



NR-19-11

10 June 2019

Velocity Enters into Option Agreement for the Obichnik Gold Project, Southeast Bulgaria

Vancouver, British Columbia – Velocity Minerals Ltd. (TSXV: VLC) (“**Velocity**” or the “**Company**”) announces that it has entered into an option agreement (the “**Agreement**”) with Bulgarian partner, Gorubso Kardzhali A.D., (“**Gorubso**”) to acquire a 70% interest in the 388-hectare Momchil property (the “**Property**”), which includes the Obichnik gold project (“**Obichnik**” or the “**Project**”); a geological resource registered on the Bulgarian State balance. Under the terms of the option agreement, Velocity can earn a 70% interest by delivering a mineral resource estimate prepared under National Instrument 43-101 (“**NI 43-101**”).

Obichnik Gold Project

The Obichnik deposit is located in southeast Bulgaria, approximately 25 km by road from Gorubso’s modern CIL processing plant (Figure 1).

The deposit is open for expansion and requires systematic exploration to investigate its full potential and to deliver a mineral resource estimate prepared under NI 43-101. Concurrent with and building upon the Company’s Rozino prefeasibility activities and the recently announced Makedontsi option agreement (see news release 28 May 2019), a program of modern integrated exploration is planned in order to assess mineralization potentially amenable to open pit mining.

The resource which is registered with the Ministry of Energy in Bulgaria (Table 1) is based on historical exploration, including approximately 32 drill holes (4,800m) and 137 trenches completed by Geoengineering Ltd. and Gorubso.

Table 1: Historical Resources for Obichnik¹, calculated by Gorubso using the Bulgarian classification system. Please review cautionary language below with respect to Historical Resources.

Cut-off Grade (g/t gold)	Tonnes (Mt)	Gold Grade (g/t gold)	Contained Gold (ounces gold)	Bulgarian Resource Category
0.5	552,559	1.88	36,712	C1 + C2
0.5	1,693,553	1.17	69,925	C3

Note 1. Historical resources at Obichnik were calculated by Gorubso using the Bulgarian classification scheme, based on manual polygonal methods of resource classification. Resources were submitted to and accepted by the Bulgarian government Dragiev H, 2010 "Momchilgrad Prospecting License, Geological Report at the Momchil deposit, Obichnik, Rudarka and Plovka sites, with Resource and Reserve Recalculations of ‘Au-Ag Ores’ as of 01.10.2009” and geological resources are registered with Certificated#4 from 28.01.2010 issued by the Ministry of Environment and Waters. Additional work will

be required in order to verify historical resources and any potential additional resources and to complete a mineral resource estimate consistent with NI-43-101 standards of disclosure.

The Company cautions that it is not treating the historical resources as current mineral resources and/or mineral reserves. Historical resources are not consistent with the standards of disclosure defined by NI 43-101 and may not necessarily be consistent with CIM best practice with respect to reporting mineral resources and reserves. The historical resources are included because they are considered relevant by the Company as they confirm the presence of significant gold mineralization on the property which has not been fully delineated. The inclusion of historical resource estimations provides information as to the potential size and nature of the immediate exploration targets within the Obichnik Property.



Figure 1: Location of Obichnik relative to the operating CIL processing plant, the Rozino deposit and other assets in southeast Bulgaria.

Planned Work

The initial work program will focus on surface soil geochemistry and a ground magnetic survey, both of which have been completed by the Company with results pending. A total of 525 soil samples and 29 line kilometers of magnetic data have been collected.

In tandem with the geochemistry and geophysics, the Company plans to assess the reliability of historical drill results with angled heel-to-toe drilling across mineralized zones as well as isolated exploration drill tests (approximately 10 drill holes for an expected total of 1500m). The aim of the drill campaign is to verify mineralization as well as increase understanding of geometry, continuity of mineralization, and geotechnical and hydrogeological aspects of the deposit.

Discovery History at Obichnik

The State company completed initial geological mapping and soil geochemistry between 1970 and 1971. Subsequently, Geoengineering Ltd. (1977 – 1994) completed the bulk of the historical work, including geological mapping, soil geochemistry, 133 trenches (13.3 km), and 24 diamond drill holes for 3,791m. Most recently, between 2003 and 2010, Gorubso completed geological mapping, 3 trenches (294 m), 8

diamond drill holes for 1,017m, and a Historical Resource estimation which was registered with the Bulgarian State.



Figure 2: Selection of rocks outcropping at Obichnik. A. Ledge of sub-vertical surface oxidized quartz-sericite-pyrite (QSP) alteration. B. QSP structurally controlled replacement body with oxidized, steep, sheeted, quartz-pyrite veinlets. C. QSP altered volcanic fragmental. D. Siliceous hydrothermal breccia developed within volcanic fragmental.

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 NI 43-101 and the Company's Vice President Exploration. Mr. Mills is not independent of the Company.

About Velocity Minerals Ltd.

Velocity is a gold exploration and development company focused on Bulgaria. The Company envisions staged open pit mining of satellite deposits and processing in a central, currently operating carbon-in-leach plant. 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.

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 favourable 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 favourably with more established mining countries.

On Behalf of the Board of Directors
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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: future exploration and testing carried out on the Momchil property; use of funds; 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", "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. 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 Momchil property, including the geological mapping, prospecting and sampling programs for the projects, the fact that the Company's interests in the Momchil property is only an option and there is no guarantee that the interest, if earned, will be certain, actual results of exploration activities, including the program, 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 (including of the TSX Venture Exchange), 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.

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.