



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

Tel: 604.801.5432
Fax: 604.662.8829

TSX-V: VG

March 4, 2024

Volcanic Gold update on drilling at Mila Gold Discovery, Guatemala

News Release

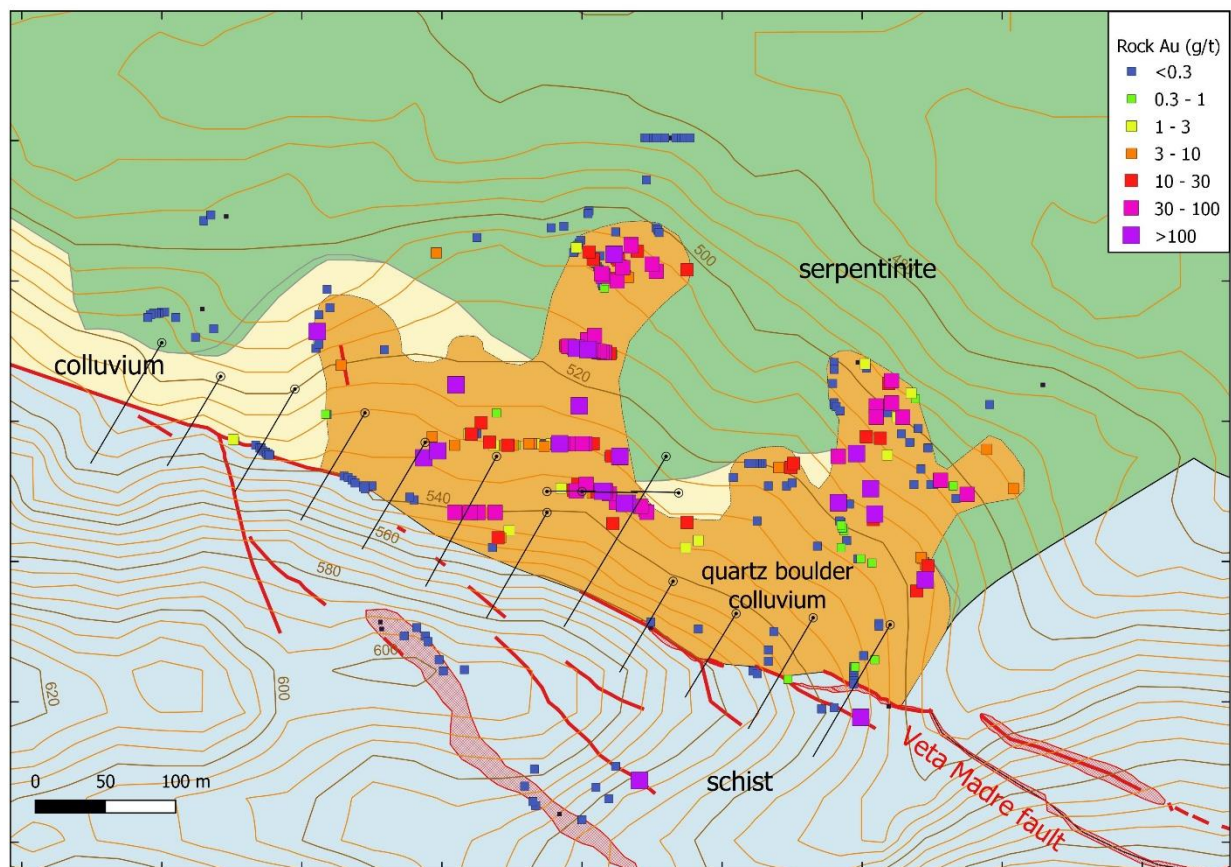
Shares issued 45,551,210

VG close - C\$0.255

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 present an update on the first-pass drilling campaign that is ongoing at the Motagua Norte Project.

Drilling to date has confirmed that the broad area of boulder float with abundant visible gold and bonanza grade assay results discovered by Company geologists is underlain by a serpentinite package, and that all of the colluvial boulders of quartz and schists bearing the high-grade gold values have likely moved downslope from a major structural corridor that we have named the Veta Madre Fault Zone.

The Veta Madre Fault contains a wide quartz vein that has been known for some time, and where sampled, has returned relatively high silver and lead results but poor gold numbers. It is a massive vein, forming in places a vertical, impassable wall. Flute marks and slickensides on the vein show near-vertical fault movement. However, in the area uphill from the Mila quartz float field, the vein is not exposed. The drill program conducted to date has cut 6 m to 15 m of colluvium composed of quartz and schist float, bearing visible gold in places, before passing from this colluvium into a serpentinite package. With the drill data in hand it appears that the green schists and serpentinite contact is at the Veta Madre Fault Zone, and the Mila zone within this major structural corridor is the target to be tested. Drilling of this target is underway and drill pads are being prepared along the strike of the structure.



Map showing the extent of the colluvial fan of bonanza-grade gold mineralized quartz boulders at the foot of a broken section of the Veta Madre Fault Zone. Drill pads (black circles) with planned drill direction to the southwest (black lines) shown.

This presents an exciting picture: the Motagua Norte project has geological similarities to the Motherlode and Grassy Valley type orogenic systems of California, hosted in metamorphic rocks along plate boundary faults, often in close association with serpentine rocks. These systems are known for quartz veining with coarse visible gold and high-grade ore shoots, that can have extensive vertical depth components. For example: the historic Empire Mine in California was mined to over 1km depth and produced 5.8Moz at an average grade of 19 g/t Au¹.

As we previously reported, 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 boulder scree that has been locally transported downhill. In

¹ Taylor, R.D., Monecke, T., Reynolds, T.J. and Monecke, J. 2021. Paragenesis of an orogenic gold deposit: new insights on mineralizing processes at the Grass Valley District, California. *Economic Geology*, v. 116, no. 2, p. 323–356.

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 Veta Madre Fault vein exposed in a 20-30 m cliff immediately west of the Mila bonanza-grade quartz boulder colluvium field. At this locality the Veta Madre Fault dips steeply to the north and bears fluting and slickensides indicating dip-slip movement.

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

“The Volcanic team continues its dedication to the project; the more we work the more we learn. This recent geological interpretation has significance for the belt as we see similar structural settings in many of the zones we have sampled along the belt.

The team is facing the challenge of working within communities where some have been persuaded by reports and information supplied by NGO’s that mining is bad. This challenge requires a constant effort to inform the community to counteract misinformation and erroneous assumptions. However, people want work, and they want to work in their own backyard and not be drawn by necessity to travel to North America to feed their families. Exploration and mining can provide work opportunities. The team is gathering support from all areas to inform and show the positive influence that mining can bring to the area.”

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 Sept. 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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) 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 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.