

NEWS RELEASE

12 March 2008

DRILL RESULTS INDICATE POTENTIAL FOR EXTENSION TO KYLYLAHTI DEPOSIT

Vulcan Resources Limited ("Vulcan") (ASX: VCN, FSE: VUA, WKN: A0HHEF, Norwegian OTC: VCNR) today released the results of drill testing of potential extensions to the upper Wallaby Zone at the Kylylahti copper-cobalt-nickel deposit in Finland.

Drillhole OKU-955 intersected significant thicknesses of mineralisation 40 metres down dip and outside of the current Wallaby Zone Resource. The hole encountered a total of 51.3 metres of mineralisation in four separate intercepts (Figure 1). Drillhole OKU-953 intersected mineralisation with grades above Resource grade at the lower edge of the Wallaby Zone.

Significant intercepts are:

Hole	From (m)	Interval (m)	Cu (%)	Co (%)	Ni (%)	Zn (%)	Au g/t
OKU-953	343.00	5.90	2.32	0.22	0.32	0.80	0.58
OKU-954	251.15	1.35	0.48	0.36	0.09	1.71	0.23
OKU-955	357.00	15.00	0.63	0.10	0.26	0.09	0.49
	382.00	12.00	1.03	0.10	0.28	0.16	0.92
incl.	386.00	7.00	1.32	0.08	0.28	0.20	1.34
	400.00	6.00	0.61	0.06	0.24	0.22	0.17
	409.00	18.30	1.20	0.14	0.21	0.75	0.48
incl.	410.50	4.00	2.16	0.26	0.10	0.54	1.19
incl.	421.75	3.90	2.06	0.22	0.31	2.42	0.67

This drilling highlights the potential for extensions down dip from the Wallaby Zone over at least 70 metres of length between OKU-953 and OKU-955. In addition, OKU-955 also encountered elevated gold values above the Wallaby Zone and outside the Resource (Figure 2).

Follow up drilling to these intersections is planned to commence in April. The drilling indicates the potential for a significant increase to the Resource Estimate. The extensions are relatively shallow and would positively impact on tonnes available for mining in first 4 years of production.

Drilling is also in progress at the downplunge extension to the deposit but has been hampered by equipment availability.

The Kylylahti Definitive Feasibility Study ("DFS") is proceeding on schedule and is due for completion at the end of March. Following review and sign off it is anticipated that the results of the DFS will be released to market in early April.

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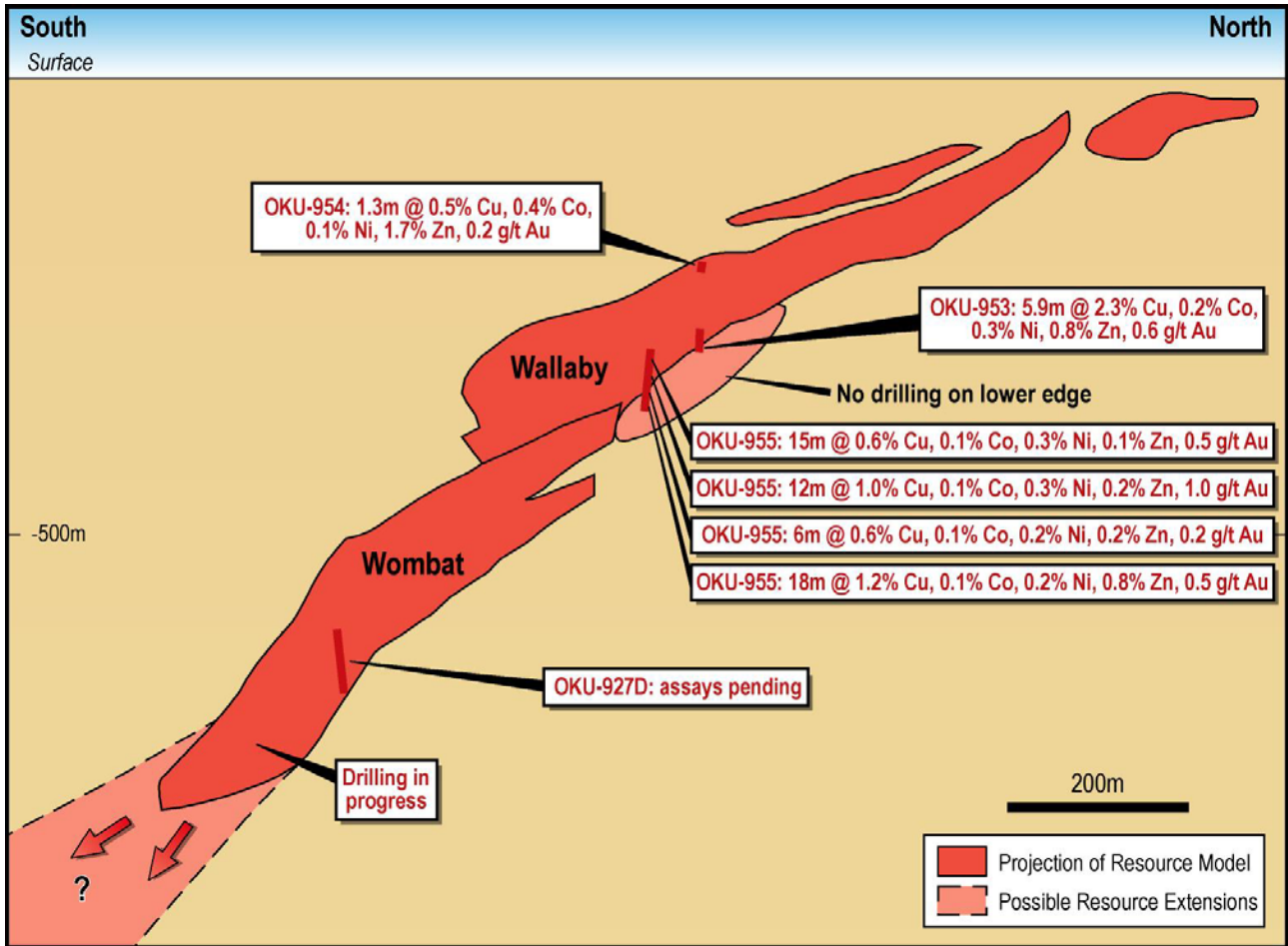


Figure 1. Longitudinal section of the Kylylahti Deposit showing location of recent drilling and potential Resource extensions

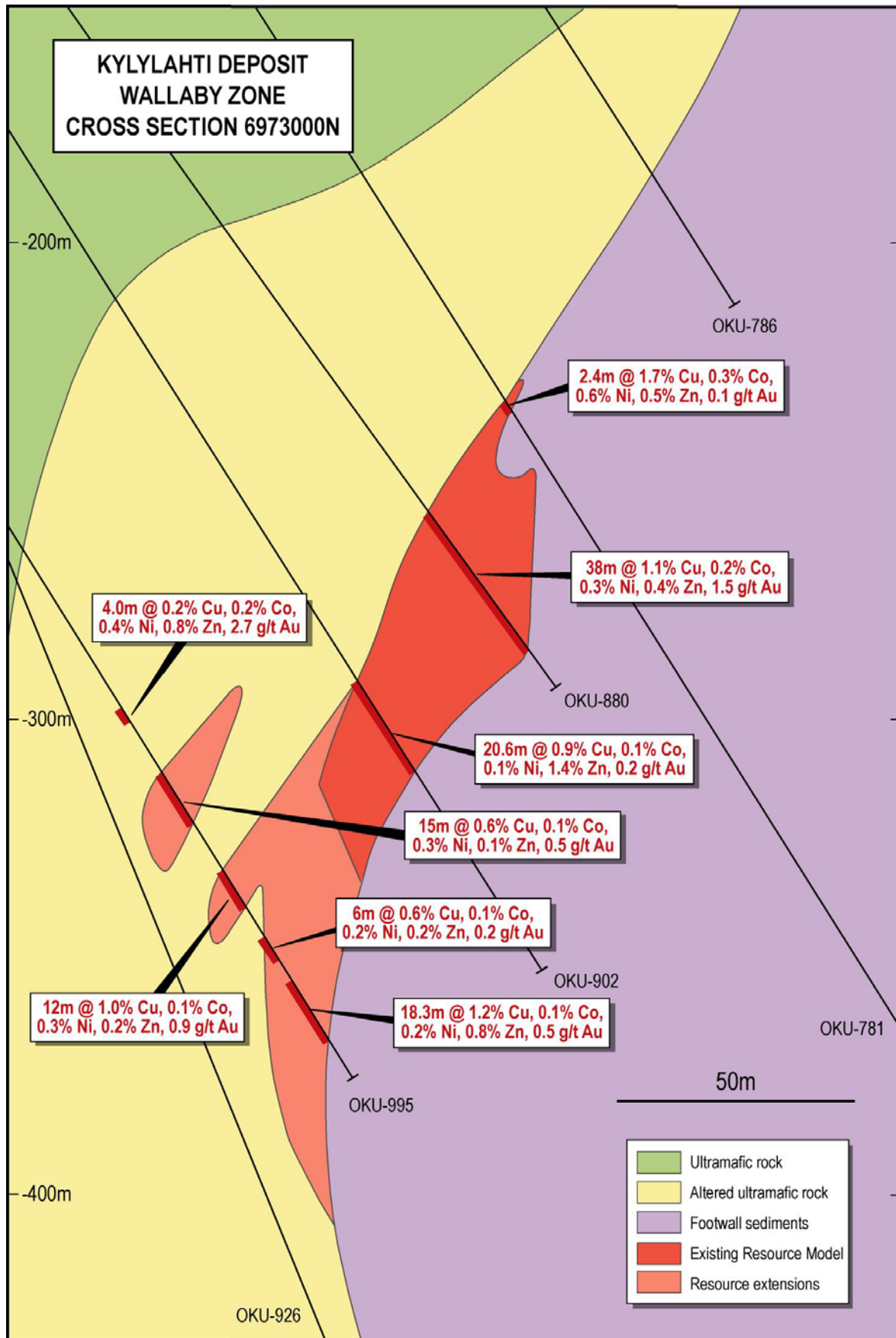


Figure 2. Cross Section through drillhole OKU-995 showing significant down dip extension to Resources

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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. For a detailed breakdown of the Measured, Indicated and Inferred Resources, see ASX release dated 26/06/07.

A Definitive Feasibility study managed by SNC-Lavalin Australia is examining the construction of a 13 year underground mine, concentrator and nickel-cobalt-zinc 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. For a detailed breakdown of Resources see ASX release dated 13/11/07.

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).

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.