

VOLCANIC GOLD MINES INC.
(formerly, Volcanic Metals Corp.)
Suite 1600, 609 Granville Street
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NEWS RELEASE

VOLCANIC COMPLETES ACQUISITION OF MANDIANA GOLD PROJECT IN GUINEA AND CHANGES NAME

January 19, 2017 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (formerly, Volcanic Metals Corp.) (the “Company”) (TSXV: VG) is pleased to announce that further to its news releases of November 8, 2016, and January 5, 2017, the Company has acquired all of the issued and outstanding share capital of Sovereign Mines of Africa Ltd. (“Sovereign Mines”) from Sovereign Mines of Africa Plc (“SMA”). Sovereign Mines holds a 75% interest in a series of exploration permits located in Guinea commonly referred to as the Mandiana Project. The remaining interest in the Mandiana Project is held by Soguipami, a government-owned business entity in Guinea formed to conduct mineral exploration projects.

In consideration for the outstanding share capital of Sovereign Mines, and the assignment of the right to purchase Sovereign Mines by Radius Gold Inc. (“Radius”), the Company issued 2,502,489 common shares to SMA and 1,263,883 common shares to Radius. The Company also reimbursed Radius for certain expenses incurred in development of the transaction, and granted Radius certain rights to participate in future equity financings completed by the Company. Each of SMA, Sovereign Mines and Radius are at arm’s length to the Company.

In connection with the acquisition of Sovereign Mines, the Company has appointed Jeremy Crozier as President and a Director of the Company. Michael Iverson will remain as Chief Executive Officer of the Company. Mr. Crozier holds B.Sc. and M.Sc. degrees in geology and has over 20 years of exploration experience gained across a variety of project operations in North America, Africa (including Guinea) and Europe. He has extensive experience in the management of complex projects in remote environments, in discovery and resource definition, in the identification and appraisal of new projects, and in the negotiation of transactions with property vendors and joint venture partners.

The Company also announces that it has changed its name to “Volcanic Gold Mines Inc.” and will be commencing trading under its new name on the TSX Venture Exchange, under the symbol "VG" at market open on Thursday, January 19, 2017.

For further information, contact Michael Iverson at 604.856.9887 or Jeremy Crozier at 604.801.5432.

On behalf of the Board,

Volcanic Gold Mines Inc.

Michael Iverson
Chief Executive Officer

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This news release may include forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although

the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements except as required under the applicable laws.