

**VOLCANIC GOLD MINES INC.**  
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## **NEWS RELEASE**

### **Volcanic proposes \$5.0 million private placement**

January 31, 2017 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (the “Company”) (TSXV: VG) announces that it proposes, subject to stock exchange approval, to complete a non-brokered private placement financing of up to 12.5 million units at \$0.40 per unit, for proceeds of up to \$5.0 million. Each unit will consist of one common share and one full warrant, each warrant entitling the holder to purchase one additional common share of the Company at \$0.80 for five years from closing. The warrants will be subject to an acceleration provision such that if the closing price of the Company’s shares for 10 consecutive trading days is \$1.00 or greater, the Company may give notice to the holders of the warrants that the warrants will expire 30 calendar days after receipt of such notice. The Company may pay a finder’s fee on a portion of this financing.

The proceeds of the placement are intended to be used for exploration of the recently acquired Mandiana Project located in Guinea, for possible future property acquisitions, and for general working capital purposes.

**The securities referred to in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of such Act. This news release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.**

For further information, contact Jeremy Crozier at 604-801-5432.

On behalf of the Board,

**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 proposed private placement. 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 private placement will be completed as planned, and whether the Company will spend the financing proceeds 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](http://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 the private placement as planned, and spend the financing proceeds 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.*