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NEWS RELEASE

Volcanic provides further detail with respect to disclosure of Historic Mineral Resources in relation to the La Debo property in the Ivory Coast

March 12, 2018 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (“Volcanic”) (TSXV: VG) hereby provides clarification with respect to the disclosure of Mineral Resources in its March 5 News Release, “*Volcanic enters into option agreement to acquire gold properties in the Ivory Coast*”. Specifically, it is noted the Inferred Mineral Resource (the “Historic Estimate” cited in the aforementioned News Release (9.5 million tonnes at a grade of 1.3 g/t for 396,000 ounces of gold) is derived from an unpublished report entitled “*Feasibility Study in Support of a Mining Exploitation Permit in Accordance with the requirements of LAW No. 2014-138 of 24 March 2014 containing the Mining Code*” (the “Report”), dated June 10, 2016, prepared by The MSA Group (Pty) Ltd, 20B Rothesay Avenue, Craighall Park, Johannesburg, South Africa on behalf of JOFEMA Mineral Resources SARL, with an effective date of May 31, 2016.

Per the Report, the Historic Estimate incorporates drillhole, assay and geological data obtained by JOFEMA Mineral Resources SARL (“JOFEMA”) available as of December 9, 2015 from two prospects within their La Debo Permit in Ivory Coast. The drilling data, in the opinion of The MSA Group (Pty) Ltd, were collected in accordance with CIM “Exploration Best Practices Guidelines” (2000).

The Historic Estimate, compiled using “Best Practice Guidelines for Estimation of Mineral Resources and Mineral Reserves” (2003), was classified in accordance with the “2014 CIM Definition Standards” (2014). The Historic Estimate was performed using Leapfrog Geo, and Datamine Studio software, and was stated at a cut-off grade of 0.30 g/t Au, having been derived by means of Ordinary Kriging. This approach is deemed consistent with currently applicable standards for Mineral Resource estimation of shear hosted gold deposits in Birimian sediments of West Africa. No other Mineral Resource Estimates are known.

It is noted that a qualified person has not completed sufficient work to classify the Historic Estimate as a current Mineral Resource, and Volcanic is not treating the Historic Estimate as such. In order to render the Historic Estimate current, validation of the project data through field verification of a representative selection of drill collar surveys, and re-assay of a selection of sample intervals. Such field work is ongoing. Corroboration of the Historic Estimate will be performed using industry standard resource estimation techniques.

The Agreement

Subject to Volcanic completing satisfactory due diligence and to stock exchange approval, Volcanic will have the exclusive right to acquire up to 100% of the issued shares of JOFEMA, by incurring exploration expenditures (“Expenditures”) on the Properties over a period of three years totaling US\$5 million, and thereafter making cash and share payments to JOFEMA. The Expenditures are to be incurred according to the following schedule:

- (a) within 12 months of the execution of a definitive agreement (the “Definitive Execution Date”) for the transaction, a minimum of US\$1,666,666 in Expenditures;
- (b) within 24 months of the Definitive Execution Date a cumulative minimum of US\$3,333,333 in Expenditures; and
- (c) within 36 months of the Definitive Execution Date a cumulative minimum of US\$5,000,000 in Expenditures.

If Volcanic completes the Expenditures as set forth above, Volcanic shall have the right for 90 days thereafter to elect to acquire an interest in the Properties by either:

- (a) acquiring an initial 65% interest in JOFEMA by paying US\$2,000,000 in cash and US\$2,000,000 in shares of Volcanic to JOFEMA, and thereafter, continuing to fund further exploration of the Properties. The other shareholders (the “Minority Shareholders”) of JOFEMA may elect to co-fund such exploration pro rata to their own shareholding. Where the Minority Shareholders do not co-fund further exploration, then Volcanic may dilute them to 10% by incurring an additional US\$3,750,000 in Expenditures.

If the Minority Shareholders are diluted to a holding of less than 10% of the total issued share capital of JOFEMA, then Volcanic may, at any time thereafter, purchase the remaining equity of the Minority Shareholders for US\$2,000,000 in cash and US\$2,000,000 in shares of Volcanic, or Volcanic must, at the Minority Shareholders’ election at any time after a period of 6 months from when their shareholding has been diluted, purchase the remaining JOFEMA equity for US\$2,000,000 in cash and US\$2,000,000 in shares of Volcanic.

or:

- (b) acquiring a 100% interest in JOFEMA by paying JOFEMA US\$4,000,000 in cash, and US\$4,000,000 in shares of Volcanic.

Volcanic is at arm’s length to JOFEMA and its shareholders. If a Control Person (as defined by the Exchange) will be created as a result of the issuance of shares pursuant to the Agreement, Volcanic will be required to obtain shareholder and Exchange approvals prior to issuing such shares. Volcanic may pay a finder’s fee in connection with this transaction.

Qualified Person

Mr. Simon Meadows-Smith is Volcanic's 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 and Mining in London.

About Volcanic

Volcanic brings together a deeply experienced and successful mining, exploration and capital markets team focused on building multi-million ounce gold resources in the underexplored West African countries of Guinea, the Ivory Coast and their 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.

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 and CEO

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 possible acquisition of an interest in the Properties. 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 interest in the Properties 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. 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 acquisition of an interest in the Properties 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.