VOLCANIC
GOLD MINES INC.

Interim Management's Discussion and Analysis – Quarterly Highlights
For the three months ended March 31, 2019

INTRODUCTION

This interim management's discussion and analysis ("Interim MD&A") of Volcanic Gold Mines Inc. (the "Company") is the responsibility of management and covers the period ended March 31, 2019. The Interim MD&A takes into account information available up to and including May 22, 2019 and should be read together with the unaudited condensed consolidated interim financial statements and accompanying notes for the period ended March 31, 2019 and the audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2018 which are available on the SEDAR website at www.sedar.com.

All financial information in this document is prepared in accordance with International Financial Reporting Standards and presented in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "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 the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and project development;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters;
- local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition; and
- uncertainties relating to general economic conditions;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates;
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels; and
- the accuracy of any mineral resource estimates.

These 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.

DESCRIPTION OF BUSINESS

The Company's business is the acquisition and exploration of mineral properties, focused on consolidating land packages in under-explored countries. Management is actively seeking prospective projects for acquisition by the Company.

In March 2019, the Board of Directors determined that it would be in the best interests of the Company and its shareholders to (i) settle certain outstanding debt by the issuance of common shares, (ii) consolidate the Company's issued common shares on the basis of one new share for every seven existing shares (the "Consolidation") and thereafter (iii) complete a non-brokered private placement financing to raise proceeds of up to $375,000 ("Private Placement").

All references in this Interim MD&A to loss per share, common shares, share purchase warrants and stock options reflect the Consolidation.

In order to preserve its current cash on hand, the Company completed on March 26, 2019 a debt settlement transaction by issuing 548,660 common shares (3,840,620 pre-consolidation common shares) at a deemed price of $0.35 per share ($0.05 per share pre-consolidation) to settle a total of $192,031 in debt.

The Consolidation was completed effective April 8, 2019. The name and trading symbol of the Company remain unchanged.

On April 16, 2019, the Company closed the Private Placement by issuing 1,500,000 units ("Units") at $0.25 per Unit, raising proceeds of $375,000. Each Unit consists of one common share and one warrant entitling the holder to purchase one additional common share of the Company at $0.35 for one year from closing. The proceeds of the placement are intended to be used for general working capital purposes.

RESULT OF OPERATIONS

All references to 'loss' in the results of operations discussion below refers to the loss attributed to equity shareholders of the Company.

During the quarter ended March 31, 2019 the Company incurred a loss $61,809, compared to a loss of $383,746 for the quarter ended March 31, 2018. Significant revenue and expenses for the three month periods are as follows:

	March 31, 2019	March 31, 2018
Exploration expenditures	$ -	$ 152,339
Consulting and management fees	16,500	40,500
Investor relations	680	95,790
Office and administration	16,389	29,825
Regulatory and filing fees	6,396	7,081
Salaries and benefits	20,519	26,743
Travel	205	28,445

The loss for the quarter ended March 31, 2019 was significantly less than the comparative quarter due to no exploration activity being incurred and a reduction in corporate activity and costs during the current quarter.

Consulting and management fees for the current quarter consisted of fees paid to the current Chief Executive Officer ("CEO") while these costs for the comparative quarter consisted of fees paid to the current CEO for advisory services, the former CEO, and the former VP, Capital Markets. Investor relations costs for the comparative quarter included agreements with third parties for capital market consulting and corporate development that expired prior to the current quarter. Office and administration costs relate mostly to an administrative cost sharing agreement with Gold Group Management Inc. ("Gold Group"), a private company controlled by the current CEO which is reimbursed by the Company for certain shared rent and other corporate expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs relate primarily to Gold Group which provides administrative personnel, including the Company's Chief Financial Officer and Corporate Secretary.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly mineral properties, working capital balance and operating results over the last eight quarters are summarized as follows:

	Mar '19	Dec '18	Sept '18	June '18	Mar '18	Dec '17	Sept '17	June '17
Total assets	$ 132,437	$ 167,559	$ 291,342	$ 3,194,231	$ 3,616,449	$ 3,959,216	$ 4,710,674	$ 6,026,223
Mineral properties	-	-	-	2,671,533	2,631,387	2,605,605	2,001,276	2,001,276
Working capital (deficiency)	(161,519)	(292,217)	(116,875)	220,559	637,928	1,048,676	1,641,285	2,493,624
Loss and comprehensive loss attributed to equity shareholders of the Company	61,809	173,120	2,359,287	417,682	383,746	1,288,345	857,938	1,800,330
Basic and diluted loss per share attributed to equity shareholders of the Company	0.01	0.02	0.36	.07	.06	0.14	0.14	0.28

With the completion of the Mandiana property acquisition in the first quarter of 2017, the Company became significantly more active, hired a new President of the Company and engaged several consultants. With exploration activity on the Mandiana and other properties in Guinea, there were higher operating expenses for the three quarters ended December 31, 2017. Throughout the five most recent quarters presented, operating expenses were lower while the Company attempted to restructure its Guinea operations and ultimately decide to cease operations in Guinea entirely.

During the quarter ended September 31, 2018, total assets were significantly reduced and the carrying costs of mineral properties reduced to nil due to mineral property acquisition costs totalling $2,671,533 being written off.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company's exploration activities do not provide a source of income and therefore the Company has a history of losses and an accumulated deficit.

As at March 31, 2019, the Company had current assets of $65,560 and current liabilities of $227,079, resulting in a working capital deficiency of $161,519. Current liabilities include a total of $5,775 owing to directors and a former officer of the Company for accrued fees and expenses.

During the period ended March 31, 2019, the Company issued 548,660 common shares of the Company to directors and a former officer of the Company to settle debt totaling $192,031.

Subsequent to March 31, 2019, the Company raised gross proceeds of $375,000 by way of a private placement financing. With these private placement proceeds, the Company expects its current capital resources to be sufficient to cover its corporate operating costs over the next twelve months but not exploration expenditures, if any. As such, the Company will seek to raise additional capital as needed but recognizes the uncertainty attached thereto.

Net cash used in operating activities during the period ended March 31, 2019 was $30,212 (2018: $321,187).

Net cash used in investing activities during the period ended March 31, 2019 was $Nil (2018: $25,782).

There was no net cash provided from financing activities during the periods ended March 31, 2019 was 2018.

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital as and when needed.

OUTSTANDING SHARE, OPTIONS AND WARRANTS DATA

At the date of this Interim MD&A, the Company had outstanding 8,603,880 common shares and the following stock options and warrants:

No. of options	Exercise price	Expiry date
514,284	$4.20	March 14, 2027
32,143	$4.20	June 26, 2027
546,427		

No. of warrants	Exercise price	Expiry date
1,500,000	$0.35	April 15, 2020
1,851,237	$5.60	March 8, 2022
3,351,237		

TRANSACTIONS WITH RELATED PARTIES

See Note 10 of the condensed consolidated interim financial statements for the three months ended March 31, 2019 for details of other related party transactions which occurred in the normal course of business.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies and future changes in accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2018. The following outlines the new accounting standard adopted by the Company effective January 1, 2019:

IFRS 16 Leases

IFRS 16 *Leases* requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The adoption of IFRS 16 did not have a material impact on the Company's condensed interim consolidated financial statements.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business in the mineral exploration industry. Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as, but not limited to, the following:

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has no properties with a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance future exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund future exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of future property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of future mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of projects. Exploration and development of future projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of exploration and development which could result in the loss of properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

Mineral properties formerly held by the Company were located in countries in West Africa, which suffered from certain governance issues and stressed economic and business climates. Operations in the West Africa were consequently subject to a higher level of risk compared to less economically stressed and more politically stable countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in any nation can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but for the most part it incurred its exploration expenditures on formerly held mineral properties in US dollars, Guinean francs, and West African francs. At the time, there were no currency hedges in place. Therefore a weakening of the Canadian dollar against foreign currencies could have had an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company was subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could have resulted in damage to properties, facilities and equipment of the Company, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company were subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties held by the Company which are unknown to management. Social risks were of consideration in West Africa where the Company formerly operated, due to the existence of poverty. These social risks could have had an adverse impact on the efficiency of performing exploration activities.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.