Volcanic Presents Update on Plans for Guatemala and Proposes Extension of Previously Issued Share Purchase Warrants

written by Raj Shah | July 18, 2022

July 18, 2022 (Source) – Volcanic Gold Mines Inc. (TSXV:VG), (OTC:VLMZF) ('Volcanic' or 'the Company') is pleased to provide an update on plans for Guatemala and proposes an extension of previously issued share purchase warrants.

Following the publication of the inferred resource (news release June 9, 2022) on the La Pena vein system at the Holly property, the decision has been made to focus on obtaining the exploitation license for the deposit discovered before returning the drill rig to the property to grow the resource.

"This we believe is the correct conservative approach," states Simon Ridgway, President and CEO of Volcanic. "Bluestone's Cerro Blanco gold deposit to our south is still pending permitting, and while I am confident we will see that happen before this year is out, we want to see that strong endorsement for mining in this area of Guatemala. In the meantime, we will complete the studies needed to obtain an exploitation licence for the Holly property, and work closely with the local communities now that we are in a position to outline the benefits of the high grade gold discovery to all stakeholders."

In other areas of the country Volcanic has been busy evaluating targets identified by the data base of Radius Gold Inc. with

some exceptionally strong results being returned from a number of target areas, especially to the north in the Motagua Fault Zone. The Company is in discussion with Radius to potentially enter into option agreements on some of these concession applications and we are pushing to get these concessions granted by the Ministry of Energy and Mines of Guatemala. We expect to have an update on this in the near future.

The Company also announces that management has determined the Company should extend the expiry date of certain common share purchase warrants exercisable at $0.30 per share which were issued in July 2020 pursuant to the Company's private placement financing. Accordingly, subject to TSX Venture Exchange acceptance, the expiry date of 8,813,500 outstanding warrants will be extended by one year, from July 26, 2022 to July 26, 2023. The Company presently has a strong cash position.

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. In accordance with the Option terms, Volcanic spent an initial US$1M on exploration within the 12 months of receiving the required drill permits, which expenditures included 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.

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.

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 its properties and the proposed warrant extension. 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 plans for its properties will proceed and the proposed warrant extension will be completed 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. 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 proposed warrant extension will be completed as intended; 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.