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FOR IMMEDIATE RELEASE

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Volcanic reflects on recent news regarding Bluestone and the Cerro Blanco gold deposit in Guatemala, and the implications for the Holly gold discovery

News Release

Shares issued 45,551,210

VG close - C\$0.16

Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV-VG) (“Volcanic” or the “Company”) On July 6, 2023, Bluestone Resources Inc. (TSX-V: BSR) outlined plans for its Cerro Blanco feasibility stage gold and silver project in Guatemala in a news release entitled “Bluestone Announces Strategic Review Process”. The Bluestone news release announced that: “...the Company has commenced a process to explore and evaluate potential strategic alternatives to further advance the Cerro Blanco gold project” and states further that: “These alternatives could include, among other things, the sale of part or all of the assets of the Company, a sale of the Company, a merger or other business combination with another party, or other strategic transaction.”¹

After reviewing the news release from Bluestone, Simon Ridgway, Founder, President and CEO of Volcanic Gold Mines stated that: “Jurisdiction aside, the Cerro Blanco gold deposit is probably one of the more economically attractive gold deposits in today’s market. This is a high-margin gold deposit, whether viewed as an underground mine, with an impressive measured and indicated mineral resource of 1.41 Moz at 10.3 g/t Au¹ and 4.1 Moz at 35.6 g/t Ag² or, as an open pit scenario with measured and indicated mineral resources total 3.1 Moz grading at 1.5 g/t Au³ and 13.4 Moz at 6.6 g/t Ag³.”

The Cerro Blanco’s initial 2019 feasibility study, that proposed mining the deposit as an underground mine, provided impressive economics that included an after-tax IRR of 34% and AISC of US\$579/oz using a base case of US\$1250/oz gold and US\$18/oz silver⁴.”

Volcanic Gold’s Holly discovery is located on private land about 60 km north of Cerro Blanco along a paved highway. It has a maiden inferred mineral resource on La Peña vein, (one of many veins) of 1.3 Mt at 6.5 g/t for 270,000 oz contained gold and 11 Moz at 260 g/t contained silver, which equates to 9.6 g/t at 410,000 oz gold equivalent.^{*,5}

As has been stated in a previous news release⁶, Volcanic Gold is committed to engaging with local stakeholders and actively working with communities to further develop and deliver impactful community programs. Simon Ridgway, CEO commented: “Drilling was stopped at Holly due to past social unrest, when

anti-mining groups invaded the project. However, twelve months of community work appears to have reached hearts and minds of the local population and I believe the tide is turning.”

In a mining scenario, the Holly project would be mined as an underground operation with processing of the ore remote from the location of the project. More drilling is required to determine the full extent of the underground mineral resource: the deepest hole drilled yet on the La Peña Vein cut 4.58m of 79.84 g/t Au and 5,053 g/t Ag⁷ (see news release February 16, 2022). However, the Company has stated it would not drill at Holly again until Cerro Blanco had a clear way to production, and that remains the Company’s position.

Volcanic holds the property at Holly under a joint venture agreement with Radius Gold Inc. (TSX-V: RDU). The Company also holds other properties in Guatemala under that same J/V agreement, and other important discoveries have been made on that J/V property that are pending the granting of a mineral concession. *“While things are moving slowly, progress is being made on that front”*, commented Simon Ridgway.

Simon Ridgway further states: *“While we continue to review opportunities in other jurisdictions, we are committed to continue our efforts in Guatemala. I have been instrumental in both the Cerro Blanco and Holly gold discoveries, and I believe there are many more discoveries to be made in Eastern Guatemala. Mining could create a vibrant economy in the region, creating employment while protecting the beautiful landscape and the waters.”*

- (1) News Release, Bluestone Resources Inc: Bluestone Announces Strategic Review Process, July 6, 2023.
- (2) News Release, Bluestone Resources Inc.: Bluestone Announces Updated Resource Estimate at Cerro Blanco; Increases Measured & Indicated resources by 18% to 1.41Moz at 10.3 g/t Au, November 6, 2019.
- (3) News Release, Bluestone Resources Inc.: Bluestone Increases Cerro Blanco Mineral Resources to 3.1Moz gold and 13.4Moz silver, July 19, 2021.
- (4) News Release, Bluestone Resources Inc., Bluestone Announces Positive Feasibility Study at Cerro Blanco Gold Project – 34% After-Tax IRR and AISC of US\$579/oz, January 19, 2019.
- (5) News Release, Volcanic Gold Mines Inc. Volcanic files NI 43-101 technical report for Initial Resource Estimate at Holly Project, Guatemala, July 27, 2022.
- (6) News Release, Volcanic Gold Mines Inc, Volcanic Gold Commissions Technical Report on Holly Project as Part of Permit Upgrade and Continues with Stakeholder Engagement, February 8, 2023.
- (7) News Release, Volcanic Gold Mines Inc. -Volcanic Gold drills 4.57 meters @ 54.24 g/t Gold & 3,925 g/t Silver, February 16, 2022.

Technical Information

Luc English, PhD, who is a Chartered Geologist and Fellow of the Geological Society of London, is the Company’s Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Dr English has reviewed and approved the technical information contained in this news release.

* Gold Equivalent (AuEq) values based on US\$1800 Au and US\$22 Ag, using formula: gold g/t + (silver g/t*0.01222).

The Holly project mineral resource has an effective date 7 June 2022.

1. Resources estimated using a 3.0 g/t Gold equivalent cut-off grade and a top cap grade of 100 g/t Gold and 2,000 g/t Silver and presented on a 100%-basis.

2. Gold Equivalent Au(eq) values based on Au\$1800 and Ag\$22 using formula ($Au \text{ g/t} + (Ag \text{ g/t} * 0.01222)$).
3. Mineral Resources which are not Mineral Reserves have not demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on mineral resources and reserves, definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council. Notwithstanding, to meet the requirement that the reported Mineral Resources show “reasonable prospects for eventual economic extraction”.
4. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

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.