

NEWS RELEASE

Volcanic options third contiguous gold property in the Mandiana district, Guinea

May 1, 2017 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (“Volcanic”) (TSXV: VG) is pleased to report that it has entered into a binding and exclusive Memorandum of Understanding (the “MOU”) to acquire an initial 70% interest in the Seimana Project in Guinea. This interest may be further increased to 100% through additional project expenditures. Seimana comprises four exploration permits, which together adjoin much of the western boundary of Volcanic’s existing Mandiana Project (“Mandiana”), as well as the lands the Company has under option from West African Mining Associates SARL (“WAMA”), as announced by Volcanic on April 14, 2017. The acquisition of the Seimana Project will expand Volcanic’s holding in the Mandiana district to almost 1,000 fully contiguous square kilometers of highly prospective Birimian terrain, characterized by widespread, linear zones of shallow artisanal gold mining.

The Seimana Project

Exploration at Seimana in 2014 and 2015 by a former option holder included the drilling of 31 reverse circulation holes for a total of approximately 3,000m of drilling over 9 of the 40 reported targets. In much the same fashion as drilling works conducted at Mandiana and WAMA – to which Seimana is geologically similar - these targets were derived from artisanal workings. Drilling results include:

- 4m @ 19.8g/t from 50m in hole TAMRC001
- 5m @ 2.64g/t from 61m in hole TAMRC002
- 10m @ 2.58g/t from 36m in hole KROURC001
- 5m @ 2.02g/t from 55m and 3m @ 3.50g/t from 66m in hole KROURC002
- 3m @ 5.6g/t from 26m in hole KOTRC001
- 3m @ 5.06g/t from 21m and 3m @ 3.50g/t from 66m in hole KRDR002

The reader is advised that the above results are historic in nature and are yet to be verified by Volcanic.

Earlier works at Seimana include surface geochemical and rock-chip sampling, and broad prospecting of artisanal workings over much of the property. Mineralization at Seimana lies along strike from Avocet Mining’s Resource¹ of 1.99 million ounces (Measured and Indicated) and 1.02 million ounces (Inferred) of gold at the Tri-K property, located 7 km to the south of the Seimana Project. Mineralization appears to be associated with NW trending geological structures, in common with other known gold deposits within the Siguiri Basin. It is anticipated that Volcanic will include Seimana in its airborne geophysical survey program currently planned over its consolidated land package, to be followed-up by further prospecting, with the aim of defining and refining drilling targets at the Project.

¹Competent Persons’ Report, 31 December 2014 (JORC standards)

The MOU

Pursuant to the terms of the MOU, Volcanic will make a cash payment of US\$17,640 to the Seimana optionors, which is to be used to complete the renewal of the mineral tenures that comprise the Project. Subject to completion of satisfactory due diligence on title to the Seimana Project, Volcanic will have the exclusive right to earn a 70% interest in the Project by incurring exploration expenditures of US\$700,000 on the Project within 18 months of the effective date of the MOU, including expenditures of at least US\$300,000 within the first 6 months. Once Volcanic has acquired the 70% interest, the remaining 30% interest in the Project held by the optionors will remain undiluted until such time as Volcanic has incurred aggregate exploration expenditures of US\$2M. Thereafter, the minority owners will have the right, but not the obligation, to participate in any project funding in proportion to their percentage ownership in the Project, or will be diluted proportionally.

About Volcanic

Volcanic brings together a deeply experienced and successful mining, exploration and capital markets team focused on building a multi-million ounce gold resource in the underexplored West African country of Guinea and its neighbouring countries. Through the strategic acquisition of mineral properties with demonstrated potential for hosting gold resources, and by undertaking effective exploration and drill programs, Volcanic is seeking to become a leading junior gold resource company.

Qualified Person

Mr. Simon Meadows-Smith is a Qualified Person as defined by “*National Instrument 43-101 - Standards of Disclosure for Mineral Projects*” and has approved the disclosure of the scientific and technical information contained in this news release. Mr. Meadows-Smith holds a BSc degree in geology from Nottingham University, England, and has been involved in mineral exploration since 1988, including 20 years of experience working in West Africa. He is a Fellow in good standing of the Institute of Materials, Minerals & Mining in London.

For further information, contact Alex Langer, the Company’s VP Capital Markets, at 604-765-1604, or visit our website at www.volgold.com.

Volcanic Gold Mines Inc.

Jeremy Crozier, President

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-looking statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking statements and include, without limitation, statements about the Company’s proposed optioning of the Seimana Project and exploration plans therefor. Often, but not always, these forward looking statements can be identified by the use of words such as “estimate”, “estimates”, “estimated”, “potential”, “open”, “future”, “assumed”, “projected”, “used”, “detailed”, “has been”, “gain”, “upgraded”, “offset”, “limited”, “contained”, “reflecting”, “containing”, “remaining”, “to be”, “periodically”, or statements that events, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by forward-looking statements. Such uncertainties and factors include, among others, whether the Company will complete the acquisition of an option to earn an interest in the Seimana Project as planned, or whether the Company's exploration work thereon will proceed as intended; changes in general economic conditions and financial markets; the Company or any joint venture partner not having the financial ability to meet its exploration and development goals; risks associated with the results of exploration and development activities, estimation of mineral resources and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; and such other risks detailed from time to time in the Company's quarterly and annual filings with securities regulators and available under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: that the Company will complete its acquisition of an option to earn an interest in the Seimana Project as planned and that the Company's exploration work thereon will proceed as intended; that the Company's stated goals and planned exploration and development activities will be achieved; that there will be no material adverse change affecting the Company or its properties; and such other assumptions as set out herein. Forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements.