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FOR IMMEDIATE RELEASE

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Volcanic Gold drills 4.58m @ 79.84 g/t Au and 5,053 g/t Ag, in the southern extension of the high grade La Peña vein

2021-10-19 -VG - News Release

Shares issued 44,600,000

VG close - C\$0.35c, W/C +\$9 Million

Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV: VG) is pleased to report that results from drilling in the south extension of the La Peña vein at the Holly property have returned bonanza high grades including 4.58 @ 79.84 g/t Au and 5,053 g/t Ag. Volcanic has received results from Holly drill holes HDD-21-021 and HDD-21-023 which targeted the La Peña vein along strike to the south and HDD-21-022, which targeted the vein to the north. The drill has moved over to Volcanic’s Banderas Property after the termination of hole HDD-21-029 to allow the results of the Holly drilling to be received and the next program of holes to be planned with full results in hand.

Holly Highlights:

HDD-21-022 from 21.35m to 22.87m returns **1.52m @ 7.00 g/t Au and 48 g/t Ag**

And 27.45m to 32.02m returns **4.57m @ 1.05 g/t Au and 14 g/t Ag**

And 50.32m to 51.85m returns **1.53m @ 5.34 g/t Au**

HDD-21-023 from 196.72m to 198.25m returns **1.53m @ 1.93 g/t Au and 171 g/t Ag**

And 202.82m to 207.40m returns **4.58m @ 79.84 g/t Au and 5,053 g/t Ag**

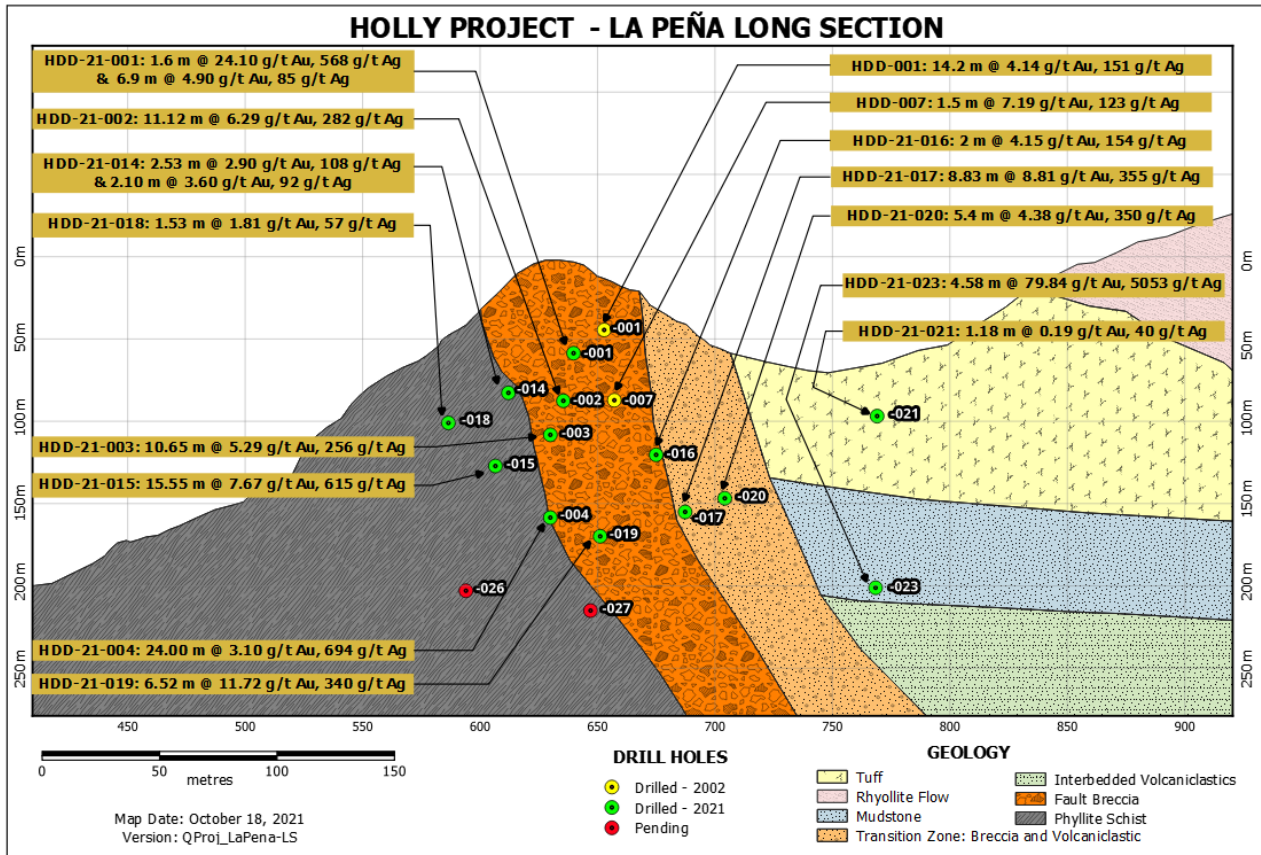
Including 204.45m to 205.70m returns **1.25m @ 289.50 g/t Au and 18,329 g/t Ag**

The initial focus at the Peña vein system was to define the vein within the broad zone of the Jocotan fault breccia, extending the mineralization down dip to the zone with consistent high grades that were intersected in holes HDD-21-017 and 019. HDD-21-021 and HDD-21-023 were drilled to cut the Peña vein to the south of the Jocotan fault zone. HDD-21-021 cut minor upper-level veining with weaker mineralization including 1.18m of 0.19 g/t Au and 40 g/t Ag from 53.37 to 54.55m within felsic tuffs. Roughly 80m down dip, HDD-21-023 cut the structure hosted in laminated mudstones where the vein returned 4.58m @ 79.84 g/t Au and 5,053 g/t Ag. This hole confirms the strike extent of the Peña vein to the south and demonstrates that the inter-bedded volcanics and sediments are potentially good hosts for high grade gold and silver mineralization at Holly.

HDD-21-022 was drilled within the footwall of Peña and did not intersect the main structure. The significant results from 022 are footwall splay veins off Peña. It appears some fault offsets made it more challenging to extend mineralization to the north in the Paleozoic Phyllites, although results on holes HDD-21-026 and 027 to the north are still pending.

The drill rig will be moving over to the nearby Banderas Property in the next few days and drilling will commence promptly. Volcanic will be targeting the deeper extensions of the major gold-silver rich veins where the source and potential convergence zones have never been tested.

Figure 1. La Peña Zone; Long Section:



Note: Reported intervals are drilled width. Estimated true widths are published in intercept table on website

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 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.