



FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the Fiscal Year ended December 31, 2017)

During the fiscal year ended December 31, 2017, six individuals were “named executive officers” of Volcanic Gold Mines Inc. (formerly Volcanic Metals Corp.) (the “**Company**”) within the meaning of the definition set out in National Instrument Form 51-102F6V, “Statement of Executive Compensation – Venture Issuers” (“**Form 51-102F6V**”). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to:

- Jeremy Crozier, its President and Chief Executive Officer (“**CEO**”),
- Simon Ridgway, its Executive Chairman,
- Kevin Bales, its Chief Financial Officer (“**CFO**”),
- Alexander Langer, its Vice-President, Capital Markets,
- Michael Iverson, its former CEO and former President, and
- Jonathan Richards, its former CFO,

(hereinafter together referred to as “**NEOs**”), and to its directors.

Compensation Excluding Compensation Securities

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended December 31, 2017 and 2016:

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Jeremy Crozier ⁽¹⁾ President, CEO & Director	2017	197,200 ⁽¹⁾	Nil	Nil	Nil	Nil	197,200
	2016	25,200 ⁽¹⁾	Nil	Nil	Nil	Nil	25,200
Simon Ridgway ⁽²⁾ Executive Chairman & Director	2017	66,000 ⁽²⁾	Nil	Nil	Nil	Nil	66,000
	2016	55,000 ⁽²⁾	Nil	Nil	Nil	Nil	55,000
Kevin Bales ⁽³⁾ CFO	2017	26,722 ⁽³⁾	Nil	Nil	Nil	Nil	26,722
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Alexander Langer ⁽⁴⁾ VP, Capital Markets	2017	55,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	55,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Michael Iverson ⁽⁵⁾ Director (& former President & CEO)	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	60,000 ⁽⁵⁾	Nil	Nil	Nil	6,000 ⁽⁶⁾	66,000
Jonathan Richards ⁽⁷⁾ Former CFO	2017	5,000 ⁽⁷⁾	Nil	Nil	Nil	Nil	5,000
	2016	9,190 ⁽⁷⁾	Nil	Nil	Nil	Nil	9,190
Scott Ackerman Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Robert Schafer ⁽⁸⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Jeremy Crozier was appointed a director and President on January 19, 2017, and as CEO on August 29, 2017. Prior to his appointment as President, he was paid as a geological consultant to the Company.
- (2) Simon Ridgway was appointed a director and Executive Chairman on August 29, 2017. Amounts shown were paid to Mill Street Services Ltd. (“**Mill Street**”), a private company owned by the Ridgway Family Trust, of which Simon Ridgway is the Trustee. Prior to his appointment as Executive Chairman, he was paid as a financial consultant to the Company.
- (3) Kevin Bales was appointed as CFO on March 27, 2017. Amounts shown were paid or payable to Gold Group Management Inc. (“**Gold Group**”) for the services of Kevin Bales as CFO of the Company.
- (4) Alexander Langer was appointed as Vice-President, Capital Markets on March 9, 2017. Amounts shown were paid or payable to Andros Capital Corp. (“**Andros**”) for the services of Alexander Langer as Vice-President, Capital Markets.
- (5) Michael Iverson resigned as President on January 19, 2017 and as CEO on August 29, 2017. Amounts shown were paid or payable to Triple K Ventures Ltd. (“**Triple K**”) for the services of Michael Iverson as President and CEO of the Company.
- (6) Paid or payable to Triple K for office rent.
- (7) Jonathan Richards resigned as CFO on March 27, 2017. Amounts shown were paid or payable to Red Fern Consulting Ltd. (“**Red Fern**”) for the services of Jonathan Richards as CFO of the Company.
- (8) Robert Schafer was appointed a director on March 14, 2017.

Compensation Securities

The following sets forth the details of stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) granted or issued to NEOs and directors during the fiscal year ended December 31, 2017:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	No. of Compensation Securities, No. of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Jeremy Crozier President, CEO & Director	Stock Option	750,000 19.5%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Simon Ridgway CEO & Director	Stock Option	750,000 19.5%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Kevin Bales CFO	Stock Option	200,000 5.2%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Alexander Langer VP, Capital Markets	Stock Option	400,000 10.4%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Michael Iverson Director (& former President & CEO)	Stock Option	200,000 5.2%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Jonathan Richards Former CFO	Nil						
Scott Ackerman Director	Stock Option	100,000 2.6%	March 15, 2017	0.60	0.60	0.225	March 14, 2027
Robert Schafer Director	Stock Option	200,000 5.2%	March 15, 2017	0.60	0.60	0.225	March 14, 2027

Notes:

- (1) Stock options are exercisable to purchase an equal number of underlying common shares of the Company.
- (2) The total number of Compensation Securities, and underlying securities, held by each current NEO and director as at December 31, 2017 are:

Jeremy Crozier	750,000 stock options (and underlying common shares)
Simon Ridgway	750,000 stock options (and underlying common shares)
Kevin Bales	200,000 stock options (and underlying common shares)
Alexander Langer	400,000 stock options (and underlying common shares)
Michael Iverson	200,000 stock options (and underlying common shares)
Scott Ackerman	100,000 stock options (and underlying common shares)
Robert Schafer	200,000 stock options (and underlying common shares)

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2017.

Stock Option Plan and Other Incentive Plans

The Company has a stock option plan (the “**Option Plan**”) which was approved by the shareholders of the Company on August 29, 2017. The TSX Venture Exchange (the “**Exchange**”) requires that the Company obtain shareholder approval to its stock option plan yearly at its annual general meeting. The material terms of the Option Plan are as follows:

- (a) the Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares of the Company from time to time, with no mandatory vesting provisions (apart from options granted to Consultants performing Investor Relations Activities, see (e) below);
- (b) the number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval;
- (c) the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- (d) the aggregate number of Common Shares reserved for issue to any person providing Investor Relations Activities in any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant;
- (e) options granted to persons performing Investor Relations Activities shall vest as prescribed by the Exchange’s policies;
- (f) the exercise price per Common Share for a stock option may not be less than the Market Price of the Common Shares at the time of the grant;
- (g) stock options may have a term not exceeding ten years;
- (h) stock options are non-assignable and non-transferable; and
- (i) the Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares.

“Consultant”, “Disinterested Shareholder Approval”, “Investor Relations Activities”, and “Market Price” all have the same definition as in the policies of the Exchange.

Compensation Agreements or Arrangements

Pursuant to an employment agreement dated effective February 1, 2017, Jeremy Crozier is paid a monthly salary of \$15,000. The agreement has no fixed expiry date and contains provisions regarding salary, paid vacation time, benefits, and change of control of the Company. In the event of termination without cause, Mr. Crozier will be entitled to severance pay equal to six months’ salary. If Mr. Crozier chooses to terminate his employment, he is required to give three months’ notice to the Company.

If, on December 31, 2017, Mr. Crozier had been terminated without cause, \$90,000 (six months’ salary) would have been payable to him. If a change of control of the Company had occurred, \$135,000 (nine months’ salary) would have been payable to him.

Mill Street is paid a monthly fee for financial consulting services of Simon Ridgway provided to the Company. Mill Street is controlled by Mr. Ridgway. There is no written agreement between the parties regarding these services.

Pursuant to an agreement dated February 1, 2017, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company’s CFO. The agreement may be terminated by either party on three months’ notice. Gold Group is controlled by Simon Ridgway, the Executive Chairman of the Company.

Andros is paid a monthly fee for the services of Alexander Langer as Vice-President, Capital Markets of the Company. Andros is controlled by Mr. Langer. There is no written agreement between the parties regarding these services.

Triple K was paid a monthly fee for the former services of Michael Iverson as President and CEO of the Company. Triple K is a private company controlled by Mr. Iverson. Red Fern was paid a monthly fee for the services of Jonathan Richards as CFO of the Company. Red Fern is a private company controlled by Mr. Richards.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company's NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is designed to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation of the Company's NEOs is comprised of salaries and/or incentive stock options. During the fiscal year ended December 31, 2017, the compensation to the Company's NEOs comprised of cash salaries, and stock options were granted to NEOs and directors. The Company may in the future grant stock options to its NEOs and directors.

In establishing levels of cash compensation and the granting of stock options, the individual's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual's appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Company's stock option plan which is designed to encourage share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the stock option plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward an individual's efforts to increase shareholder value without requiring the use of the Company's cash reserves.