

**VOLCANIC METALS CORP.**  
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## **NEWS RELEASE**

### **VOLCANIC TO ACQUIRE MANDIANA GOLD PROJECT IN GUINEA AND PROPOSES \$1.0 MILLION FINANCING**

November 8, 2016 – Vancouver, British Columbia – Volcanic Metals Corp. (the “Company”) (TSXV: VOL) is pleased to announce that it has entered into an agreement, dated November 3, 2016, pursuant to which the Company has agreed to acquire the Mandiana Project, a gold property located in Guinea, from Sovereign Mines of Africa plc (“SMA”).

The Company will acquire (the “Transaction”) all of the outstanding share capital of SMA’s wholly-owned subsidiary, Sovereign Mines of Africa Ltd. (“Sovereign Mines”) which 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.

#### *The Mandiana Project*

The permits comprising the Mandiana Project consist of two contiguous claim blocks which cover an area of approximately 300 sq km situated approximately 60 km southeast of AngloGold Ashanti’s Siguiri gold mine in eastern Guinea. The Mandiana Project permits occupy a broadly north-south trending belt of gold occurrences shown on a published 1:1,000,000 map of gold deposits and lie within an area known as the Bure Goldfields. Intense artisanal gold mining is conducted throughout the area of the claims and supports the local economy.

The northern of the two claim blocks is the only area that has seen recorded modern exploration activity. Between 2010 and 2013, SMA drilled 120 reverse-circulation and diamond core holes for over 16,000 m of drilling, targeting under the areas of the artisanal mining activity. A Mineral Resource Statement was issued by SMA in January 2014 for the Mandiana project. The estimate was prepared to JORC Code standards by SRK Consulting (UK) Ltd. The Company has retained the services of SRK Consulting (Canada) Ltd. (“SRK”) to update the 2014 Technical Report to NI43-101 standards and reissue a new Mineral Resource Statement for Mandiana.

The Company is pleased to report an Inferred Mineral Resource of 612,000 oz of contained gold (16.1 Mt at 1.18 g/t Au) for the four deposits drilled by SMA on the Mandiana Project, including 510,000 oz of contained gold (13.3 Mt at 1.20 g/t Au) in the Yagbelen deposit. The Inferred Mineral Resource is given in the following table:

Category	Deposit	Quantity Mt	Gold Grade g/t	Contained Gold oz
Inferred	Yagbelen	13.3	1.20	510,000
	Foulouni	0.7	1.13	25,000
	Woyondjan	1.9	0.99	61,000
	Damantere	0.2	2.21	16,000
Inferred	Total	16.1	1.18	612,000

\* Mineral resources are reported in relation to a conceptual pit shell. Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Open pit mineral resources are reported at a cut-off grade of 0.3 g/t gold. Cut-off grades are based on a price of US\$1,550 per ounce of gold and recovery of 95 percent.

A NI43-101 Technical Report in support of this Mineral Resource Statement will be filed on SEDAR by the Company within 45 days of this news release.

#### *Transaction Details / Proposed Financing*

The Company was assigned the right to purchase Sovereign Mines and the Mandiana Project by Radius Gold Inc. (TSX-V: RDU) (“Radius”). In consideration for acquiring the outstanding share capital of Sovereign Mines, and for the assignment by Radius, the Company has agreed to issue common shares to SMA and Radius such that SMA will hold 9.9%, and Radius will hold 5.0%, of the outstanding share capital of the Company following completion of the Transaction. The Company will also reimburse Radius for certain expenses incurred in development of the Transaction, and will grant to Radius certain rights to participate in future equity financings completed by the Company. Each of SMA, Sovereign Mines and Radius is at arm’s length to the Company.

The Company intends to appoint Jeremy Crozier as President and a Director of the Company on closing of the Transaction. Mike Iverson will remain as a Director and Chief Executive Officer. Jeremy 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.

In connection with the Transaction, the Company proposes to complete a non-brokered private placement of up to 6,666,667 units at \$0.15 per unit, for proceeds of up to \$1,000,000 (the “Financing”). Each unit will consist of one common share and one-half-of-one warrant, each whole warrant entitling the holder to purchase one additional common share of the Company at \$0.25 for a period of twelve months. 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 \$0.40 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. A finders’ fee may be payable on a portion of the Financing.

The proceeds of the placement are intended to be used for exploration of the Mandiana Project, and to satisfy working capital requirements of the Transaction.

Closing of the Transaction is subject to a number of conditions including: the completion of the Financing, the Company having an available treasury of not less than CAD\$1,000,000, the approval of the TSX Venture Exchange, and the satisfaction of other closing conditions customary in transactions of this nature.

### *Qualified Person*

David Clark, PGeo, consulting geologist to the Company, is a Qualified Person as defined by National Instrument 43-101 -- Standards of Disclosure for Mineral Projects, and has reviewed and approved the disclosure of technical information contained in this news release.

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

On behalf of the Board,

### **Volcanic Metals Corp.**

Michael Iverson  
President & Chief Executive Officer

*Completion of the Transaction is subject to a number of conditions, including Exchange acceptance. The Transaction cannot close until the required approvals are obtained, and the outstanding conditions are satisfied. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The TSX Venture Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*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, 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.*