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**FOR IMMEDIATE RELEASE**

**JANUARY 13, 2022**

## **Volcanic Gold provides exploration update**

2022-01-13-VG-News Release.  
Shares Issued 45,543,710  
VG Close- \$0.465  
W/C \$8.2 Million

Vancouver, British Columbia – Volcanic Gold Mines Inc. (TSXV:VG) is pleased to provide a review of 2021 and an update on the Company's plans for 2022.

### **2021 Summary**

"Our 2021 exploration program in Guatemala was highly successful," stated Simon Ridgway, President & CEO of Volcanic Gold Mines Inc. "An important bonanza gold grade discovery was made at the Holly Property in Guatemala. Drilling at this property is defining a gold resource that has significant dollar per ounce value. The project is located just 50 km along a paved road from Bluestones Resources' Cerro Blanco Gold Deposit, where mine construction is expected to commence this year. Additionally, assay results received from surface sampling at the Motagua Norte property have been outstanding indicating this property has tremendous potential. The teams on the ground in Guatemala have performed admirably in 2021. I believe their discoveries will generate significant employment opportunities in the country for many years to come" continued Mr. Ridgway.

### **Holly Property**

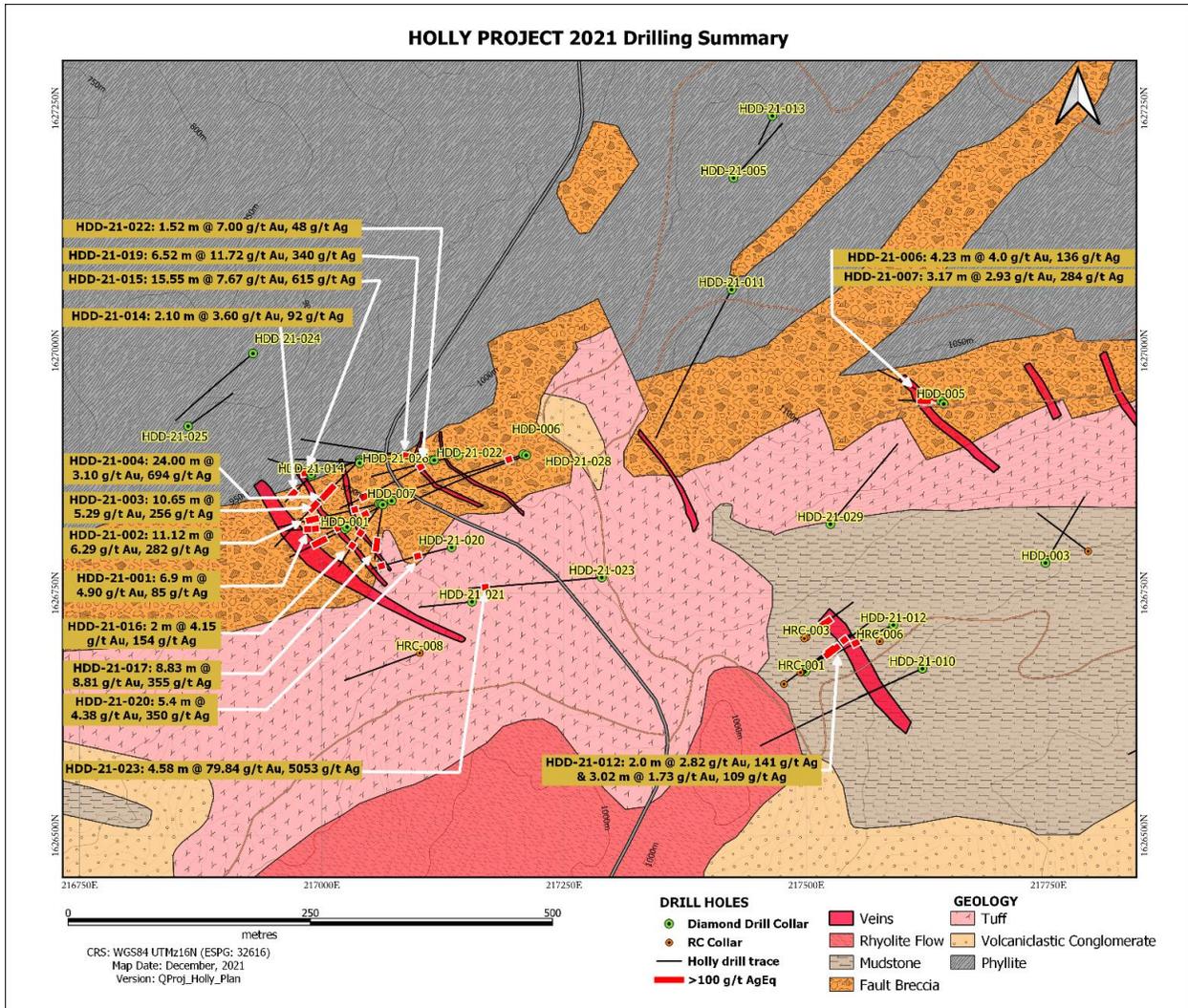
Volcanic Gold's initial 2021 drill program consisted of 4,785 metres of drilling in 29 holes conducted at the Holly property. Most of the holes targeted the La Peña vein, intersecting high grade gold-silver mineralization over a 300m strike length and to a vertical depth of 200m. The drilling confirmed continuity of the high grade gold-silver mineralization and helped obtain a better geologic understanding of the structural complexity of the area.

This recent drill program showed that the La Peña vein and similar parallel veins recently discovered at Holly Ridge, display good continuity to the south into the Volcanic package where some of the highest grade intervals were encountered (HDD-21-023: 4.58m @ 79.84 g/t Au, 5053 g/t Ag). The primary La Peña vein is low sulphation epithermal in nature and can be traced for 750 metres across the property.

Typically, the vein zone has a true width of 3-5 metres, however where it intersects the Jocotan Breccia at the Volcanic/Schist contact the mineralization expands with results up to 15.5m of 7.67 g/t Au and 615 g/t Ag.

**La Peña Drill Intercepts Aggregate Table**

<b>DRILLHOLE</b>	<b>FROM (m)</b>	<b>TO (m)</b>	<b>INTERVAL (m)</b>	<b>GOLD (g/t)</b>	<b>SILVER (g/t)</b>	<b>Est. True Width</b>
HDD-001 (2002)	34.80	49.00	14.20	4.14	151	13.43
including	37.80	38.40	0.60	35.09	1473	0.57
including	48.50	49.00	0.50	8.36	470	0.47
HDD-007 (2002)	88.50	97.50	9.00	1.84	45	8.38
including	88.50	90.00	1.50	7.19	123	1.40
HDD-21-001	46.10	47.70	1.60	24.10	568	1.55
HDD-21-001	53.70	60.60	6.90	4.90	85	6.68
HDD-21-002	95.15	106.27	11.12	6.29	282	10.78
including	95.15	98.00	2.85	15.50	342	2.76
including	102.35	105.22	2.87	8.08	633	2.78
HDD-21-003	101.85	112.50	10.65	5.29	256	9.85
HDD-21-004	119.5	143.5	24	3.10	694	17.66
including	131.400	133.670	2.270	9.79	2035	1.68
including	136.000	137.850	1.850	5.60	2801	1.37
HDD-21-015	108.65	124.20	15.55	7.67	615	13.13
including	108.65	115.90	7.25	16.20	848	6.12
HDD-21-016	77.00	79.00	2.00	4.15	154	1.67
HDD-21-017	134.25	143.08	8.83	8.81	355	6.82
HDD-21-018	71.67	73.20	1.53	1.81	57	1.37
HDD-21-019	28.97	30.50	1.53	191.80	539	1.39
HDD-21-019	171.90	178.42	6.52	11.72	340	5.91
including	172.90	176.60	3.70	20.36	576	3.36
HDD-21-020	61.70	67.10	5.40	4.38	350	5.09
including	63.00	64.00	1.00	20.70	1616	0.94
HDD-21-020	131.00	134.20	3.20		255	2.98
HDD-21-021	53.37	54.55	1.18	0.19	40	0.97
HDD-21-023	202.82	207.40	4.58	79.84	5053	4.50
including	204.45	205.70	1.25	289.50	18329	1.23



Exploration work in 2021 discovered additional extensions (Amber, Alfa, El Pino) at the Holly property that have parallel orientations to the La Peña vein and present opportunities to expand on the resource of the area. Ongoing mapping and sampling have opened the potential for stacked vein corridors with several zones of increased veining within the targeted corridors.

Due to issues getting samples to and results from the laboratory in Nicaragua, the drill program was halted in November. Assays are pending on drill holes HDD-21-024 to 029 and the detailed rock chip sampling of the Jocotan splay targets and other prospects are also pending. We are taking measures to resolve these issues and resume drilling.

The 2022 drill program for the Holly property will focus on infill drilling on the La Peña vein to expand the resource along strike and to depth. We will also be conducting systematic drill testing of these new targets including the Jocotan splay faults and the new vein zones. Drilling at the Holly property will recommence in February 2022.

## **Banderas Project**

The Company is working on access agreements with an adjoining community prior to commencing any drilling at Banderas. Access agreements are in place with the community covering the drill project. Further consultation work is required with an adjoining community to ensure the benefits of the project are spread out and all affected communities in the area consent. Further news on developments at Banderas will be released as progress is made.

## **Regional exploration**

The Volcanic Gold exploration tenement package covers approximately 2,400 square kilometres of the Eastern Guatemala epithermal belt which hosts the Escobal, Cerro Blanco and Holly deposits.

At Motagua Norte, the first regional prospecting area discovery, multi-element rock chip and soil geochemistry has defined a continuous 2-3 kilometre long elevated gold trend. Gold mineralization at Motagua Norte is interpreted to be orogenic style, indicated by multi-element geochemistry, mineralogy, and the structural and lithologic setting of the prospect. The entire area is densely covered by boulders ranging in size up to 3m in diameter. Samples include anomalous gold up to 320 g/t. Mineralization is hosted in massive quartz veining and stockwork veining within sericite altered schist and is interpreted to be mesothermal shear hosted gold and silver.

The project has low population density with the main target areas having large farms with a few private owners. Formal landowner access agreements are in place. Volcanic has prepared and submitted environmental permits and is working with Radius Gold Inc. to prioritize the granting of these concessions.

## **2022 Outlook**

Volcanic Gold Mines is looking to build upon a very productive 2021 and continue to establish itself as a leading gold-silver company in Guatemala. In 2022, Volcanic will continue the drill defining of a high grade gold-silver deposit at La Peña and exploration of newly-discovered regional prospects such as Motagua Norte. The timing for Volcanic to grow in Guatemala is good as positive news continues to come out of the country. Earlier this month the Minister of Energy and Mines granted Minera Fenix the right to resume mining at its nickel operation. Furthermore, 50 km south of the Holly Property, Bluestone Resources is preparing for the construction of its Cerro Blanco mine and expects to have the Feasibility Study completed this year. In 2022 Volcanic will continue working closely with the local communities providing employment opportunities and educational outreach.

## **Technical Information**

Bruce Smith, M.Sc. (Geology), a member of the Australian Institute of Geoscientists, is Volcanic's Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Mr. Smith has 27 years of mineral exploration experience and has prepared and approved the technical information contained in this news release.

## **Quality Assurance and Quality Control**

Volcanic Gold follows industry standard procedures for diamond core drilling and analysis. Drilling is carried out using NQ and HQ size tooling. Drill core is cut in half using a rock saw with one-half of the core then taken as a sample for analysis. Sample intervals are generally 1m intervals, producing samples

of between 2 to 9 kg. Half-core samples are delivered to the internationally certified Bureau Veritas Mineral laboratory facilities in Nicaragua where the samples are prepared. Assays are completed by Bureau Veritas certified laboratories. The samples are fire assayed for Au and are analyzed for Ag and multi-elements using method code ICP following a four-acid digestion. Overlimits are analyzed using an appropriate method. Multi-element geochemical standards and blanks are routinely entered into the drill core sample stream to monitor laboratory performance. Quality control samples submitted were returned within acceptable limits.

### **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. Volcanic is a member of the Gold Group of companies, led by Simon Ridgway.

For further information, visit our website at [www.volgold.com](http://www.volgold.com).

Volcanic Gold Mines Inc.

Simon Ridgway, President and 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 Company's plans for exploration work 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, whether the Company's planned exploration work will be 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.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 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.