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NEWS RELEASE

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Volcanic increases proposed Private Placement to \$5.0 million; Silvercorp Metals to acquire 19.9% of Volcanic

June 25, 2020 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV: VG) (“Volcanic” or the “Company”) is pleased to report that further to its news release of [June 4, 2020](#), its proposed non-brokered private placement (the “Private Placement”) has been increased from \$3.0 million to \$5.0 million. The Private Placement will now consist of 20,000,000 units (“Units”) of Volcanic at a price of \$0.25 per Unit for total proceeds of \$5.0 million.

Volcanic is also pleased to announce that Silvercorp Metals Inc. (“Silvercorp”) has indicated its intent to participate in the Private Placement by subscribing for approximately 5.69 million of the Units at a purchase price of approximately \$1.42 million. On closing of the Private Placement, Silvercorp will, subject to stock exchange approval, own 19.9% of the issued and outstanding common shares of Volcanic. Silvercorp will be entitled to appoint one director to the board of directors of the Company and have the right to participate in future equity financings to maintain its pro rata interest in the outstanding common shares of the Company.

Each Unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of \$0.30 for a term of 24 months following closing of the Private Placement.

The Company may pay a finder’s fee on all or a portion of the Private Placement. The proceeds of the Private Placement are intended to be used for general working capital purposes and to fund exploration work on Volcanic’s optioned properties in Guatemala. The Private Placement is subject to approval by the TSX Venture Exchange. All securities issued pursuant to the Private Placement will be subject to the applicable statutory four-month hold period.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the United States or in any other jurisdiction. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act and may not be offered or sold without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an exemption from such registration.

About Volcanic

Volcanic brings together an experienced and successful mining, exploration and capital markets team focused on building multi-million ounce gold and silver resources in underexplored countries. Through the strategic acquisition of mineral properties with demonstrated potential for hosting gold and silver resources, and by undertaking effective exploration and drill programs, Volcanic intends to become a leading gold-silver company.

For further information, visit our website at www.volgold.com.

Volcanic Gold Mines Inc.

Charles Straw, Director/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 proposed Private Placement. 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 proposed Private Placement will be completed as planned, and the proceeds from the Private Placement will be spent as intended; whether Silvercorp will acquire securities in the Company 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 Private Placement will be completed as planned and that the proceeds from the Private Placement will be spent as intended; that Silvercorp will acquire securities in the Company 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.