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## NEWS RELEASE

### **Volcanic initiates drilling and exploration works at its newly-acquired Mandiana Project, Guinea**

April 4, 2017 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (the “Company”) (TSXV: VG) is pleased to report that it has commenced drilling works at its newly-acquired Mandiana Project (the “Project”), Guinea. A program comprising approximately 2000m of reverse-circulation and diamond core drilling has been laid out, the purpose of which will be to gain important information regarding the geological structures that control the mineralization within the current Inferred Mineral Resource. Such information will contribute towards the definition of subsequent drilling activities within the 2017 exploration season. The program will also serve to infill areas of the Inferred Mineral Resource.

Previous work by Sovereign Mines of Africa plc (“Sovereign”) led to the definition of an Inferred Mineral Resource at Mandiana of 16.1 Mt @ 1.18 g/t for 612,000 oz Au (SRK, 2016<sup>1</sup>). Sensitivity analysis<sup>2</sup> by SRK suggests an increase in deposit grade with cut-off, for example 5.7 Mt @ 2.27 g/t for 417,000 oz Au at a higher cut-off grade of 1.0 g/t Au. Drilling and surface geochemical data suggest that the Mineral Resource at Mandiana is open to the north, east, south and at depth.

<sup>1</sup>*Independent Technical Report for the Mandiana Gold Project, Guinea, SRK Consulting (Canada) Inc., December 23 2016*

<sup>2</sup>*Not to be misconstrued as a Mineral Resource Statement*

In addition to drilling, Volcanic will perform property-wide prospecting of artisanal workings (or *orpaillages*), as well as systematic geochemical sampling of the Mandiana South landholding - which has not previously been explored in this fashion. Very importantly, a strong north-south lineation is discernible in the orpaillages throughout the property, and these extend clearly in both directions along strike from the current Inferred Mineral Resource on two trends, as well as on a third parallel trend to the west.

Most notably the present Inferred Mineral Resource was discovered using artisanal working as a targeting guide, and only a relatively small portion of these lineaments has been tested by drilling. The north-south orientation of the orpaillages is of particular significance, as it is concordant with the dominant structural element that gives rise to mineralization both in the Siguiiri Basin, and at the Siguiiri Mine<sup>1</sup>, approximately 80 km to the north of the Project. It is anticipated that the Company’s prospecting and sampling program will serve to define a number of other features for near-term drill-testing.

<sup>1</sup> *Erwann Lebrun, John Miller, Nicolas Thébaud, Stanislav Ulrich, and T. Campbell McCuaig, Structural Controls on an Orogenic Gold System: The World-Class Siguiiri Gold District, Siguiiri Basin, Guinea, West Africa, in Economic Geology, v. 112, pp. 73–98.*

## **About the Mandiana Project**

In January 2017, Volcanic acquired an indirect 75% interest in the Mandiana Project in Guinea. The remaining 25% interest in the Project is held by SOGUIPAMI, a Guinean government-owned business entity formed to conduct mineral exploration projects.

The Project consists of two contiguous prospecting permits (Mandiana North and Mandiana South), or “Permis de Recherche” which together cover an area of over 300 square kilometres. The Project is not subject to any royalties, back-in rights or encumbrances.

The Mandiana Project is underlain by geology comparable to that of many other Birimian-age volcano-sedimentary sequences in West Africa, in which gold mineralization typically exhibits a strong relationship with major structural and hydrothermal zones. At Mandiana the gold mineralization associates with a network of quartz veins which appear to relate to such zones, and is located at major lithological and structural breaks. In the near vicinity and of very similar geological character is AngloGold Ashanti’s Siguiri Gold Mine (Measured and Indicated Resources of 3.37 Moz Au and Inferred Resources of 2.14 Moz Au). Other significant gold deposits and mines in the neighboring area include Hummingbird Resources’ Yanfolila project, Avnel’s Kalana property, and Avocent’s Tri-K project.

Prior to cessation of work activities due to a shortage of market funding in 2013, Sovereign drilled 119 RC and diamond drill holes for a total of 16,624 meters at the property. Drill testing included the four zones (Yegbelen, Foulouni, Damantare and Woyondjan) that now form the basis of the Mineral Resource calculation, as well as at other features, was completed. Results of Sovereign’s drilling programs completed between 2011 and 2013 include:

- RCY07 - 28m @ 1.66 g/t Au from 103m
- RCY36 - 30m @ 3.15 g/t Au from 35m
- RCY37 - 40m @ 4.49 g/t Au from 150m
- RCY88 - 18m @ 1.93 g/t Au from 144m
- RCY89 - 12m @ 2.81 g/t Au from 73m, and 19m @ 2.58 g/t Au from 104m
- RCY114 - 28m @ 6.44 g/t Au from 168m with a top cut of 30 g/t Au

The weathering profile at the Project extends in places to depths in excess of 200m from surface, producing friable, oxide material which beneath the lateritic profile is very easy to dig.

## **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 looks 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 Jeremy Crozier at 604-801-5432, or visit our website at [www.volgold.com](http://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 plans for the Mandiana Project. 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’s exploration work at the Mandiana Project will be completed as planned; 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's exploration work at the Mandiana Project will be completed as planned; 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.*