NEWS RELEASE

28 September 2009

VULCAN RESOURCES AND UNIVERSAL RESOURCES MERGER TO CREATE SIGNIFICANT COPPER-FOCUSED GLOBAL DEVELOPMENT COMPANY

Fast-track for two key copper projects
Substantial production potential

Highlights

▪ Merger Implementation Agreement executed

▪ The proposed merger will combine Vulcan’s strong cash position and its Finnish base metal development and exploration portfolio with Universal’s well advanced Roseby Copper Project and highly prospective exploration portfolio

▪ Post merger cash balance in excess of A$30 million

▪ Combined post merger global copper inventory of over 1 million tonnes of contained copper in Resources (see Appendix 1), exclusive of by-product credits.

▪ Combined potential annual metal production equivalent to more than 36,000t copper with substantial cobalt, nickel, gold and zinc by-product credits

▪ Substantial exploration upside potential with dominant land positions in two world class established mineral fields of the Mt Isa Inlier and Outokumpu belt as well as the emerging Kuhmo Nickel province.
Australian base metals companies, Vulcan Resources Limited (ASX:VCN; “Vulcan”) and Universal Resources Limited (ASX:URL; “Universal”) are pleased to announce that they have agreed to merge the two companies by Scheme of Arrangement (“Scheme”).

Following the merger, the merged group will seek to progress development and finance of its two advanced development stage projects, Kylylahti and Roseby. The company will benefit from the flexibility provided by development options and a robust capital structure.

Vulcan Resources Managing Director, Alistair Cowden, said that the merger proposal was an attractive proposal for both sets of shareholders.

“With the combination of two very advanced projects with completed definitive feasibility studies over 1 million tonnes of copper in Resources, our respective management experience and a healthy cash balance sheet we can create a significant, copper-focused global development company,” he said.

“We have been looking for some time for opportunities to enhance our production potential and this potential merger is a compelling opportunity to achieve that aim for the benefit of both companies.”

Universal Resources Managing Director, Mr Peter Ingram, said that the proposed merger offered all shareholders an enhanced path to production.

“This is a classic win-win situation for both companies and we believe the scale and synergy benefits generated by the potential merger of Universal and Vulcan are significant. We are confident that the merged company, with a much larger capital base and market capitalisation, will be significantly better placed to achieve production at not just one advanced project but in time at two robust operations,” he said.

With a strong focus on its copper development and exploration portfolio, following the merger the group will conduct a strategic review of its non-copper assets, principally nickel and uranium, to assess options to maximise shareholder value.

Under the terms of the Scheme, if approved, all issued shares in Vulcan will be transferred to Universal and Vulcan shareholders will receive 6.85 Universal shares for each share in Vulcan. Vulcan has unlisted options on issue which will be dealt with via individual agreements with Universal, conditional upon approval of the Scheme.

It is anticipated that the merged group will consolidate its share capital and change its name upon the successful completion of the transaction.

**Benefits of the Proposed Merger**

The Vulcan and Universal boards believe that the combined corporate, management and technical strengths of both companies will result in increased capacity to successfully develop existing projects, and will fast-track the merged company to become a substantial copper producer.

The merged entity expects to derive substantial development, financing and operational synergies between Kylylahti and Roseby enabling the merged company to better advance the two development stage projects. The combination of the two projects creates an extended pipeline for value realisation and growth beyond a single project.

The merged group will have a distinct copper focus, owning 100% of the Roseby Copper Project in Queensland as well as 100% of the Kylylahti Copper-Cobalt-Nickel Project located near Outokumpu in eastern Finland. Both projects offer the potential for a long mine life.
The Mt Isa Inlier and Outokumpu area are large, established fields with a development track record. The merged group will have significant exposure to exploration assets in both these areas, including:

- 2,200km² of granted tenements in the Mt Isa Inlier Queensland; and
- Key tenements in the Outokumpu area, Finland; and
- 95% of the Kuhmo Nickel Project located 250km north of Kylylahti in Finland.

Key Terms of the Proposed Merger

The proposed transaction has the full support of the Boards of Directors of both Universal and Vulcan. The Board of Vulcan has informed Universal that, subject to the Independent Expert’s report and in the absence of a superior offer, it will unanimously recommend that its shareholders vote in favour of the proposed merger.

- Vulcan Shareholders receive 6.85 Universal shares for every Vulcan share they own.
- This will result in the issue of approximately 1,555 million shares to Vulcan’s shareholders.
- The post merger structure comprises 63.6% Vulcan shareholders and 36.4% Universal shareholders, on an undiluted basis.¹
- Universal will offer to exchange unlisted Vulcan options for Universal securities based on an agreed pricing determined by option valuation techniques.
- The merger is subject to certain conditions precedent, including:
  - Any necessary regulatory and third party approvals;
  - Vulcan shareholder approval and favourable independent expert's report;
  - Court approval of the merger;
  - The Vulcan options being acquired; and
  - No ‘prescribed occurrences’ (being specified changes in capital structure or business), material adverse changes occurring, or superior competing proposals being made, in relation to either Vulcan or Universal.
- The parties are seeking advice to confirm that Vulcan shareholders outside of Australia (e.g. Finland, Norway and Germany) are able to participate in the transaction.

Exclusivity and Break Fees

After an exclusivity period which ended on 25 September 2009, the two parties have executed a Merger Implementation Agreement (“MIA”). The MIA contains certain terms and conditions usual for a transaction of this nature including no shop obligations on Vulcan.

Break fees of $300,000 have been negotiated and will be enforceable should either party decide not to pursue the transaction (subject to certain limited exceptions) or Vulcan shareholders do not approve the transaction.

Overview of the Merged Group Board and Management

Kevin Maloney will continue as Non Executive Chairman of the company, Alistair Cowden, the Managing Director of Vulcan, will be appointed Managing Director of the merged company and Peter Ingram, the Managing Director of Universal, will retire from his current role on completion of the merger and continue as a Non Executive Director of the combined entity.

Fiona Harris and Heikki Solin from the Vulcan Board and Jason Brewer from the Universal Board will also join as Non-Executive directors.

¹ The post merger structure has incorporated the Universal share placement of 100 million shares at 1.8 cents per share (to raise $1.8 million) and assumed a further placement of 120 million shares at 1.8 cents per share (which is subject to Universal shareholder approval). The Universal share placement was announced on 15 September 2009.
Indicative Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despatch of Scheme Booklet to Vulcan Shareholders</td>
<td>November 2009</td>
</tr>
<tr>
<td>Shareholder Meeting</td>
<td>December 2009</td>
</tr>
<tr>
<td>Completion</td>
<td>January 2010</td>
</tr>
</tbody>
</table>

Next Steps

Vulcan shareholders will receive a Scheme Booklet that will contain full details of the Scheme, including the basis for the Vulcan Board’s recommendation that shareholders approve the Scheme. Vulcan has appointed KPMG as independent expert to provide a report on whether the Scheme is in the best interests of Vulcan’s shareholders. The independent expert report will be included in the Scheme Booklet.

It is currently anticipated that Vulcan will lodge the Scheme Booklet with ASIC in November. Vulcan will seek a Court order to convene a meeting of its shareholders to approve the Scheme in December.

Advisors and Counsel for the Transaction

Vulcan’s financial advisor with respect to the transaction is BurnVoir Corporate Finance Ltd, and its legal advisor is Blakiston & Crabb. Universal’s legal advisor with respect to the transaction is Freehills.

Cautionary Statement

No stock exchange, securities commission or other regulatory authority accepts responsibility for the adequacy or accuracy of this release or has approved or disapproved the information contained herein.

Statements regarding Vulcan’s and Universal’s plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Vulcan’s and Universal’s plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Vulcan and Universal will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Vulcan’s and Universal’s mineral properties. Circumstances or management’s estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

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2 The above timetable is indicative only and may vary.
Appendix 1 – Merged Group Resources

Roseby*

<table>
<thead>
<tr>
<th>Resources</th>
<th>Tonnes (Mt)</th>
<th>Cu (%)</th>
<th>Au (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>30</td>
<td>0.69</td>
<td>0.03</td>
</tr>
<tr>
<td>Indicated</td>
<td>56</td>
<td>0.68</td>
<td>0.06</td>
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<tr>
<td>Inferred</td>
<td>42</td>
<td>0.68</td>
<td>0.08</td>
</tr>
<tr>
<td>Total</td>
<td>128</td>
<td>0.68</td>
<td>0.06</td>
</tr>
</tbody>
</table>

Outokumpu Region**

<table>
<thead>
<tr>
<th>Resources</th>
<th>Tonnes (Mt)</th>
<th>Cu (%)</th>
<th>Co (%)</th>
<th>Ni (%)</th>
<th>Zn (%)</th>
<th>Au (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kylylahti</td>
<td>8.10</td>
<td>1.18</td>
<td>0.24</td>
<td>0.22</td>
<td>0.47</td>
<td>0.66</td>
</tr>
<tr>
<td>Saramäki</td>
<td>3.40</td>
<td>0.70</td>
<td>0.10</td>
<td>0.06</td>
<td>0.63</td>
<td>-</td>
</tr>
<tr>
<td>Vuonos</td>
<td>0.76</td>
<td>1.80</td>
<td>0.14</td>
<td>-</td>
<td>1.33</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>12.30</td>
<td>1.09</td>
<td>0.19</td>
<td>-</td>
<td>0.57</td>
<td>-</td>
</tr>
</tbody>
</table>

* Details in Universal ASX Release dated 31 July 2009
** Details in Vulcan ASX Release dated 7 July 2009

Competent Person Statements

Vulcan Resources Limited

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 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 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.

Universal Resources Limited

Much of the information contained in this report that relates to mineral exploration results, Mineral Resources and Ore Reserves has previously been reported to ASX, based on reports by Competent Persons. Exploration data in this report that has not previously been reported to ASX has been compiled by Maurice Hoyle, a full time employee and director of Universal Resources Limited. Mr Hoyle holds the degree of Bachelor of Science (Honours) in geology, is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Society of Economic Geologists. Mr Hoyle has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hoyle consents to the inclusion in this report of the exploration results and information in the form and context in which it appears.