

Editors Note: There are nine figures associated with this press release.

[Volcanic Gold Mines Inc.](#) ("Volcanic") (TSX VENTURE:VG) is pleased to report details of its mapping and prospecting program at its Mandiana Project in Guinea. Recent field activities have focused on a linear zone of artisanal workings 6.3km in length and up to 550m in width at Tadibakourou, at which coarse gold has been recovered from numerous shallow pits and shafts.

Figure 1 below illustrates the extent and orientation of artisanal activity at Tadibakourou relative to workings and the current Resource at the Yagbelen and Woyandian zones (see Volcanic news release November 8, 2016). Mapping during the 2017 field program has led to the identification of numerous artisanal pits and shafts from which gold is routinely recovered from vein quartz material by means of gravitational concentration. Anecdotally, gold recoveries of up to 2kg per shaft - some of which extend to depths in excess of 70m - are reported. The workings fall in close north-south alignment to one another, and frequently associate with large, readily discernible haloes of white kaolinitic alteration (Figures 4, 5, 7 and 8) which further facilitate their mapping. Mineralization at Tadibakourou, Yagbelen and Woyandian is now interpreted to relate to a series of sub-structures within a broader mineralizing structural trend, shown in red on Figure 1. Figures 2 and 3 show workings at each of these deposits in greater detail, and from these, important inference as to the resource potential of Tadibakourou can be made. It is anticipated that further structural and targeting detail will arise from Volcanic's forthcoming high-resolution airborne magnetic survey of the property. The Tadibakourou deposit will be tested by means of air-core drilling in the final quarter of 2017, as the next step moving the deposit to resource definition. It is envisaged that a similar exploration approach as deployed by Volcanic as at Yagbelen (see news release July 12, 2017) be adopted in drilling at Tadibakourou.

Of great significance is that artisanal working at Mandiana is seen to follow the same north-south mineralized trend common in known deposits in the region, including the Siguiri Mine, 80km to the north. Past drilling beneath approximately 1km of strike length of such workings at Mandiana led to definition of a Resource, as well as numerous outlying bedrock and saprolitic gold occurrences. More recently, air-core drilling by Volcanic has identified a mineralized strike projection of approximately 500m to both the north and south of the Resource (news release July 12, 2017). Results of air-core drilling from a further 1,250m of strike potential of this trend are awaited.

Artisanal workings are typically shallow, sparsely populated, and restricted to examination of laterite and saprolite above the water table. Due to the shallow occurrence of coarse gold in the laterite, artisanal diggers make highly effective and meticulous use of metal detectors in their search for gold (Figure 9). Having identified gold and quartz rubble, diggers then excavate in search of further vein material and gold. Many kilometers of artisanal workings remain to be drill tested.

About the Mandiana and WAMA Projects

In January 2017, Volcanic acquired an indirect 75% interest in a Guinean entity, Guiord SA, which owns 100% of the Mandiana Project in Guinea. The remaining 25% interest in the Mandiana Project is held by SOGUIPAMI, a Guinean government-owned business entity formed to conduct mineral exploration projects. In April 2017, Volcanic entered into a binding letter agreement to acquire 80% of WAMA, a private Guinean company, the landholdings of which together adjoin the entire length of the southern boundary of, and lie within the same mineralized trends as Volcanic's Mandiana Project.

The Mandiana and WAMA Projects are 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 both the Mandiana and WAMA Projects 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 neighbouring area include Hummingbird Resources' Yanfolila project, Avnel's Kalana property, and Avocent's Tri-K project.

In 2017 RC and diamond drilling were completed within, and in the immediate surroundings of the Inferred Mineral Resource (the "Resource") at Yagbelen, as previously defined by Sovereign Mines of Africa (news release November 8, 2016). Initial RC results of this infill program include:

- 17GRC119 - 5m @ 2.68 g/t Au from 76m (including 2m @ 4.61 g/t Au from 78m)
- 17GRC120 - 1m @ 50 g/t Au from 1m
- 17GRC122 - 68m @ 2.01 g/t Au from 89m (including 9m @ 3.76 g/t Au from 91m, 6m @ 4.03 g/t Au from 122m and 6m @ 4.93 g/t Au from 143m)
- 17GRC123 - 14m @ 2.73 g/t Au from 61m, and 15m @ 1.21 g/t Au from 79m

As well as serving to infill the Resource, the RC and diamond drilling has also allowed Volcanic to gather extremely valuable information on the geological controls on mineralization. Based on work completed to date, gold mineralization is seen to occur

preferentially in a series of bedded sandstone units; these units are repeated in all holes, and their characteristics will serve as a key targeting tool in Volcanic's forthcoming resource drilling program.

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 (Yagbelen, 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 @ 2.89 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

One of the most notable mineralized occurrences within the WAMA Project is the Farabakoura deposit. During 2014 and 2015, WAMA drilled 89 inclined RC holes beneath lateritic artisanal workings at Farabakoura, results¹ of which include:

- FKRC003 - 7m @ 29 g/t Au from 64m (visible gold observed in RC chips)
- FKRC005 - 12m @ 40.1 g/t Au from 68m (visible gold observed in RC chips)
- FKRC006 - 6m @ 14.8 g/t Au from 74m
- FKRC035 - 4m @ 6.2 g/t Au from 52m and 6m @ 14.9g/t Au from 68m
- FKRC037 - 3m @ 9.1 g/t Au from 77m
- FKRC071 - 7m @ 103.5 g/t Au from 62m (visible gold observed in RC chips)
- FKRC074 - 6m @ 17 g/t Au from 71m
- FKRC075 - 6m @ 6.7 g/t Au from 69m
- FKRC076 - 6m @ 18.2 g/t Au from 81m
- FKRC087 - 6m @ 65.8 g/t Au from 43m

Air-core drilling has been successfully deployed in the identification of extensions to the north, east and south of the Yagbelen Resource, in which regard it has defined a further 1,000m of strike potential. Initial air-core results clearly illustrate the strike continuation of a strongly anomalous gold mineralization extending approximately 500m to both the north and south of the Resource, as well as laterally, 500m to its east.

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

¹ *The reader is advised that the above results are historic in nature and are yet to be verified by Volcanic.*

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, 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 exploration 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 on the Mandiana Project 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's exploration work on the Mandiana Project 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.

To view the figures associated with this press release, please visit the following links:

Figure 1: http://www.marketwire.com/library/20170725-figure1vgm_800.jpg

Figure 2: http://www.marketwire.com/library/20170725-figure2vgm_800.jpg

Figure 3: http://www.marketwire.com/library/20170725-figure3vgm_800.jpg

Figure 4: http://www.marketwire.com/library/20170725-figure4vgm_800.jpg

Figure 5: http://www.marketwire.com/library/20170725-figure5vgm_800.jpg

Figure 6: http://www.marketwire.com/library/20170725-figure6vgm_800.jpg

Figure 7: http://www.marketwire.com/library/20170725-figure7vgm_800.jpg

Figure 8: http://www.marketwire.com/library/20170725-figure8vgm_800.jpg

Figure 9: http://www.marketwire.com/library/20170725-figure9vgm_800.jpg

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