shallow portion of the deposit. Best results received from 9 of 13 holes drilled to date include several thick intersections:

25 metres from 26 metres depth at 0.69% nickel, 0.39 g/t palladium, 0.17 g/t platinum
43 metres from 30 metres depth at 0.43% nickel, 0.16 g/t palladium, 0.07 g/t platinum

Highest values obtained are 1.44% nickel, 1.10 g/t palladium and 0.52 g/t platinum. A full tabulation of available results is attached, results from four drill holes are awaited.

The deposit is located 15-20 kilometres north-west of Vulcan's Peura-aho and Hietaharju deposits from which high grade intercepts have been reported in the last three months. The deposit is hosted in a thick serpentinite unit which is part of a 20 kilometre long belt of komatiites and associated ultramafic rocks. There are seven drilled nickel occurrences within this belt, numerous geophysical anomalies, MMI geochemical anomalies, till geochemical anomalies and nickel anomalous boulders (Figure 2, 3). High grade massive nickel sulphides are spatially associated with disseminated mineralisation at a number of Australian nickel deposits. Prospectivity in this belt is high.

Vaara outcrops and forms a hill with minimal soil or till cover. Mineralisation occurs as 1-5% disseminated sulphides. It was discovered by the Geological Survey of Finland ("GTK") during regional mapping in 1998.

An Indicated and Inferred Resource of 6.1 million tonnes at 0.35% nickel, 0.10% platinum and 0.15% palladium was estimated by Snowden and Associates last year. This drill programme indicates the Resource model can be improved by better modelling of Resource geometry, application of different cut-off grades, inclusion of this higher grade drilling and further extension drilling.

Prior metallurgical testwork by the GTK generated a best result of 24% nickel in concentrate for 65% recovery from a sample from a high grade surface outcrop.

On receipt of all drill results, the following programme will be implemented:

1. Further infill and extension drilling (open pit delineation).
2. Metallurgical testwork.
3. Geotechnical drilling.
4. New Resource estimate and pit optimisation.
5. Drill testing of adjacent geochemical anomalies and of a prior intercept of nickel in drilling at the margin (footwall?) of the ultramafic rock complex.
6. Regional 'deep-looking' EM survey.

- ENDS –

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).

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APPENDIX

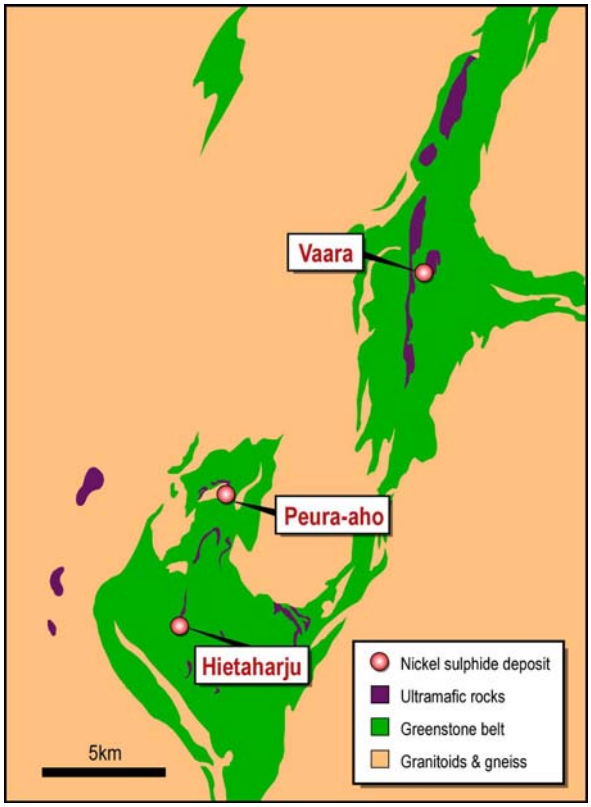


Figure 1: Geology of the Kuhmo greenstone belt showing nickel deposits drilled by Vulcan

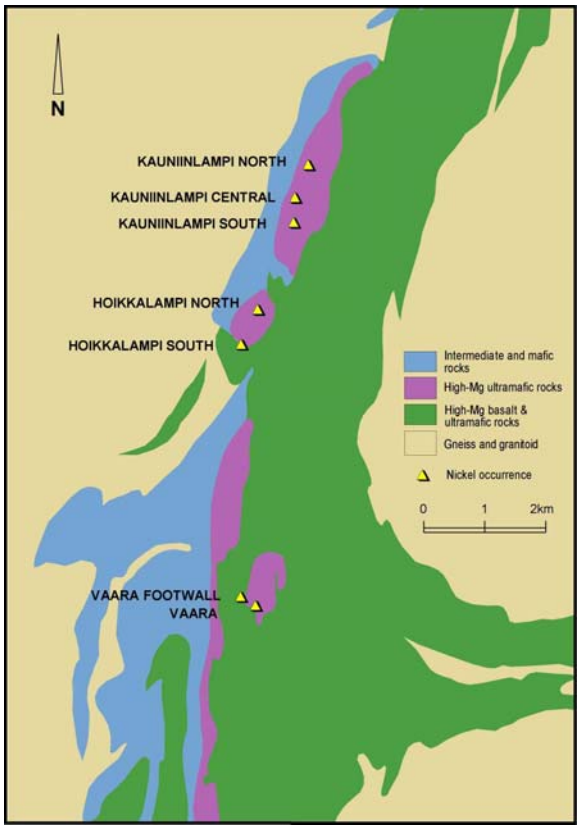


Figure 2: Drilled nickel occurrences in the Vaara area

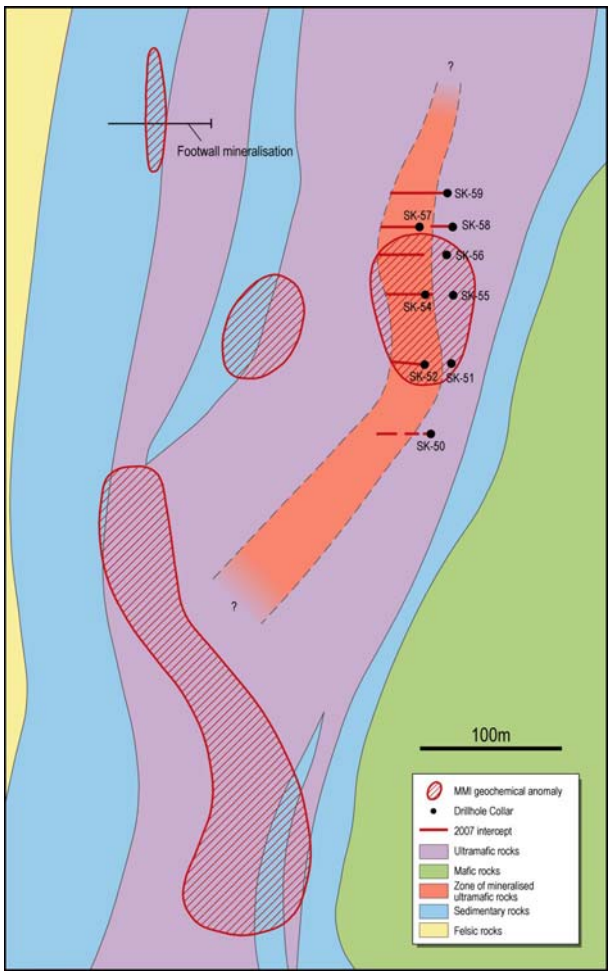


Figure 3. Geology map of Vaara deposit showing current drilling and MMI geochemical anomalies. An Outokumpu intersection of 6 metres at 0.4% nickel in the footwall of the disseminated sulphides within the ultramafic complex is of particular interest.

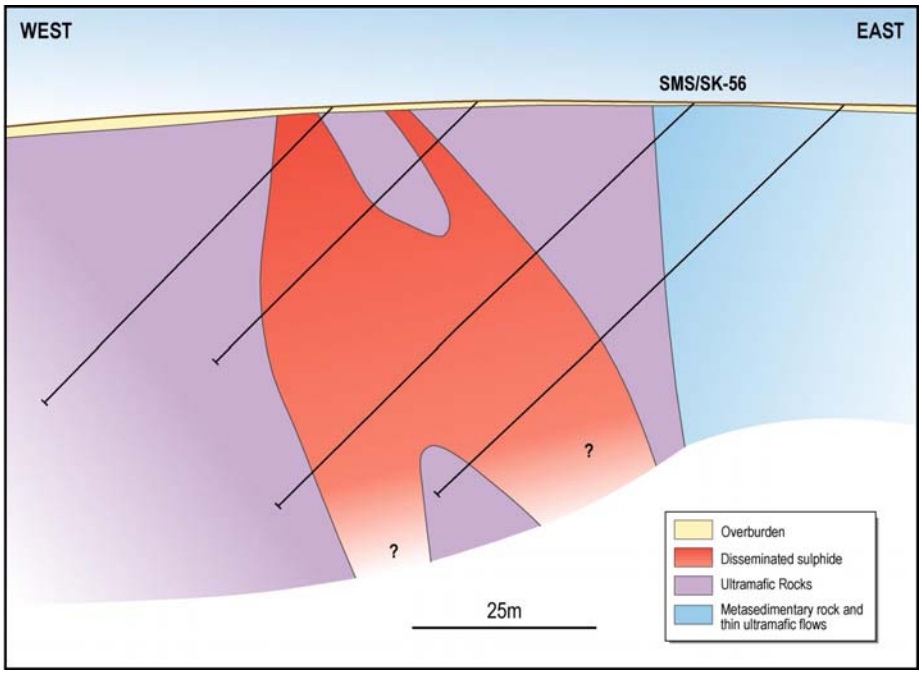


Figure 4. Cross section of the Vaara deposit showing 43m at 0.43% nickel intercept in SMS/SK-56

Table 1. Vaara drilling results, September 2007

Hole	From (m)	Interval (m)	Ni (%)	Cu (%)	Co (%)	Pd ppm	Pt ppm	2PGE ppm
SMS/SK-50	0.50	1.50	0.85	0.03	0.02	0.77	0.35	1.12
SMS/SK-50	22.30	6.40	0.59	0.05	0.01	0.27	0.11	0.38
SMS/SK-50*	33.20	2.90	0.57	0.04	0.01	0.24	0.10	0.34
SMS/SK-50*	54.30	9.37	0.49	0.04	0.01	0.21	0.09	0.29
incl	55.30	0.70	1.40	0.09	0.03	0.89	0.35	1.24
SMS/SK-50*	67.85	5.15	0.37	0.03	0.01	0.08	0.04	0.12
SMS/SK-51	0.40	1.60	0.47	0.05	0.01	0.31	0.13	0.44
SMS/SK-51*	37.85	12.58	0.39	0.03	0.01	0.12	0.05	0.17
incl	45.00	3.00	0.60	0.05	0.02	0.33	0.14	0.47
SMS/SK-52*	17.40	10.10	0.54	0.04	0.01	0.24	0.09	0.33
incl	23.40	2.00	0.79	0.06	0.02	0.42	0.16	0.58
SMS/SK-53	Results pending							
SMS/SK-54*	26.00	25.00	0.69	0.06	0.02	0.39	0.17	0.56
incl	39.00	5.00	1.05	0.08	0.02	0.62	0.27	0.89
SMS/SK-55*	48.00	11.00	0.39	0.03	0.01	0.11	0.05	0.16
SMS/SK-56*	30.00	43.00	0.43	0.03	0.01	0.16	0.07	0.23
SMS/SK-57*	9.00	8.80	0.70	0.04	0.02	0.41	0.17	0.58
incl	12.00	1.00	1.44	0.06	0.03	1.10	0.52	1.62
SMS/SK-57*	22.00	15.50	0.42	0.04	0.01	0.15	0.06	0.21
incl	30.00	5.00	0.57	0.05	0.01	0.28	0.11	0.38
SMS/SK-57	48.00	2.00	0.53	0.02	0.02	0.23	0.10	0.33
SMS/SK-58*	20.00	11.00	0.43	0.02	0.01	0.30	0.13	0.43
SMS/SK-58*	45.00	6.65	0.35	0.01	0.01	0.05	0.02	0.07
SMS/SK-58*	56.50	6.50	0.57	0.07	0.01	0.33	0.20	0.53
SMS/SK-59*	8.65	36.35	0.58	0.05	0.01	0.30	0.14	0.44
SMS/SK-59*	54.00	3.00	0.43	0.02	0.01	0.14	0.06	0.20
SMS/SK-59*	66.00	2.80	0.54	0.30	0.01	0.18	0.08	0.26
SMS/SK-60	Results pending							
SMS/SK-61	Results pending							
SMS/SK-62	Results pending							

** Pt and Pd assays pending for part of interval*

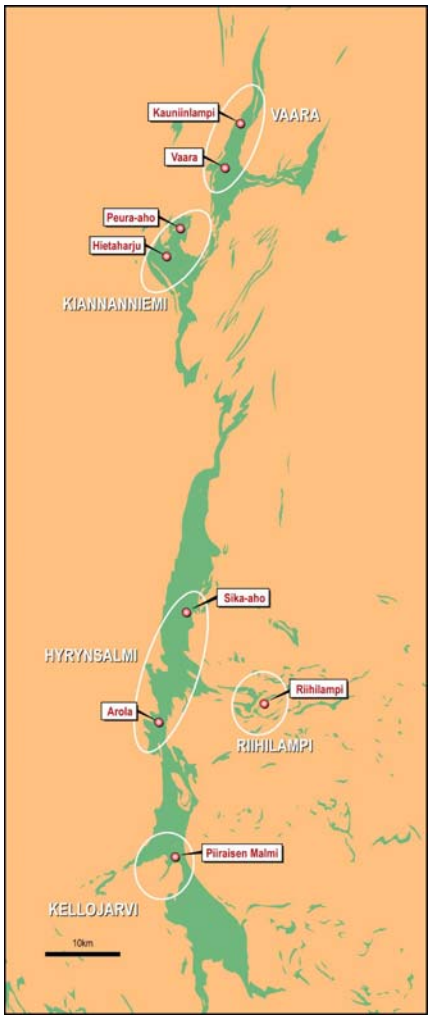
About the Kuhmo Nickel Project

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 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 and numerous nickel anomalies in soil, boulder and shallow till drilling occur elsewhere in this highly prospective 20 kilometre komatiite belt.

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	6.10	0.35	0.03	0.01	0.15	0.10
Peura-aho	0.60	0.51	0.22	0.03	0.18	0.40
Hietaharju	1.00	0.53	0.28	0.03	0.19	0.26
Sika-aho[1]	0.17	0.66	0.01	n/a	n/a	n/a
Arola[2]	1.50	0.46	n/a	n/a	n/a	n/a
Total	9.38	0.40	Contained nickel		37,765 tonnes	

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.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed 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.

[1] GTK, 1998 Polygonal Resource Estimate, available in Public domain but not reported under JORC Code

[2] Outokumpu, Polygonal Resource Estimate, available in Public domain but not reported under JORC Code