

MATERIAL CHANGE REPORT

FORM 51-102F3

National Instrument 51-102

This is a Material Change Report Under Section 7.1 of National Instrument 51-102.

ITEM 1: NAME AND ADDRESS OF COMPANY

Volcanic Gold Mines Inc. (“Volcanic” or the “Company”)
200 Burrard Street, Suite 650
Vancouver, BC V6C 3L6

ITEM 2: DATE OF MATERIAL CHANGE

October 19, 2021

ITEM 3: NEWS RELEASE

October 19, 2021 via TheNewswire

ITEM 4: SUMMARY OF MATERIAL CHANGE

The Company announced results from drilling at the Holly property in Guatemala.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

The Company issued a news release on October 19, 2021 as follows:

The Company is pleased to report that results from drilling in the south extension of the La Peña vein at the Holly property have returned bonanza high grades including 4.58 @ 79.84 g/t Au and 5,053 g/t Ag. Volcanic has received results from Holly drill holes HDD-21-021 and HDD-21-023 which targeted the La Peña vein along strike to the south and HDD-21-022, which targeted the vein to the north. The drill has moved over to Volcanic’s Banderas Property after the termination of hole HDD-21-029 to allow the results of the Holly drilling to be received and the next program of holes to be planned with full results in hand.

Holly Highlights:

HDD-21-022 from 21.35m to 22.87m returns **1.52m @ 7.00 g/t Au and 48 g/t Ag**

And 27.45m to 32.02m returns **4.57m @ 1.05 g/t Au and 14 g/t Ag**

And 50.32m to 51.85m returns **1.53m @ 5.34 g/t Au**

HDD-21-023 from 196.72m to 198.25m returns **1.53m @ 1.93 g/t Au and 171 g/t Ag**

And 202.82m to 207.40m returns **4.58m @ 79.84 g/t Au and 5,053 g/t Ag**

Including 204.45m to 205.70m returns **1.25m @ 289.50 g/t Au and 18,329 g/t Ag**

The initial focus at the Peña vein system was to define the vein within the broad zone of the Jocotan fault breccia, extending the mineralization down dip to the zone with consistent high grades that were intersected

in holes HDD-21-017 and 019. HDD-21-021 and HDD-21-023 were drilled to cut the Peña vein to the south of the Jocotan fault zone. HDD-21-021 cut minor upper-level veining with weaker mineralization including 1.18m of 0.19 g/t Au and 40 g/t Ag from 53.37 to 54.55m within felsic tuffs. Roughly 80m down dip, HDD-21-023 cut the structure hosted in laminated mudstones where the vein returned 4.58m @ 79.84 g/t Au and 5,053 g/t Ag. This hole confirms the strike extent of the Peña vein to the south and demonstrates that the inter-bedded volcanics and sediments are potentially good hosts for high grade gold and silver mineralization at Holly.

HDD-21-022 was drilled within the footwall of Peña and did not intersect the main structure. The significant results from 022 are footwall splay veins off Peña. It appears some fault offsets made it more challenging to extend mineralization to the north in the Paleozoic Phyllites, although results on holes HDD-21-026 and 027 to the north are still pending.

The drill rig will be moving over to the nearby Banderas Property in the next few days and drilling will commence promptly. Volcanic will be targeting the deeper extensions of the major gold-silver rich veins where the source and potential convergence zones have never been tested.

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.

Terms of Guatemala Radius Gold and Volcanic Gold Mines option

Pursuant to an option agreement signed in May 2020 with Radius Gold Inc. (TSXV:RDU), Volcanic can earn a 60% interest in the Holly and Banderas projects by spending the cumulative amount of US\$7.0 million on exploration of the properties within 48 months from the date of the agreement. An initial US\$1M must be spent on exploration within the 12 months of receiving the required drill permits, which expenditure will include a minimum 3,000m of drilling on the properties.

Following the exercise of the Option, Volcanic will enter into a standard 60/40 Joint Venture in order to further develop the Properties. Volcanic has also been granted an exclusive right to evaluate all other property interests of Radius in Guatemala with a right to acquire an interest in any or all other such properties on reasonable terms.

ITEM 6: RELIANCE OF SUBSECTION 7.1(2) of NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: EXECUTIVE OFFICER

Simon Ridgway, President and CEO
Telephone: 604-801-5432

ITEM 9: DATE OF REPORT

October 26, 2021