VOLCANIC
—Gold Mines Inc—

Interim Management's Discussion and Analysis – Quarterly Highlights
For the three months ended March 31, 2020

INTRODUCTION

This interim management's discussion and analysis ("Interim MD&A") of Volcanic Gold Mines Inc. (the "Company") is the responsibility of management and covers the period ended March 31, 2020. The Interim MD&A takes into account information available up to and including May 29, 2020 and should be read together with the unaudited condensed consolidated interim financial statements and accompanying notes for the period ended March 31, 2020 and the audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2019 which are available on the SEDAR website at www.sedar.com.

All financial information in this document is prepared in accordance with International Financial Reporting Standards and presented in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "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 the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and project development;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters;
- local community relationships;

- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which unless contained could cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price.

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates;
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels; and

These 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.

DESCRIPTION OF BUSINESS

The Company's business is the acquisition and exploration of mineral properties, focused on consolidating land packages in under-explored countries. Management is actively seeking prospective projects for acquisition by the Company.

Corporate Activity

Effective April 8, 2019, the Company consolidated its issued common shares on the basis of one new share for every seven existing shares (the "Consolidation"). The name and trading symbol of the Company remained unchanged. **All references in this Interim MD&A to loss per share, common shares, share purchase warrants and stock options reflect the Consolidation.**

In May 2020, Charles Straw and Michael Povey were appointed to the Board of Directors of the Company, and as Chief Executive Officer and Chairman, respectively. Simon Ridgway continues as a Director, and Jeremy Crozier stepped down from the Board. Messrs. Straw and Povey are focusing their efforts on building a portfolio of properties of merit for the Company.

Property Review

Holly-Banderas Properties, Guatemala

In May 2020, the Company signed an agreement whereby, subject to stock exchange approval, it will be granted by Radius Gold Inc. ("Radius") the exclusive option (the "Option") to acquire a 60% interest in the Holly-Banderas gold-silver properties in Guatemala (the "Properties"). The Company may exercise the Option by completing a minimum $3.0 million financing and spending US$7.0 million on exploration of the Properties within 48 months from the date drilling permits are granted. An initial US$1.0 million must be spent on exploration within 12 months of receiving the required drill permits, including a minimum 3,000 metres of drilling. Following the successful completion of the financing, the Company will make a cash payment to Radius of $100,000. Upon exercise of the Option, the Company will enter into a standard 60/40 joint venture with Radius in order to further develop the Properties.

The Company will also have the exclusive right for 24 months following the execution of the Option to evaluate the other property interests of Radius in eastern Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

Further details of the Holly-Banderas properties are available on the Company's website.

RESULT OF OPERATIONS

All references to 'loss' in the results of operations discussion below refers to the loss attributed to equity shareholders of the Company.

During the quarter ended March 31, 2020 the Company incurred a loss $45,083, compared to a loss of $61,809 for the quarter ended March 31, 2019. Significant expenses for the three-month periods are as follows:

	March 31, 2020	March 31, 2019
Consulting and management fees	$ 16,500	$ 16,500
Office and administration	10,172	16,389
Regulatory and filing fees	6,763	6,396
Salaries and benefits	7,821	20,519
Travel	2,918	205

The loss for the quarter ended March 31, 2020 was significantly less than the comparative quarter due to less corporate activity and cost reductions during the current quarter.

Consulting and management fees for both current and comparative quarters consisted of fees paid to a Director (and former Chief Executive Officer ("CEO")). Office and administration costs relate mostly to an administrative cost sharing agreement with Gold Group Management Inc. ("Gold Group"), a private company controlled by a Director (and former CEO) which is reimbursed by the Company for certain shared rent and other corporate expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs relate primarily to Gold Group which provides administrative personnel, including the Company's Chief Financial Officer and Corporate Secretary.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly mineral properties, working capital balance and operating results over the last eight quarters are summarized as follows:

	Mar '20	Dec '19	Sept '19	June '19	Mar '19	Dec '18	Sept '18	June '18
Total assets	$ 193,686	$ 232,044	$ 275,737	$ 327,198	$ 132,437	$ 167,559	$ 291,342	$ 3,194,231
Mineral properties	-	-	-	-	-	-	-	2,671,533
Working capital (deficiency)	(6,164)	38,827	94,280	144,091	(161,519)	(292,217)	(116,875)	220,559
Loss and comprehensive loss attributed to equity shareholders of the Company	45,083	17,523	53,505	64,962	61,809	173,120	2,359,287	417,682
Basic and diluted loss per share attributed to equity shareholders of the Company	0.01	0.00	0.01	0.01	0.01	0.03	0.36	.06

Operating expenses were higher during the first two quarters presented due to the Company attempts to restructure its Guinea operations and perform due diligence activities on a property in the Ivory Coast. During the quarter ended September 30, 2018, the Company ultimately decided to cease operations in Guinea and the Ivory Coast entirely and wrote-off $2,671,533 in mineral property carrying costs, creating a significant loss for that quarter and significant decrease in total assets. There was a minimal amount of exploration expenditures incurred during the quarter ended December 31, 2018 and no such expenditures for the five most recent quarters.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company's exploration activities do not provide a source of income and therefore the Company has a history of losses and an accumulated deficit.

As at March 31, 2020, the Company had current assets of $131,548 and current liabilities of $137,712, resulting in a working capital deficiency of $6,164.

During the 2019 fiscal year, the Company issued 548,661 common shares of the Company to directors and a former officer of the Company to settle debt totaling $192,031 and raised gross proceeds of $375,000 by way of a private placement financing.

The Company does not expect its current capital resources to be sufficient to cover its corporate operating costs and carry out mineral property acquisitions or exploration activities, if any, for the next twelve months. As such, the Company will seek to raise additional capital as needed but recognizes the uncertainty attached thereto.

Net cash used in operating activities during the period ended March 31, 2020 was $34,441 (2019: $30,212).

There were no investing activities during the periods ended March 31, 2020 and 2019.

There were no financing activities during the periods ended March 31, 2020 was 2019.

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital as and when needed.

OUTSTANDING SHARE, OPTIONS AND WARRANTS DATA

At the date of this Interim MD&A, the Company had outstanding 8,603,880 common shares and the following stock options and warrants:

No. of options	Exercise price	Expiry date
364,284	$4.20	March 14, 2027
3,571	$4.20	June 26, 2027
367,855		

No. of warrants	Exercise price	Expiry date
1,851,237	$5.60	March 8, 2022

TRANSACTIONS WITH RELATED PARTIES

See Note 7 of the condensed consolidated interim financial statements for the three months ended March 31, 2020 for details of other related party transactions which occurred in the normal course of business.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2019.

FUTURE ACCOUNTING CHANGES

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

IFRS 17 *Insurance Contracts*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has yet to assess the impact of IFRS 17 on its financial statements.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business in the mineral exploration industry. Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as, but not limited to, the following:

Global Pandemic

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has spread from China where the virus was originally reported to several other countries, including countries in which the Company seeks opportunities, and infections have been reported globally.

The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control.

The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has no properties. When properties are held, the main operating risks include: securing adequate funding to maintain and advance future exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund future exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of future property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of future mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of projects. Exploration and development of future projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of exploration and development which could result in the loss of properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company may hold mineral property interests which are located in emerging nations where there may be a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in any nation can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but could incur exploration expenditures in other currencies. At this time, there are no currency hedges in place. A weakening of the Canadian dollar against foreign currencies could have had an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to properties, facilities and equipment of the Company, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties held by the Company which are unknown to management. Social risks vary from region to region and can have an adverse impact on the efficiency and viability of conducting exploration activities.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of projects as well as for the recruitment and retention of qualified employees.