

Velocity Options Iglika Gold-Copper Project, Southeast Bulgaria

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VANCOUVER, July 08, 2020 - [Velocity Minerals Ltd.](#) (TSX.V: VLC) ("Velocity" or the "Company") announces that it has executed a letter agreement with Balkan Mineral Development OOD (the "BMD") for an exclusive option (the "Option") to acquire a 100% interest in the 105 km² Iglika gold-copper property ("Iglika" or the "Property"), located in southeastern Bulgaria. The project is located in the westernmost portion of the prolific Tethyan belt that transects Bulgaria and hosts a number of epithermal gold and porphyry copper-gold mineral deposits and operating mines.

Iglika Project Highlights

- Under-explored property, located in a highly prospective precious and base metal mineral belt
- Potential for both epithermal gold and porphyry copper deposits
- Existing surface geochemistry and multiple drill-ready targets
- Comports well with Velocity's "Hub and Spoke" exploration and development strategy - located close to Velocity's portfolio of advanced gold projects in southeast Bulgaria

Figure 1: Location of the Iglika property & principal known regional mineral belts is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/2b02868f-164c-4835-a984-8fbb0d90da72>

Priority Targets and Planned Exploration

Velocity will be principally targeting epithermal gold systems with surface exploration and drill testing - several drill targets exist on the large property package (Figure 2). Geophysical surveys will be undertaken on the copper porphyry targets in order to determine the best path forward.

Lalkovo – Epithermal gold target - historical exploration trenching returned 40.7m grading 1.18 g/t gold. A single drill hole in this area intersected 6.5m grading 1.02 g/t gold. Planned work includes soil sampling, geophysics and drilling.

Voden – Epithermal gold target with abundant anomalous surficial rock samples, including grab samples up to 9.56 g/t gold and trench sampling up to 4m grading 1.31 g/t gold. No prior drill testing, planned work includes soil sampling, geophysics and drilling.

Koruba – Outcropping porphyry copper mineralization with associated large untested copper anomaly. The target is untested by drilling and planned work includes geophysics.

Sharkovo – Porphyry target defined by an extensive magnetic anomaly under recent cover. Planned work includes geophysics.

Iglika - Approximately 42,000m of historical drilling has been completed on the Iglika property, most of which was focused on the Iglika copper-gold skarn deposit, which is not of immediate interest to Velocity as a target. The diorite intrusion peripheral to the skarn mineralization was not been systematically sampled and is known to be mineralized.

Figure 2: Iglika Property Targets is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/29939d39-28c3-48c0-a917-91a5c6ccd33e>

Commercial Terms

Velocity will have the right to acquire a 100% interest in Iglika by acquisition of the issued and outstanding shares of BMD. A definitive agreement will be drafted and executed in due course. All cash figures are converted to Canadian dollars using current exchange rate.

Under the terms of the Option (Table 1) Velocity will make a cash payment of \$49,000 (paid) and incur exploration expenditure of \$460,000 by December 31, 2020 to earn a 51% interest in the Property. Thereafter, Velocity can earn an additional 49% (total 100%) by incurring exploration expenditures of \$765,000 by December 31, 2021.

BMD will retain a 2.0% net smelter returns royalty (“Option Royalty”), which will be capped at \$6,700,000. At any time, 1.0% of the Option Royalty can be purchased for \$750,000 and an additional 0.5% of the Option Royalty can be purchased for \$1,500,000.

Notwithstanding the option terms above, Velocity can purchase a 100% interest (the “Purchase Option”) for \$340,000 until December 31, 2021 or for \$750,000 until December 31, 2022, either of which payments can be paid in cash or 50% cash and 50% Velocity shares. If the Purchase Option is exercised, BMD will instead retain a 0.5% Royalty (“Purchase Royalty”), capped at \$6,700,000. 100% of the Purchase Royalty may be purchased for \$750,000, after which the property would be royalty free.

Date	Cash Payment (CAD\$)	Expenditure Commitment (CAD\$)	Interest
Signing	\$49,000 (paid)	-	-
December 31, 2020 -		\$460,000	51%
December 31, 2021 -		\$765,000	100%

Table 1: Key Terms of Iglika Option

About Cretaceous Belt

The Cretaceous belt, extends for approximately 950 km from Transylvania to the Balkans, is the westernmost portion of the 10,000 km long Tethyan Eurasian Metallogenic Belt. The belt hosts a number of large copper porphyry and epithermal gold deposits and several mines. Operating mines include Bor in Serbia (800Mt @ 0.84% copper and 0.39g/t gold) and Chelopech in Bulgaria (42Mt @ 1.28% copper and 3.4g/t gold). Recent discoveries include Cukaru Peki in Serbia (1,700Mt @ 0.86% copper and 0.18g/t gold). The West Tethyan Cretaceous belt has seen sustained recent exploration by both major and junior mining companies including Rio Tinto, Freeport McMoran, Vale, Zijin Mining, JOGMEC and Dundee Precious Metals.

The Iglika property is located in the relatively underexplored Strandzha region which contains the recently permitted Prohorovo porphyry copper–molybdenum deposit in Bulgaria and the Derekoy porphyry copper-molybdenum deposit in Turkey.

Readers are cautioned that the mines and deposits described above are adjacent properties and Velocity has no interest in or right to acquire any interest in the properties. Mineral deposits on adjacent properties and any production therefrom or economics with respect thereto, are not in any way indicative of mineral deposits on the Iglika property or the potential production from, or cost or economics of, any future mining on the Iglika property. The properties are described to highlight the potential of the belt and certain properties contained within it.

Quality Assurance / Quality Control

Velocity have not assessed the Quality Assurance / Quality Control (QAQC) of historical results and as such historical results 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.

The work program at Iglika is designed and is supervised by Stuart A. Mills, CGeol, the Company's Vice-President Exploration, who is responsible for all aspects of the work, including the quality control/quality assurance program.

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 southeastern Bulgaria. Velocity's strategy is to develop a low cost centralized "Hub and Spoke" operation whereby multiple projects within this emerging gold district produce gold concentrates for trucking to a central processing plant for production of dor?. The Company envisions staged open pit mining of satellite deposits and processing in a currently operating carbon-in-leach (CIL) plant. Velocity has a 70% interest in the Tintyava prospecting licence, which includes the Rozino gold project, and has entered into option agreements to earn a 70% interest in the Obichnik, Makedontsi and Sedefche gold projects, and will have the right to acquire a 100% interest in the Iglika project. 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. 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
"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 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 Iglika 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 Igljika property, including the geological mapping, prospecting and sampling programs for the projects, the fact that the Company's interests in the Igljika 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.

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