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## NEWS RELEASE

### Volcanic Completes \$5 million Private Placement

**July 28, 2020** – Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV: VG) (“Volcanic” or the “Company”) is pleased to announce that it has closed its previously announced non-brokered private placement (the “Private Placement”) with the issuance of 20,000,000 units (each, a “Unit”) at \$0.25 per Unit, for aggregate gross proceeds of \$5 million (see news releases dated June 4, 2020 and June 25, 2020). Roth Capital Partners acted as financial advisor in the Private Placement. Each Unit consists of one common share in the capital of the Company (each, a “Common Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.30 per Common Share for a period of two years from the issue date.

With an investment of approximately \$1.42 million in the Private Placement, Silvercorp Metals Inc. has acquired 19.9% of Volcanic’s issued and outstanding Common Shares and has the right to appoint one director to the Company’s Board. Charles Straw, Volcanic’s CEO, commented: “We are very pleased to welcome Silvercorp as a significant shareholder of the Company, and look forward to their input and insights in implementing the Company’s exploration and evaluation strategy.”

In connection with the Private Placement, the Company paid finder’s fees totaling \$311,833 in cash and issued a total of 1,497,330 finder’s warrants with the same terms as the Warrants, which fees and warrants were paid to: Roth Capital Partners, as to \$228,498 in cash and 1,163,990 in finder’s warrants, Haywood Securities as to \$49,000 in cash and 196,000 finder’s warrants, Gerhard Merkel as to \$27,685 in cash and 110,740 in finder’s warrants, and Canaccord Genuity as to \$6,650 in cash and 26,600 in finder’s warrants. All securities issued in connection with the Private Placement are subject to a resale restriction in Canada until November 28, 2020.

Of the \$5 million in gross proceeds from the Private Placement, approximately \$3.4 million is intended to be used for working capital purposes and approximately \$1.6 million is intended to fund exploration work by the Company on the Holly and Banderas properties located in southeastern Guatemala which are proposed to be optioned to the Company (see news releases dated June 1, 2020 and June 30, 2020). As the TSX Venture Exchange (the “TSXV”) has not granted final approval for the Holly and Banderas property transaction, the TSXV has required that \$1.6 million of the Private Placement proceeds, which has been allocated to the Guatemala properties, be held in trust until final TSXV approval is granted.

## **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](http://www.volgold.com).

## **Volcanic Gold Mines Inc.**

Charles Straw, Director/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 intended use of the Private Placement proceeds, the proposed acquisition of the Holly and Banderas properties and the Company's anticipated exploration activities and future business plans. Often, but not always, these forward looking statements can be identified by the use of words such as "will", "may", "believe", "expect", "anticipate", "intend", "estimate", "potential", "future", "assumed", "projected", or statements that events, "could", "should" or "might" 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, changes in general economic conditions and financial markets; delays in obtaining governmental and regulatory approvals (including final TSXV acceptance of the option to acquire an interest in the Holly and Banderas properties); risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on the Company's business, financial condition and ability of the Company to conduct operations and exploration and development activities at its properties; 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; the Company's ability to comply with environmental, health and safety laws; 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](http://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 proceeds from the Private Placement will be spent as intended; 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; that the Company will receive all necessary permits, licenses and regulatory approvals in connection with the future exploration and development of the Company's projects in a timely manner; 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.*