FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Volcanic Gold Mines Inc. (the "**Company**" or "**Volcanic**")
Suite 650, 200 Burrard Street
Vancouver, British Columbia
V6C 3L6

Item 2: Date of Material Change

October 20, 2020

Item 3: News Release

News release announcing the material change referred to in this report was disseminated on October 20, 2020 through TheNewswire's distribution network, and subsequently filed on Volcanic's SEDAR profile at www.sedar.com.

Item 4: Summary of Material Change

On October 20, 2020, Volcanic announced that it had closed its previously announced over-subscribed bought deal financing (the "**Offering**"), and a concurrent private placement (the "**Concurrent Private Placement**") with its largest shareholder, Silvercorp Metals Inc. ("**Silvercorp**"), for aggregate gross proceeds of approximately $8.6 million (the "**Financing**").

Pursuant to the Offering, Volcanic issued 12,546,500 units of the Company (the "**Units**"), including 1,636,500 Units issued in connection with the exercise of the over-allotment option granted to the Underwriters (as defined below) in connection with the Offering, at a price of C$0.55 per Unit (the "**Issue Price**") for aggregate gross proceeds of C$6,900,575. The Offering was completed through a syndicate of underwriters led by Haywood Securities Inc., and including Canaccord Genuity Corp. (collectively, the "**Underwriters**")

Pursuant to the Concurrent Private Placement, Volcanic issued 3,117,100 Units to Silvercorp at the Issue Price for aggregate gross proceeds of C$1,714,405. Silvercorp, which held approximately 19.9% of the issued and outstanding shares of Volcanic prior to the Offering, exercised its participation right to maintain its 19.9% interest upon closing of the Financing.

Item 5.1: Full Description of Material Change

On October 20, 2020, Volcanic announced that it had closed its previously announced over-subscribed bought deal financing and a concurrent private placement with its largest shareholder, Silvercorp, for aggregate gross proceeds of approximately $8.6 Million.

Pursuant to the Offering, Volcanic issued 12,546,500 Units, including 1,636,500 Units issued in connection with the exercise in full of the over-allotment option granted to the Underwriters in connection with the Offering, at a price of C$0.55 per Unit for aggregate

gross proceeds of C$6,900,575. The Offering was completed through a syndicate of underwriters led by Haywood Securities Inc., and including Canaccord Genuity Corp.

Pursuant to the Concurrent Private Placement, Volcanic issued 3,117,100 Units to Silvercorp at the Issue Price for aggregate gross proceeds of C$1,714,405. Silvercorp, which held approximately 19.9% of the issued and outstanding shares of Volcanic prior to the Offering, exercised its participation right to maintain its 19.9% interest upon closing of the Financing. The securities issued to Silvercorp are subject to a four-month hold period which will run until February 21, 2021.

Each Unit consists 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 entitles the holder thereof to purchase one Common Share at a price of C$0.70 until April 20, 2022.

In connection with the Offering, the Underwriters received a cash commission of 6.0% of the gross proceeds of the Offering, subject to a reduced cash commission paid on sales to members of the president's list (the "**President's List Sales**") and were issued compensation options (the "**Compensation Options**") exercisable at any time prior to October 20, 2022 at a price of C$0.55 per Compensation Option to purchase such number of units (the "**Compensation 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. Each Compensation Unit is comprised of one Common Share and one-half of one Common Share purchase warrant (a "**Compensation Warrant**"). Each whole Compensation Warrant entitles the holder thereof to purchase one Common Share at a price of C$0.70 until October 20, 2022.

In connection with the Concurrent Private Placement and a portion of the Offering, the Company paid a finder's fee to Roth Capital Partners LP of C$133,098.35 cash and 241,997 finder's warrants with the same terms as the Warrants and subject to a four-month hold period which will run until February 21, 2021.

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

Because Silvercorp is a "related party" to the Company, the Concurrent Private Placement constitutes a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(b) of MI 61-101.

The securities 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 report 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.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this report 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, and the expected use of proceeds of the Offering and the Financing. 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; 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 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.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Charles Straw
Chief Executive Officer
Telephone: 604-801-5432

Item 9: Date of Report

October 22, 2020