Focused on the potentially greater rewards provided through the investment in emerging countries, Volcanic Gold Mines is in Guatemala

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With gold prices verging on US$2,000/oz, currently US$1,970/oz, it is not surprising that gold mining companies are circling the earth for gold. Today's company is looking at unlocking the potential in Guatemala, a country in Central America just south of Mexico.

Volcanic Gold Mines Inc. (TSXV: VG) ("Volcanic") is a gold and silver explorer focused on building multi-million-ounce gold and silver resources in under-explored countries. Volcanic's current focus is in Eastern Guatemala where the Company has an option to earn a 60% interest from JV partner Radius Gold Inc. in the Holly and Banderas Projects (and other areas in Guatemala) by spending the cumulative amount of US$7.0 million on exploration. In addition, Volcanic has acquired a geochemical database that has been generated over 20 years of exploration in the region and has an exclusive right to acquire any mineral projects generated from the database.

The Holly Project

The Holly Project is located in eastern Guatemala in a region where there are world-class gold and silver mines/deposits. The Project is 50km by paved road to Bluestone's gold deposit which is under development. The Project has multiple high-grade quartz

veins similar to the 'Escobal' and 'Cerro Blanco' deposits. In 2007 Goldcorp made the Escobal world-class silver discovery just 20 km away from the Holly Project. The Cerro Blanco discovery grew to ~3.5 million oz gold.

Previous shallow drilling intersected encouraging results including **4.58m @ 79.84 g/t gold and 5,053 g/t silver**. The Project is at an early stage of drilling with a goal to confirm the depth and strike extent of La Pena vein to establish a high-grade maiden resource.

The Holly Project showing the various high grade veins including La Pena

Source: Volcanic Gold Mines Inc. company presentation

On March 31, 2022, Volcanic stated: "The gold and silver discovery we have made at Holly is significant. It is a high-grade vein deposit that could be mined from underground, causing very little surface disruption. It will not require a processing plant as in the near future there will likely be two mills in operation within trucking distance. We are in the process of concluding an inferred resource calculation and from that we will generate an approximate value of the deposit that has been discovered to date. Further, the deposit is open in all directions……"

The Holly Project showing La Pena and drill results

Source: Volcanic Gold Mines Inc. company presentation

Guatemala has a new pro-mining government in place. The previous period led to mining closures as the past government was against

mining. This still leaves some issues today for Volcanic; however Volcanic recently stated in an update that: "…..it is clear that the Central government and Departmental government of Chiquimula support the Holly project and will work with Volcanic to regain the social license. Volcanic looks forward to a resolution of the issues and a resumption of work at the project and corresponding news flow."

The Banderas Project and other areas under the Radius Gold JV agreement

Volcanic recently updated investors that they are "actively reviewing the land position it optioned when we signed the agreement with Radius Gold Inc. on June 1st 2020. Several of the areas have been reviewed, some have been rejected and the concession applications canceled. To date, three have shown significant promise and the Company is going through the process of getting these concessions granted. There are many more areas to review and the work is ongoing."

Closing remarks

As expected emerging countries come with greater risk and potentially greater reward. In the case of Guatemala, Volcanic is hoping to make a significant discovery and announce a high-grade maiden resource at the Holly Project in 2022. There is also further potential for discovery at the Banderas Project and three other concessions (not yet granted). Noting these all fall under the Radius Gold Inc. JV agreement. Volcanic is well-financed with about C$7.5 million in cash.

CEO Simon Ridgway has excellent in-country experience as you can learn more in this InvestorIntel interview here, where he discusses Volcanic intent on building a multi-million ounce gold and silver resource.

Volcanic Gold Mines Inc. trades on a market cap of C$15 million, which leaves plenty of potential upside if things go well in 2022. Stay tuned.