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FOR IMMEDIATE RELEASE

FEBRUARY 3, 2022

Volcanic Gold reports results and commencement of drilling at Holly Property

2022-02-03 VG-News Release

Shares Issued 45,543,710

VG Close \$0.43

W/C +\$8.0 million

Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV:VG) reports results received from two holes drilled in October 2021 at the Holly property, Guatemala.

“We are pleased to see results from the Holly property which provide positive information for our team,” commented Simon Ridgway, President and CEO of Volcanic Gold. “We look forward to expanding the system further with the pending assay results and the commencement of additional drilling this month.”

2021 Drilling Summary

Drillholes HDD-21-024 and 025 were drilled on the potential northern extension of the La Peña vein system, hosted in Paleozoic schistose rocks on the north side of the Jocotan fault zone. A trail of quartz vein boulders, thought to be a combination of float and sub-crop, extended north downslope for over 500m. These two holes were drilled scissor under this boulder trail to confirm the northern extension of the La Peña vein system. While apparent structural zones hosting weak mineralization were intersected in both holes, with results up to 1.53m of 207 g/t Ag in hole 024, no significant gold mineralization was returned from these holes.

With the continued drilling of the La Peña vein, Volcanic geologists have better defined the structure. The vein’s strike and dip in relation to the topography would indicate the vein passes east of the quartz float trail and drill holes HDD-21-024 and 025, and therefore, remains open and untested to the north in the Paleozoic schistose rocks. However, apart from hole HDD-21-015 that cut 15.55m @ 7.67 g/t Au and 615 g/t Ag in the schistose rocks, no other holes have returned strong mineralization in this rock unit.

Results from holes HDD-21-026 to -029 are still pending. Like many companies in the sector, we are suffering from significant laboratory turn-around times. To mitigate this, we have shipped equipment into Guatemala in order to crush our own drill core and surface rock samples. This allows us to ship directly to the assay laboratory eliminating the long waits at the preparatory lab.

Upcoming Drilling Plan

Drilling will commence within the first week of February. The focus will be extending the La Peña vein system to the south in the younger volcanics and sediments where hole HDD-21-023 cut 4.58m @ 79.84 g/t Au and 5,053 g/t Ag, 200m south of Hole HDD-21-015 reported above. We will also target mineralization down dip along the 200m strike so far established.

Drill holes are also planned at the El Pino vein where previous drilling intersected significant results up to 4.23m @ 4.0 g/t Au, 136 g/t Ag from veins and veinlets at much higher elevations. Drilling is also planned at the undertested large Ipala structure where anomalous gold/silver has been defined in soil and rock samples over several hundred meters.

Regional Exploration

Regional work continues to identify new target areas, especially along the Motagua Norte structural zone where prospects continue to demonstrate visible coarse gold in stream sediments and in rock crushed in the field and panned. The delays in laboratory turn around time have allowed us to return to this basic method that generated the gold rushes of old. Results of this work are indicating that this is an important target area that we have mapped over several kilometers. The contact of serpentinite bodies with metamorphosed volcanic rocks appears to localize the quartz bearing fluids that are associated with free gold yielding values up to 320 g/t Au.

The Company is working with environmental consultants to complete the studies needed to have these concessions granted with Q1 2022.

Banderas Property

At Banderas the Company continues the effort to regain the social licence in order to continue with the exploration work that generated excellent result previously. The communities at Banderas suffer from significant poverty and unemployment, and a large percentage of the local population would like to see us return, generate employment and assist with community development and infrastructure. The Company has access agreements in place with the community covering the drill project, but further consultation and work is required.

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

Diamond drilling at Holly project followed industry standard procedures for 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.

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. Volcanic is a member of the Gold Group of companies, led by Simon Ridgway.

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

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