

**51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Volcanic Capital Corp.  
520 – 470 Granville Street  
Vancouver, BC V6C 1V5

**Item 2 Date of Material Change**

September 18, 2008

**Item 3 News Release**

The news release was disseminated on September 15, 2008 through Stockwatch and Market News.

**Item 4 Summary of Material Change**

On September 8, 2008, Volcanic entered into a memorandum of understanding (the “**MOU**”) with Blackeagle Ventures Inc. (“**BVI**”). Pursuant to the MOU, Volcanic proposes to enter into a Qualifying Transaction (as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) (the “**Transaction**”) with BVI. Under the terms of the proposed Transaction, Volcanic will acquire from BVI (or its assigns) all of the issued and outstanding securities of an Albanian incorporated company wholly-owned by BVI (the “**Subsidiary**”). The Subsidiary holds or will hold certain mineral property interests in Albania.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

See attached news release.

*5.2 Disclosure for Restructuring Transactions*

n/a

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

n/a

**Item 7 Omitted Information**

None.

**Item 8 Executive Officer**

Bryan Slusarchuk, Director, (604) 856-9887

**Item 9 Date of Report**

September 15, 2008.

V O L C A N I C   C A P I T A L   C O R P .  
c/o 800 – 885 West Georgia Street, Vancouver, BC V6C 3H1  
604 856-9887

**NEWS RELEASE**

September 15, 2008

SYMBOL – VOL.P

**VOLCANIC CAPITAL CORP. AGREES TO A QUALIFYING TRANSACTION WITH  
BLACKEAGLE VENTURES INC.**

Volcanic Capital Corp. (“**Volcanic**”) is pleased to announce that on September 8, 2008 it entered into a memorandum of understanding (the “**MOU**”) with Blackeagle Ventures Inc. (“**BVI**”), a private, arm’s length British Columbia corporation. Pursuant to the MOU, Volcanic proposes to enter into a Qualifying Transaction (the “**Transaction**”) with BVI in accordance with TSX Venture Exchange (the “**Exchange**”) Policy 2.4 Capital Pool Companies (the “**Policy**”) and subject to applicable regulatory and other approvals. Under the terms of the proposed Transaction, Volcanic will acquire from BVI (or its assigns) all of the issued and outstanding securities of an Albanian incorporated company wholly-owned by BVI (the “**Subsidiary**”). The Subsidiary holds or will hold certain mineral property interests in Albania (the “**Property**”). Upon the completion of the proposed Transaction, it is anticipated that Volcanic will be listed on the Exchange as a Tier 2 mining issuer.

In consideration for the shares of the Subsidiary, Volcanic has agreed to: (a) pay \$175,000 in cash; (b) issue 2,600,000 common shares (the “**Payment Shares**”); and (c) grant a royalty equivalent to 2.5% of net smelter returns, meaning net proceeds actually received by Volcanic from the sale of all mineral products derived from the Property, less the cost of transportation of such products after they leave the Property (the “**Royalty**”). Volcanic may purchase one-half of the Royalty from BVI at any time, up to one year following commencement of commercial production on the Property, for \$750,000 (the “**NSR Purchase Right**”). The Royalty will be fully transferable by BVI subject to Volcanic’s NSR Purchase Right.

Volcanic plans to pay the cash portion of the consideration for the proposed Transaction from cash on hand. If additional funds are required, Volcanic plans to raise such funds through an equity financing on a private placement basis. The final structure of the proposed Transaction will be determined after due consideration of tax, corporate and securities law issues by Volcanic, BVI and their respective counsel. The proposed Transaction is also subject to the parties negotiating and entering into a formal share purchase agreement. The proposed Transaction is subject to the receipt of regulatory and stock exchange approvals, Volcanic meeting all Minimum Listing Requirements of the Exchange and may be subject to the approval of the shareholders of BVI. As the proposed Transaction is anticipated to be structured as a purchase, and as it is not a related party transaction, the proposed Transaction is not subject to the approval of the shareholders of Volcanic.

The proposed Transaction is not a Non Arm’s Length Qualifying Transaction, as that term is defined in the Policy.

As of the date of this news release, Volcanic had 11,600,000 common shares issued and outstanding, 200,000 outstanding share purchase warrants (the “**Warrants**”), and 450,000 outstanding incentive stock options (the “**Options**”).

Upon closing of the proposed Transaction, and provided Volcanic is not required to complete an equity financing prior to the closing of the proposed Transaction, Volcanic anticipates that BVI will own 2,600,000 (18.3%) of the issued and outstanding common shares of Volcanic on a non-diluted basis. Assuming the exercise of all of the Warrants and the Options, upon closing of the Transaction, BVI will own 17.5% of the common shares of Volcanic on a fully diluted basis.

Volcanic is a “Capital Pool Company” as that term is defined under the Policy. To date, Volcanic has not carried on any business other than the identification and evaluation of prospective corporations, businesses or assets for acquisition with a view to completing a Qualifying Transaction.

All or a portion of the Payment Shares may be subject to resale restrictions and escrow requirements under applicable securities laws and the policies of the Exchange. Volcanic will seek to rely on the mining properties transaction exemption from the prospectus and registration requirements under Section 2.13 of National Instrument 45-106 *Prospectus and Registration Exemptions* to issue the Payment Shares to BVI.

Canaccord Capital Corp. has agreed to act as Sponsor in connection with the Transaction in accordance with Exchange Policy 2.2 *Sponsorship and Sponsorship Requirements*.

### **Information about the Property**

The Subsidiary is incorporated under the laws of Albania as a limited company. It has applied for and will be the sole legal and beneficial owner of the Property, which comprises two prospecting permits covering 17,700 hectares in two geographical areas in Albania. Little exploration work has been done on the Property, and the Subsidiary has agreed to undertake an initial \$100,000 work program (the “**Initial Work Program**”) on the Property prior to closing the Transaction. The cost of the Initial Work Program will be borne by the Subsidiary. A technical report for the Property in compliance with National instrument 43-101 (the “**43-101 Report**”) will also be written with respect to the Property and completion of the Transaction is subject to completion of the Initial Work Program and the 43-101 Report.

### **Information about BVI**

BVI is a corporation duly incorporated under the laws of British Columbia. Each of D. Neil Briggs (of West Vancouver, B.C.) Donald G. Moore, and Kathleen Mitchell (both of Lion’s Bay, B.C.) directly or indirectly beneficially hold a controlling interest in or otherwise control or direct BVI. Upon the closing of the Transaction, BVI will be a new Insider of Volcanic, as that term is defined in applicable securities laws. BVI may assign or distribute the Payment Shares to its shareholders, to be held as to one-third each.

### **Closing Conditions for the Transaction**

In addition to the conditions outlined above, completion of the Transaction is subject to a number of conditions including: (a) satisfactory completion of due diligence investigations by each of Volcanic and BVI, and, specifically, Volcanic being satisfied with its due diligence investigations of the Property; (b) Volcanic and BVI receiving all applicable regulatory and corporate approvals and third party consents; (c) Volcanic and BVI agreeing to the complete terms and conditions of the final form of the Transaction; (d) if required by the Exchange, retention of a sponsor by Volcanic; and (e) if required to meet the Exchange’s Minimum Listing Requirements, closing of

a financing, which will close immediately prior to or concurrently with the acquisition of the shares of the Subsidiary.

Under the terms of the MOU, all due diligence investigations are to be completed by Volcanic and BVI by December 8, 2008, and the proposed Transaction is to close by March 8, 2009.

### **Insiders of Volcanic**

Upon completion of the proposed Transaction, it is anticipated that there will be no change in the officers and directors of Volcanic, except for the addition of Rock LeFrancois to the Board. Mr. LeFrancois provides Volcanic with geological expertise.

#### ***Michael Iverson – President, Chief Executive Officer, Corporate Secretary and Director***

Michael Iverson, age 56, resides in Langley, British Columbia. From 1980 until the present, Mr. Iverson has been involved in a number of private investment, management, and junior mining companies listed on the Exchange and the OTC Bulletin Board in the United States: Fortuna Silver Mines Inc. (formerly Fortuna Ventures Inc.), Niogold Mining Corp. (formerly Moreno Ventures Inc.), Northland Resources Inc. (formerly North American Gold Inc.), and Urex Energy Inc. (formerly Lakefield Ventures Inc.). Throughout this time, Mr. Iverson has acted in a variety of roles, including as a director, President, CEO, and Corporate Secretary.

#### ***Bryan Slusarchuk - Director***

Bryan Slusarchuk, age 33, resides in Vancouver, British Columbia. Mr. Slusarchuk is the Chief Executive Officer of Tirez Resources Ltd, an Exchange-listed issuer and additionally serves as a director of Nova Uranium Corporation and Kermod Resources Ltd., both Exchange-listed issuers. Mr. Slusarchuk has extensive experience in the resource sector and was previously a Senior Investment Advisor at Canaccord Capital Corporation. Mr. Slusarchuk has built an extensive network in Europe and North America and works within this network to finance and structure Canadian and international mineral exploration activities.

#### ***Karl Antonius – Director***

Karl Antonius, age 39, resides in Vancouver, British Columbia. In the past, Mr. Antonius has been employed as a broker with Raymond James Ltd. and Canaccord Capital Corporation, and has provided financing, investor relations and corporate finance consulting services through a private consulting business. He currently serves as a director of Mandalay Resources Corporation, a junior mining corporation listed on the Exchange.

#### ***Rock LeFrancois – Director***

Rock Pierre LeFrancois, age 46, of Longueuil, Quebec, brings management, public company and geology experience to Volcanic. From April 2005 to present, Mr. LeFrancois has acted as Vice President of Niogold Mining Corp. Mr. LeFrancois has also acted as a senior geologist of Strateco Resources Inc. Mr. LeFrancois obtained a Bachelor of Science degree specializing in Geology from Concordia University in 1987 as well a degree in Science in 1981 from College Jean-De-Brebeuf. Mr. LeFrancois has been a Professional Geologist in good standing under the Ordre des Géologues du Québec since March 31, 2002.

***Allan Stronach – Chief Financial Officer***

Allan Stronach, age 59, resides in Vancouver, British Columbia. Mr. Stronach has been a chartered accountant in British Columbia since 1974 and prior to receiving this designation, received his Bachelor of Science from the University of British Columbia in 1971. From January 1986 to present, Mr. Stronach has been a partner with Loewen Stronach & Co., a Vancouver-based accounting firm.

***Shawn Perger – Vice President – Operations***

Shawn Perger, age 48, resides in Vancouver, British Columbia. Mr. Perger completed the Professional Financial Planning Course in 2003 and the Canadian Securities Course in 2000. Mr. Perger has previously worked as a broker with Georgia Pacific Securities. Since June 2003, Mr. Perger has acted as President of Skyline Investor Relations, an investor relations firm emphasizing junior market cap companies.

**ON BEHALF OF THE BOARD OF VOLCANIC CAPITAL CORP.**

*“Michael Iverson”*

Michael Iverson,  
President, CEO and Director

**For further information contact:**

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**Caution**

*Statements in this press release which are not historical facts are forward-looking statements that involve risks and uncertainties, such as estimates and statements that describe future plans, objectives or goals, including words to the effect that Volcanic expects or plans that a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.*

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, 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 a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*