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NEWS RELEASE

Volcanic Closes Option on Guatemala Gold-Silver Properties and Commences Exploration

September 3, 2020 – Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV: VG) is pleased to announce that it has received final acceptance from the TSX Venture Exchange of the Option Agreement dated May 17, 2020 between Volcanic and Radius Gold Inc. (“Radius”) for the Holly and Banderas gold-silver properties located in eastern Guatemala.

Under the terms of the Option, Volcanic can earn a 60% interest in the Holly and Banderas properties (full details of the properties are available on Volcanic’s website) by completing a minimum C\$3 million financing (C\$5 million financing completed July 27, 2020) and spending US\$7.0 million on exploration of the properties within 48 months from the date drilling permits are granted. An initial US\$1M must be spent on exploration within 12 months of receiving the required drill permits, including a minimum 3,000m of drilling. Volcanic is required to make a cash payment to Radius of C\$100k (completed). Following the exercise of the Option, Volcanic will enter into a standard 60/40 joint venture with Radius in order to further develop the Properties.

Volcanic also has the exclusive right for 24 months following the execution of the Option to evaluate the other property interests of Radius in eastern Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

Charles Straw, CEO and Director, commented: “We are pleased to have received final acceptance from the TSXV for both the Option and our recently completed financing. We are now planning our exploration programs and working towards obtaining the necessary permits to commence drilling as soon as possible. Volcanic will continue to work closely with the technical personnel Radius has in Guatemala who have invaluable expertise that will provide essential support and local knowledge for the implementation of our strategy.”

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 Company's option to acquire an interest in the Holly and Banderas properties, and proposed exploration thereon. 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 will exercise its option to acquire an interest in the Holly and Banderas properties, and whether exploration thereon will proceed 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 Company will exercise its option to acquire an interest in the Holly and Banderas properties; 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.