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FOR IMMEDIATE RELEASE

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Volcanic Gold drills 1.53m @ 191.8 g/t Au and 539 g/t Ag at Holly

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Shares issued 44,600,000

VG close - C\$0.33c, W/C +\$9 Million

Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV: VG) is pleased to report final results from Holly drill holes HDD-21-017 through HDD-21-020 following receipt of the overlimit assays, and that the drill is again turning at Holly. Drilling at Volcanic’s nearby Banderas project will start during the month of October.

Holly Highlights:

HDD-21-017 from 134.25m to 143.08m returns **8.83m @ 8.81 g/t Au and 355 g/t Ag**

HDD-21-019 from 28.97m to 30.50m returns **1.53m @ 191.8 g/t Au and 539 g/t Ag**

And 171.90m to 178.42m returns 6.52m @ 11.72 g/t Au and 340 g/t Ag

HDD-21-020 from 61.70m to 67.10m returns **5.40m @ 4.38 g/t Au, 350 g/t Ag**

Including 63.0m to 64.0m returns 1.00m @ 20.70 g/t Au and 1,616 g/t Ag

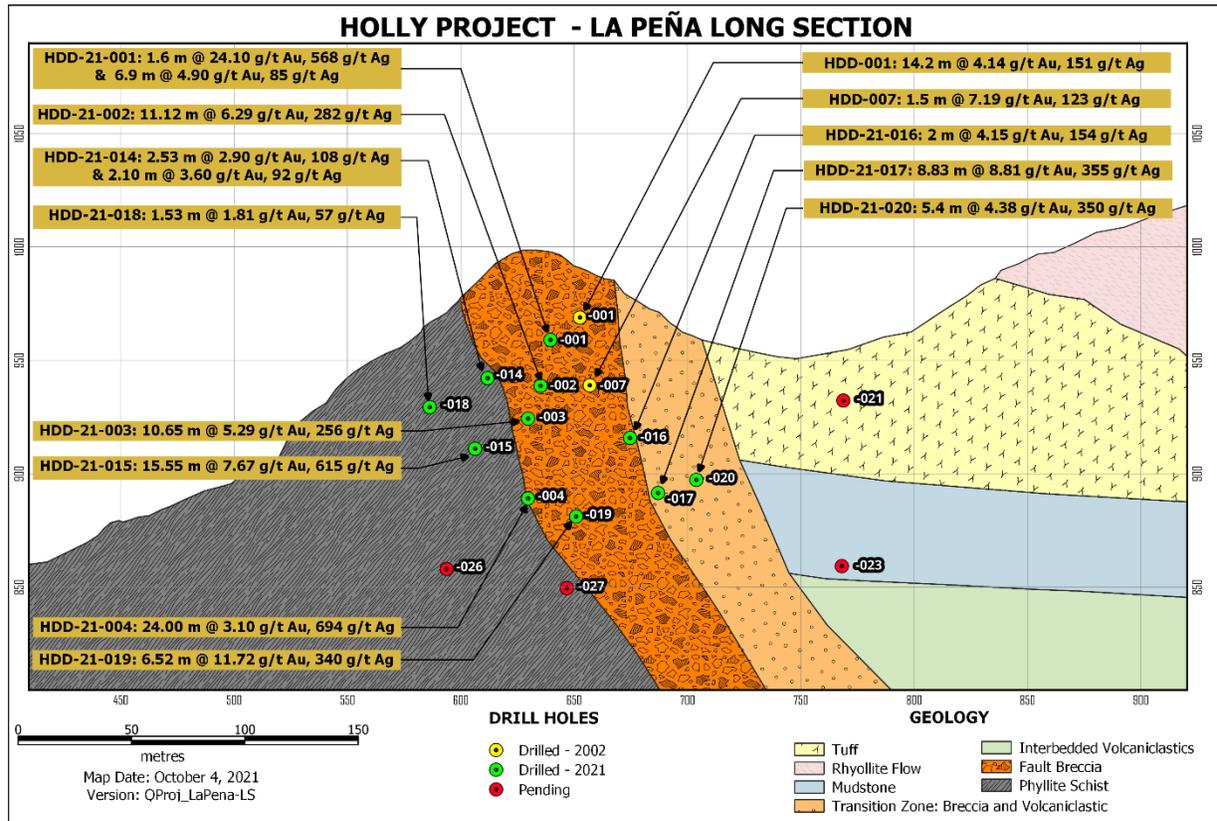
And 131.0m to 134.20m returns 3.20m @ 255 g/t Ag

Results from Holly continue to return high grade broad intercepts accompanied by high associated values in path finder elements such as Mercury and Antimony. It is management’s belief that we are still high in the epithermal system and the next round of drilling continues to step down the Jocotan Fault Breccia testing this broader system at depth.

Within the Peña vein hanging wall, splay veins are producing spectacular results as shown by the bonanza interval in HDD-21-019 returning 1.53m @ 191.8 g/t Au and 539 g/t Ag from 28.97m down hole. La Peña is one of many north-south veins that cross the regional east-west Jocotan plate bounding fault system. With growing understanding of the controls on mineralization at Holly, the program is consistently intersecting the north-south Peña vein system within the wide Jocotan fault breccia, where gold-silver grades are the highest. A major focus of the upcoming drilling will be to test the extensive breccia in the plate bounding Jocotan fault.

Results are still pending from latest step out holes to the north and south. The initial step out hole to the north, HDD21-015, returned 15.55m @ 7.67 g/t Au and 615 g/t Ag, and HDD21-017 to the south of the Jocotan breccia (above) returned 8.83m @ 8.81 g/t Au and 355 Ag.

Figure 1. La Peña Zone; Long Section:



Note: Reported intervals are drilled width. True width is estimated at 80% of true width.

Technical Information

Bruce Smith, M.Sc. (Geology), a member of the Australian Institute of Geoscientists, is Volcanic's Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Mr. Smith has 27 years of mineral exploration experience and has prepared and approved the technical information contained in this news release.

Quality Assurance and Quality Control

Volcanic Gold follows industry standard procedures for diamond core drilling and analysis. Drilling is carried out using NQ and HQ size tooling. Drill core is cut in half using a rock saw with one-half of the core then taken as a sample for analysis. Sample intervals are generally 1m intervals, producing samples of between 2 to 9 kg. Half-core samples are delivered to the internationally certified Bureau Veritas Mineral laboratory facilities in Nicaragua where the samples are prepared. Assays are completed by Bureau Veritas certified laboratories. The samples are fire assayed for Au and are analyzed for Ag and multi-elements using method code ICP following a four-acid digestion. Overlimits are analyzed using an

appropriate method. Multi-element geochemical standards and blanks are routinely entered into the drill core sample stream to monitor laboratory performance. Quality control samples submitted were returned within acceptable limits.

Terms of Guatemala Radius Gold and Volcanic Gold Mines option

Pursuant to an option agreement signed in May 2020 with Radius Gold Inc. (TSXV:RDU), Volcanic can earn a 60% interest in the Holly and Banderas projects by spending the cumulative amount of US\$7.0 million on exploration of the properties within 48 months from the date of the agreement. An initial US\$1M must be spent on exploration within the 12 months of receiving the required drill permits, which expenditure will include a minimum 3,000m of drilling on the properties.

Following the exercise of the Option, Volcanic will enter into a standard 60/40 Joint Venture in order to further develop the Properties. Volcanic has also been granted an exclusive right to evaluate all other property interests of Radius in Guatemala with a right to acquire an interest in any or all other such properties on reasonable terms.

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.

Simon Ridgway, President and 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 plans for exploration work in Guatemala. 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's planned exploration work will be proceed as intended; 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'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.