



200 Burrard Street, Suite 650
Vancouver, BC V6C 3L6
TSX-V: VG

Tel: 604.801.5432
Fax: 604.662.8829

VOLCANIC ANNOUNCES \$5 MILLION BOUGHT DEAL OFFERING

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Vancouver, Canada – September 28, 2020 – Volcanic Gold Mines Inc. (TSXV: VG), (“Volcanic” or the “Company”) is pleased to announce that it has entered into an agreement with Haywood Securities Inc. to act as lead underwriter, on behalf of a syndicate of underwriters (collectively, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 9,100,000 units of the Company (the “Units”), at a price of C\$0.55 per Unit (the “Offering Price”) for gross proceeds to the Company of C\$5,005,000 (the “Offering”).

Each Unit will consist of one common share in the capital of the Company (a “Common Share”) and one half of one Common Share purchase warrant (a “Warrant”). Each whole Warrant will entitle the holder thereof to purchase one Common Share (a “Warrant Share”) at a price of C\$0.70 for a period of 18 months following the Closing Date (as defined below).

The Company will pay the Underwriters a cash commission of 6.0% of the gross proceeds of the Offering, subject to a reduced cash commission being payable on sales to certain members of the president’s list (the “Presidents List Sales”) and will issue to the Underwriters broker warrants (the “Broker Warrants”) exercisable at any time prior to the date that is 24 months after the Closing Date at a price of C\$0.55 per Broker Warrant to purchase such number of units (the “Broker Units”) as is equal to 6% (reduced in the case of President’s List Sales) of the aggregate number of Units issued pursuant to the Offering, including on any proceeds realized on the exercise of the Over-Allotment Option. Each Broker Unit will be comprised of one Common Share (each, a “Broker Share”) and one-half of one Common Share purchase warrant (each whole common share purchase warrant, an “Underlying Broker Warrant”).

In addition, Silvercorp Metals Inc. may exercise its right to maintain their 19.9% pro rata interest in the outstanding shares of the Company by participating in the Offering, or by purchasing in a concurrent private placement, Units at the Offering Price which will increase the gross proceeds to the Company.

The Underwriters have been granted an option (the “Over-Allotment Option”), exercisable in whole or in part, at any time within 48 hours prior to the Closing Date (as defined herein), to purchase from the Company up to an additional 15% of the Units offered under the Offering.

The Offering is expected to close on or about October 20, 2020, or such other date as may be agreed by the Underwriters and the Company (the “Closing Date”), and is subject to the Company receiving all necessary regulatory approvals, including the approval of the TSX Venture Exchange (the “TSX-V”) and applicable securities regulatory authorities. The Units and Broker Warrants will be offered by way of a short form prospectus in each of the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

The Company plans to use the net proceeds from the Offering for the exploration and advancement of the Company's principal assets in Guatemala and for general corporate purposes.

The securities to be offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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.

Charles Straw, Director/CEO

Neither the TSX-V nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding 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 current expectations on future exploration plans, the expected use of proceeds of the Offering and the anticipated closing date of the Offering. 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 exploration on the Company's principal assets in Guatemala will proceed as planned; the failure of the Company to obtain all necessary regulatory and third party approvals (including approval from the TSX-V) for the Offering; 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; risks associated with COVID-19 including adverse impacts on the world economy, exploration efforts and the availability of

personnel; 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 Offering will be completed as planned; 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.