

Velocity Enters into Option Agreement to Acquire 100% of Gold-Silver Exploration Property in Bulgaria

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Vancouver, September 16, 2024 - [Velocity Minerals Ltd.](#) (TSXV: VLC) ("Velocity" or the "Company") announces that it has entered into a binding letter agreement, through its wholly-owned subsidiary, with an arm's length third party (the "Vendor"), whereby the Vendor has granted the Company the exclusive option (the "Option") to acquire a 100% interest in the Toledo gold-silver property ("Toledo" or the "Property"), located in Western Bulgaria.

Toledo Project Highlights

- Historical resource >500,000 ounces gold (see Table 1 below)
- Historical exploration includes 27,500m drilling (185 drill holes) and extensive surface sampling
- Historical drill highlights include 80.7m grading 3.52 g/t gold, from surface
- Two hydrothermal centers hosting six known mineralized bodies, with exploration upside surrounding the historical occurrences

Toledo Historical Exploration & Historical Resources

Extensive historical drilling at the Toledo deposit has defined 6 mineralized bodies, with drilling highlights:

- 25.1m grading 4.10 g/t gold from surface,
- 87m grading 2.14 g/t gold from 2m depth, and
- 80.7m grading 3.52 g/t gold from surface.

Bonanza-grade samples occur within the project dataset, including individual rock chip samples grading up to 60.2 g/t gold & 444 g/t silver.

In 2013, Tetra Tech completed a NI 43-101 technical report on behalf of the Vendor, effective date March 26, 2013. The technical report included a Mineral Resource estimate ("MRE"). Velocity is treating the MRE as a historical estimate (Table 1).

The Company is not treating the historical resources as current mineral resources or mineral reserves. Historical resources are included because they are considered relevant by the Company as they provide support for the acquisition and speak to the potential existence of current mineral resources. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves.

Table 1: Historical Resource completed by Tetra Tech (2013).

Notes:

All the resources are classified as Inferred. A base cut-off of 0.8 g/t gold was used for the K2, N, and R zones, which contain only gold. Zones containing gold and silver are reported using dollar-equivalent cut-off

as to \$36/t dollar equivalent used for L and K zones, and \$52/t dollar equivalent used for the higher strip ratio Z zone. An overall base case cost of mining, processing and G&A of \$35/t was assumed. Cut off grades and dollar equivalents are based on 3-year trailing average metal prices in February 2013 (\$1507/oz gold and \$29.24/oz silver, with 100% recovery assumed at this stage of study). The dollar equivalent is calculated using the following formula: $\$eq = [Au\ grade \times Au\ price \times 0.035] + [Ag\ grade \times Ag\ price \times 0.035]$. Mineral resources are estimated into a 3D block model, with the mineralized zones defined by wireframed solid models. The interpolation of the metal grades was undertaken using ordinary kriging. Preliminary concepts of mining support the resource estimates and demonstrate that the deposits have reasonable prospects for economic extraction. Single density values were applied to each mineralized zone based upon the arithmetic mean of 119 density test results.

Gold and silver mineralization at Property is associated with large granite and syenite stocks that intrude a broad anticline of metamorphic rocks. Mineralization is known to be hosted within six different bodies within the broader deposit.

The Property was subject to historical exploration, beginning in 2004. Geological mapping, 475 rock chip samples, 6,721 soil samples, 8,920m of trenching, 143-line km of Induced Polarization and Magnetic geophysical surveys were completed, as well as 27,668 meters of diamond drilling in 185 drill holes.

The 475 rock chip samples were collected from the outcrops with results ranging from below detection to 60.2 g/t gold. Highlights include 14m grading 9 g/t gold and 8m grading 4.29 g/t gold.

Mineralization is considered to belong to the class of Intrusion Related Gold System (IRGS). The hydrothermal alterations around the intrusions are characterized as high temperature, high CO₂, with low salinity of the fluids, which causes wide areas of quartz-sericite-carbonate \pm pyrite in the host rocks. The geologic setting and styles of mineralization at the Property display geological similarities to the gold deposits in the Yukon-Alaska Tintina Gold Belt, which include the Fort Knox gold deposit (Alaska). The Property is centered on two hydrothermal centers, within which six mineralized bodies were defined historically. Readers are cautioned that the mines and deposits discussed above display similar styles of mineralization to that observed at the Property and are for contextual purposes only., Velocity has no interest in or right to acquire any interest in the deposits, and that mineral deposits on similar properties, and any production therefore or economics with respect thereto, are not in any way indicative of mineral deposits on Velocity's properties or the potential production from, or cost or economics of, any future mining of any of Velocity's mineral properties.

Commercial Terms

To exercise the Option in full and acquire a 100% interest in the Property, Velocity must pay US\$4,000,000 cash through installments tied to six milestones (the "Earn-In Payments") (Table 2 below). Upon exercise of the Option, Velocity will grant the Vendor a 2.0% net smelter returns royalty ("NSR Royalty") payable from the proceeds of commercial production from the Property. One quarter (0.5%) of the NSR Royalty can be purchased by Velocity at any time for US\$2,000,000. An additional quarter (0.5%) can be purchased by Velocity at any time for US\$3,500,000. In addition, Velocity will hold a right of first refusal in respect of any future sale by the NSR Royalty holder of any interest in the NSR Royalty.

Table 2: Commercial Terms

| Date | Cash (US\$) | Velocity |
|---|-------------|----------|
| Within 5 business days of the acceptance for filing by the TSX Venture Exchange of Letter Agreement | \$25,000 | - |
| Upon signing of Definitive Agreement | \$75,000 | - |
| Within 90 days following filing / Acceptance of Investment Proposal ⁽¹⁾ | \$250,000 | - |
| Within 90 days following a positive decision on an Environmental Impact Assessment report | \$250,000 | - |
| Within 12 months following issuance of a Mining Concession | \$400,000 | - |
| Within 90 days from delivery of a Mineral Resource Estimate prepared in accordance with NI 43-101 | \$500,000 | - |
| Concurrent with Notice of Exercise of the Option ⁽²⁾ | \$2,500,000 | - |
| Total | \$4,000,000 | 100% |

Notes:

- (1) Provided that if the \$250,000 cash payment for this milestone has not been made by the fifth anniversary of the execution of the Letter Agreement, the Vendor may terminate the Option at its sole discretion and without any obligation to refund the aggregate \$100,000 in payments made by the Company pursuant to the Earn-In Requirements.
- (2) Provided that the Company will have six (6) years from the issuance of the mining concession for the Property during which to deliver the Option Exercise Notice.

Pursuant to the terms of the Letter Agreement, the parties will negotiate in good faith toward the execution and delivery of a definitive option earn-in agreement (the "Definitive Agreement") within 60 days, which will incorporate the terms and conditions of the Letter Agreement and such other terms and conditions as may be agreed to by the parties. The Company will be under no obligation to fulfill any of the Earn-In Requirements, all of which will be at the sole discretion of the Company. During the Option period the Company will be responsible for keeping the Property in good standing.

Qualified Person

The technical content of this release has been approved for disclosure by Daniel Marinov, RPGeo, a Qualified Person as defined by NI 43-101 and the Company's Vice President Operations. Mr. Marinov is not independent of the Company as he is a director, officer, shareholder, and holds incentive stock options.

About Velocity Minerals Ltd.

Velocity is a precious metals and copper explorer focused in Eastern Europe. In Bulgaria, Velocity has a 70% interest in the Tintyava property, which includes the Prefeasibility-stage Rozino deposit. Velocity also has a 70% interest in the Momchil property (which includes the Obichnik deposit), a 70% interest in the Nadezhda property (which includes the Makedontsi deposit), a 70% interest in the Dangovo property (which is contiguous with the Makedontsi deposit), and a 100% interest in the Iglika property. Velocity'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.

On Behalf of the Board of Directors

"Keith Henderson"

President & CEO

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the exercise of the Option by the Company, the entering into of the Definitive Agreement, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information 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 it will obtain TSX Venture Exchange acceptance, if applicable, that market fundamentals will result in sustained precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Property in a timely manner, the availability of financing on suitable terms for the development, construction and continued operation of the Property, and the Company's ability to comply with environmental, health and safety laws.

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 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 at the Company's properties, the fact that the Company's interest in the Property is an option only and there is no guarantee that such interest, if earned, will be certain, estimation or realization of mineral reserves and mineral resources, requirements for additional capital, future prices of precious metals and copper, 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 or the inability of the Company to obtain any necessary permits, consents or authorizations required, including TSX Venture Exchange acceptance, financing or other planned activities, changes in laws, regulations and policies affecting mining operations, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on the Company's business, 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 latest Management 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.sedarplus.ca.

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

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