



200 Burrard Street, Suite 650
Vancouver, BC V6C 3L6

Tel: 604.801.5432
Fax: 604.662.8829

TSX-V: VG

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Volcanic Gold Mines commences drilling at the Mila Gold Discovery, Guatemala

News Release

Shares issued 45,551,210

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Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV-VG) (“Volcanic” or the “Company”) and joint venture partner Radius Gold Inc. (TSXV: RDU) are pleased to announce that a first-pass drilling campaign has commenced on the Mila Gold Discovery located within the Motagua Norte Project.

The Mila prospect to date is defined over a 250 m by 600 m area of quartz outcrop, subcrop and boulder float with abundant visible gold and bonanza grade assays discovered by Company geologists in Central Guatemala. A diamond core drilling rig has mobilized to commence exploration of the compelling gold targets developed at Mila. Drill holes are designed to establish the width, grade and geometry of gold mineralization. The Company anticipates drilling between 1000 and 3000 m of diamond core in the first campaign.

The Mila discovery presents an unusual challenge for exploration but an exceptional opportunity. The abundance of gold-mineralized quartz boulders covering the surface makes it difficult to map-out, measure and model the gold mineralized structures. Of approximately 420 rock chip samples collected at surface across the area over one hundred returned assays exceeding 10 g/t gold, including twenty-one of over 100 g/t gold and a maximum of 692 g/t gold. With widely distributed gold-bearing quartz at surface it is difficult to distinguish the in situ quartz outcrop from the boulder piles that form at the base of collapsed vein outcrops and from boulder scree that has been locally transported downhill. In addition to the obvious quartz vein mineralization, gold has also been observed hosted within sericite altered and micro-veined schist with samples returning assay results of up to 94 g/t gold, indicating potential for significant wall rock mineralization.



The north-south striking quartz ridge which returned rock chip assays of up to 116 g/t gold is being tested in the first few drill holes.



Sericite altered schist with quartz stockwork veinlets cropping-out on the eastern wall of the north-south quartz ridge returned assay results of up to 118 g/t gold is also being targeted in the first few drill holes.

Geological mapping of outcrops combined with interpretation of topographic features suggests that there are multiple quartz veins in at least two different orientations: north-south and northwest-southeast striking, with the best assay results concentrated in north-south trends. Continuous chip channel sampling across the best-defined north-south structure, a 250 m long ridge running through the centre of the prospect area, returned average grades of 95 g/t gold across a 10 m width of collapsed quartz vein boulders. This structure, and at least two more less well-defined parallel quartz boulder ridges are interpreted as north-south striking veins. True thickness and dip direction of these veins is not yet understood and will be tested in the initial drilling.

Drilling will also test a 100 m-wide dense quartz boulder field on the west side of the central north-south structure continuous lines of 2 m long chip channel samples of mixed outcrop, subcrop and colluvium returned average grades of 42 g/t gold along a 34 m line, and 54 g/t gold along a 24 m long line. The surficial quartz in this area is interpreted as the expression of multiple, close-spaced quartz veins. The number of veins and their geometry are undefined.

The initial drill programme is exploratory in nature and aims to establish the number of zones, width, grade and geometry of the gold bearing structures.

Simon Ridgway, Volcanic Gold Mines President and CEO, commented:

“The Volcanic team's dedication has resulted in the discovery of great high-grade drill targets and secured licenses, permits and community support for the Motagua Norte project. The team is enthusiastic to commence drilling the first holes into the multiple gold targets in the Mila prospect. The results of several rock chip sampling programs conducted in recent months along the belt has revealed several new areas of interest where we are seeing similar high grades. A successful drill program at Mila will reinforce my belief that the Motagua Suture Zone has the potential to become a prolific gold camp.”

About the Motagua Norte project

The Motagua Norte project is a gold system hosted by schists of the Motagua suture zone, an east-west striking belt of metamorphic rocks that outcrops at the line of collision between the North American and Caribbean tectonic plates.

Volcanic Gold Mines has an option agreement with Radius Gold Inc. to earn a 60% interest in the Cirilo I exploration licence and other licences under applications and negotiation within the Motagua Norte project, as well as the Holly Project where the joint venture has established a high grade epithermal gold resource 60km north of the Cerro Blanco Gold Deposit (see news release September 18, 2023).

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.

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

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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 its property interests 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, the uncertainties inherent in the mineral resource estimates; whether the Company's planned exploration work will be proceed as intended; whether the Company's plan for its property interests in Guatemala will 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.sedarplus.ca. 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.