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March 14, 2019

## Velocity Announces Closing of C\$9M Strategic Investment by Atlantic Gold

**Vancouver, B.C. – March 14, 2019** – Velocity Minerals Ltd. (TSXV: VLC) (“**Velocity**” or the “**Company**”) is pleased to announce that it has closed a C\$9.0 million strategic investment (the “**Strategic Investment**”) with Atlantic Gold Corporation (TSXV: AGB) (“**Atlantic Gold**”) and its wholly-owned subsidiary, 1193490 B.C. Ltd. (the “**Investor**”). The Strategic Investment was comprised of a private placement of 18,600,000 units (each, a “**Unit**”) for total gross proceeds of approximately C\$3.9 million (the “**Equity Placement**”) and a convertible debenture in the aggregate principal amount of approximately C\$5.1 million (the “**Convertible Placement**”). As a result of the completion of the Strategic Investment, Atlantic Gold now owns 19.80% of the outstanding common shares of Velocity on a non-diluted basis and 39.05% on a partially-diluted basis.

“We are very pleased to welcome Atlantic Gold as a shareholder of Velocity,” stated Keith Henderson, President & CEO of Velocity. “Since announcing the strategic investment, existing shareholders and new investors alike have expressed support for the transaction. With Atlantic Gold’s recent operational achievements in Nova Scotia, Velocity will benefit from their mine building expertise and shared corporate strategy of implementing a hub and spoke model of development.”

### **Use of Proceeds**

Net proceeds from the Strategic Investment will be used to fund the advancement of the Rozino gold project located in southeast Bulgaria (“**Rozino**”) towards feasibility and permitting, including resource expansion and definition drilling, engineering studies, environmental monitoring and assessment, and for general working capital. In addition, Velocity will proceed to option and explore additional satellite deposits in the region.

### **Planned Exploration**

The 2019 drill program at Rozino is now fully permitted and a total of 12,000m to 14,000m of drilling is planned. The drill program at Rozino is intended to include exploration drilling and infill drilling aimed at increasing the existing mineral resource base (see news release dated October 29, 2018) and improving resource definition.

The drill program is also expected to support additional metallurgical and comminution studies, as well as hydrogeological and geotechnical work. Environmental data collection is ongoing and will continue.

An additional 1,000m of drilling is planned outside of Rozino. These regional targets are located in favorable structural settings with surface geochemical support. It is anticipated that new discoveries within several kilometres of the Rozino deposit could potentially add value by utilizing common infrastructure.

The Company also expects to initiate exploration activities within the larger Exploration and Mining Alliance area held with Bulgarian operating partner Gorubso-Kardzhali AD (“**Gorubso**”). Descriptions of these projects together with planned exploration activities will be disclosed in future news releases.

A key objective of the Company over the next year will be to evaluate multiple near-surface gold deposits that may have the potential to feed mineralized material to the operating carbon-in-leach (“CIL”) plant in Kardzhali, Bulgaria.

### **Transaction Details**

In connection with the Equity Placement, Atlantic Gold has acquired 18,600,000 Units of Velocity at a price per Unit of C\$0.21 for total gross proceeds of C\$3,906,000. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant (each, a “Warrant”) entitling Atlantic Gold to acquire one common share at a price of C\$0.25 per common share for a period of 36 months.

The Convertible Placement consisted of C\$5,094,000 principal amount of secured convertible debentures (the “Convertible Debentures”) issued by the Company to Atlantic Gold. The Convertible Debentures carry an 8.5% coupon over a five-year term and are secured by general security agreement of the Company. Velocity can elect to pay any interest due in cash or shares at its sole election. Atlantic Gold can, at its option, convert the Convertible Debentures into common shares of Velocity at a conversion price of C\$0.25 per share.

Pursuant to the terms of the Agreement, Atlantic Gold has been granted:

- the right to appoint one director to Velocity’s Board of Directors, and increasing to two directors upon Atlantic Gold holding over 30% of the issued and outstanding common shares of Velocity; and
- the right to participate in any future equity issuances by Velocity in order to allow Atlantic Gold to maintain its pro rata fully-diluted ownership in Velocity.

Atlantic Gold is subject to a one-year standstill limiting it from acquiring additional common shares of Velocity. Furthermore, Atlantic Gold has agreed to vote with Velocity management and not to sell any of its Velocity securities for a one-year period.

In connection with the Strategic Investment, the Company paid an advisory fee to Haywood Securities Inc. consisting of C\$382,500 cash and 459,418 common shares in the capital of Velocity (the “Advisory Fee Shares”).

The securities issued under the Strategic Investment, including the Advisory Fee Shares, are subject to a four-month and one day hold period in accordance with applicable securities legislation. Atlantic Gold holds its securities in the capital of Velocity through its wholly-owned subsidiary, the Investor.

### **Qualified Person**

The technical content of this release has been approved for disclosure by Stuart A. Mills, BSc, MSc, CGeol, a Qualified Person as defined by National Instrument 43-101 and the Company’s Vice President Exploration. Mr. Mills is not independent of the Company.

### **About Atlantic Gold Corporation**

Atlantic Gold is a well-financed, growth-oriented gold development group with a long-term strategy to build a mid-tier gold production company focused on manageable, executable projects in mining-friendly jurisdictions.

Atlantic Gold is focused on growing gold production in Nova Scotia beginning with its Moose River Consolidated phase one open-pit gold mine which declared commercial production in March 2018, and

its phase two Life of Mine Expansion at industry lowest decile cash and all-in-sustaining-costs (as stated in Atlantic Gold's news releases dated January 16, 2019 and January 29, 2018). Atlantic Gold is committed to the highest standards of environmental and social responsibility and continually invests in people and technology to manage risks, maximize outcomes and returns to all stakeholders.

### ***About Velocity Minerals Ltd.***

Velocity is a gold exploration and development company focused on eastern Europe. The Company envisions staged open pit mining of satellite deposits and processing in a central, currently operating CIL plant owned by its Bulgarian operating partner Gorubso. The Company's management and board includes mining industry professionals with combined experience spanning Europe, Asia, and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies. The team's experience includes all aspects of mineral exploration, resource definition, feasibility, finance, mine construction and mine operation as well as a track record in managing publicly listed companies.

Velocity's Rozino gold project is located within the Tintyava property and is located within an Exploration and Mining Alliance area with Bulgarian operating partner Gorubso (see news release dated February 22, 2018). Velocity began exploring and drilling at the Rozino gold project in August 2017 and completed a Preliminary Economic Assessment ("PEA") in September 2018. The PEA provides a base case assessment of developing the Rozino gold project by open pit mining and on-site crushing, milling and simple flotation to produce a 30 g/t gold concentrate. The concentrate would then be trucked 85km on existing roads to the currently operating CIL plant where saleable gold doré would be produced. Mineralization remains open for expansion. Having delivered the PEA, the Company exercised its option for a 70% interest in the project and formed a joint venture with Gorubso in March 2019. Velocity now holds a 70% interest in the Tintyava property, with Gorubso holding the remaining 30%.

### ***About Bulgaria***

Bulgaria is a member of NATO (2004) and a member of the European Union (2007). The local currency (BGN) has been tied to the Euro since 1999 (1.956 BGN/EUR). The country is served by modern European infrastructure including an extensive network of paved roads. Bulgaria boasts an exceptionally low corporate tax rate of only 10%. The country's education system is excellent with good availability of experienced mining professionals in a favorable cost environment. Foreign mining companies are successfully operating in Bulgaria. The country's mining law was established in 1999 and updated in 2011. Mining royalties are low and compare favorably with more established mining countries.

On Behalf of the Board of Directors  
"Keith Henderson"  
President & CEO

### **For further information, please contact:**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the conversion by Atlantic Gold of all or some of the Convertible Debentures or Warrants, the use of funds from the Strategic Investment, the appointment by Atlantic Gold of a nominee to the Board of Directors of the Company, and the future business and operations of Velocity. Often, but not always, forward looking statements can be identified by words such as “pro forma”, “plans”, “expects”, “may”, “will”, “should”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “potential” or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that market fundamentals will result in sustained gold demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company’s Bulgarian projects, the availability of financing on suitable terms for the development, construction and continued operation of the Company’s projects, and the Company’s ability to comply with environmental, health and safety laws. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, operating and technical difficulties in connection with mineral exploration and development and mine development activities for the Rozino project and the Company’s projects generally, including the geological mapping, prospecting and sampling programs for the projects, the fact that the Company’s interests in certain properties are only options and there is no guarantee that such interests, if earned, will be certain, actual results of exploration activities, including the Bulgarian drill programs, estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital to fund the Company's business plan, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental and regulatory approvals, permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under the heading. "Risk Factors" in the Company's annual management's discussion and analysis and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Readers are cautioned not to place undue reliance on forward looking information. The Company undertakes no obligation to update any of the forward-looking information in this news release or incorporated by reference herein, except as otherwise required by law.