**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2018**

REPORT DATE:
**MAY 24, 2018**

This Management Discussion and Analysis (the "MDA") provides relevant information on the operations and financial condition of Velocity Minerals Ltd. (the "Company") as at and for the three months ended March 31, 2018.

The Company is in the business of mineral exploration in Eastern Europe, currently focused in Bulgaria. Activities include the evaluation, acquisition and exploration of mineral exploration properties in search of economic mineral deposits. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the consolidated financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which is it was made, with respect to the period covered by these filings, and these consolidated financial statements together with other financial information included in these filings. The Board of Directors' approves the consolidated financial statements and MDA and ensures that management has discharged its financial responsibilities.

The MDA should be read in conjunction with the Company's consolidated financial statements and notes thereto for the six months ended December 31, 2017.

The Company is registered in the province of British Columbia. Its principal office is located at Suite 2300 – 1177 West Hastings Street Vancouver, BC, V6E 2K3. Its registered and records office is located at Suite 415 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

## DESCRIPTION OF BUSINESS

Velocity Minerals Ltd. is a gold exploration and development company focused on Eastern Europe. The Company's management and board include mining industry professionals with 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 teams' 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.

The Company is currently focused on exploration assets in Bulgaria, which is a member of the European Union (2007) with a mining law that was established in 1999 and updated in 2011. Mining royalties compare favourably with more established mining countries like Canada, Peru and Chile. Bulgaria also boasts an exceptionally low corporate tax rate of only 10% and 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. Despite the positive operating environment, the number of established companies is low and Velocity is among the first movers in a new influx of foreign mining investment.

The Company's management and board believe that local knowledge and experience are essential components of mining investment in a foreign jurisdiction. Velocity Minerals has entered into two property option agreements with Gorubso Kardzhali A.D. ("Gorubso""), an established and respected mining company in Bulgaria. Gorubso operates the underground Chala Gold Mine (since 2006) and the Kardzhali Carbon In Leach (CIL) plant (since 2011), which produces gold dore. Gorubso is the first and only company in Bulgaria to have secured a permit for cyanide-related processing of gold ores. Velocity's management has a long-standing relationship with Gorubso as well as abundant previous experience in Bulgaria and elsewhere in the region.

## FORWARD LOOKING AND CAUTIONARY STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the United States Private Securities Litigation Reform Act of 1995 concerning the business, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources and/or reserves on the Company's projects and mineral properties, 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", "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;

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets
- the ability of the Company to obtain sufficient financing to fund its business activities and plans on an ongoing basis
- operating and technical difficulties in connection with mineral exploration or development or mine development activities for the Company's projects generally, including the geological mapping, prospecting, drilling and sampling programs for the Company's projects
- actual results of exploration activities, including exploration results, the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, costs of production, capital expenditures, and the costs and timing of the development of new deposits,
- 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
- requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities

- those factors discussed under the headings “Risk and Uncertainties” and “Financial Instruments and Risk Management” in this MDA 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 statements. The Company undertakes no obligation to update any of the forward-looking information in this presentation or incorporated by reference herein, except as otherwise required by law.

## EXPLORATION PROJECTS

All of the Company’s material projects are located in southeastern Bulgaria and are referred to collectively as the Balkan Gold Project. The Company is focused on gold exploration and development. Velocity’s management and Board include mining industry professionals with 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.

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.

### Exploration and Mining Alliance - Bulgaria

Velocity has entered into a binding letter agreement with its Bulgarian partner Gorubso Kardzhali A.D. (“Gorubso”), which sets out the terms by which Velocity and Gorubso will form an exploration and mining alliance (the “Alliance”) covering all existing and future Gorubso and Velocity projects (the “Projects”) within an area of 10,400km$^2$ (the “Alliance Area”). Highlights of the Agreement include:

**Alliance Objectives** -- The Agreement contemplates the exploration, development, and mining, as applicable, of the Projects and provides for an option/joint venture mechanism by which Velocity and Gorubso will partner to maximize value for both parties.

**Access to Processing Plant** -- Gorubso will make its central gold processing plant available to all Projects to process all future mined material as necessary. Securing use of the processing plant provides Velocity and the Alliance with reduced project risk, as well as potential capital and time savings.

**Chala Gold Mine** -- At Gorubso’s operating Chala gold mine (“Chala Mine”), Velocity will have an option to acquire a 50% beneficial interest upon reaching $1 million in exploration expenditures and to form a joint venture with Gorubso for the further development and expansion of the mine.

**Advanced Exploration Properties** -- Velocity will have an opportunity to complete option agreements on all Gorubso Projects, whereby it can earn a 70% interest in the Projects on similar terms to the current option for the advanced Rozino gold project.

### CIL Processing Plant - Bulgaria

Gorubso owns and operates a modern gold processing plant (the “Plant”), which provides crushing, grinding, gravity, carbon-in-leach, elution, electro-winning, gold dore production and tailings management facilities. The Plant is centrally located within the Alliance Area. Under the terms of the Agreement, Gorubso will make the Plant available for the processing of mineralized material from current and future Projects. Material processed by the Alliance at the Plant will be charged to any joint venture entities on a cost-plus basis.

Securing the use of the Plant provides significant technical and financial risk reduction, as well as potential capital and time savings. Most importantly, securing the use of the processing facility significantly reduces permitting risk and delays that might otherwise arise if a processing plant had to be permitted and built prior to mine construction.

The use of the Plant is being considered as one option for the preliminary economic assessment (the "PEA") being completed for Velocity's Rozino project where the Company intends to assess the possibility of producing a low-volume concentrate on site and transporting it to the Plant for vat leaching and gold recovery. The Rozino deposit has a very low sulphide content that is particularly amenable to producing a simple, low volume, pyrite gold concentrate that can be trucked to the Kardzhali CIL plant using the existing, fully permitted plant. Velocity is currently carrying out metallurgical test work that will be used in the support of the PEA. There are no assurances that such assessment will produce positive economic results or that such results, even if possible, will be included in the final PEA.

**Chala Mine - Bulgaria**

The Agreement commits Velocity to incurring $0.5 million in exploration expenditures at the Chala Mine within an initial 12-month period. Thereafter, if Velocity incurs an additional $0.5 million in exploration expenditures at the Chala Mine, Velocity will have the exclusive option to acquire an initial 50% undivided beneficial interest in the Chala Mine, in which case Velocity will form a joint venture with Gorubso for the further development and expansion of the mine. The Chala Option will be governed by a separate option agreement, which is expected to be finalized by the parties in Q2 2018.

Historical resources at the Chala Mine are reported as 1.5Mt @ 9.83 g/t gold (450,000oz). The historical resources were published by Kestebekov C, 1998, in "Chala gold-polymetallic deposit, Spahievo ore field. Results of 1983-1997 geological exploration with estimated resources of gold and gold-polymetallic ores as of 01/01/1998". Total historical production at the Chala Mine is estimated to be approximately 120,000 oz.. The historical resource estimate was produced using the Bulgarian classification scheme, based on manual polygonal methods of resource classification. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. In order to verify the potential existence of additional unmined mineralization at the Chala Mine, significant drilling will be required.

The Company is not treating the historical resources as current mineral resources or mineral reserves. Historical resources are not consistent with the standards of disclosure defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and may not necessarily be consistent with CIM (Canadian Institute of Mining, Metallurgy and Petroleum) best practice with respect to reporting mineral resources and reserves. Historical resources are included because they are considered relevant by the Company as they provide additional support for the potential exploration drilling at the Chala Mine by Velocity. The inclusion of historical resource estimations provides information as to the potential size and nature of the immediate exploration targets in the vicinity of the Chala Mine. There are no more recent, published historical resources available for the Chala Mine.

Over the past 10 months, Velocity has completed extensive due diligence and resource targeting at the Chala Mine and has identified multiple high-priority targets adjacent to or below existing mine infrastructure. Velocity has digitally captured all available paper datasets at Chala, including, 20,798m of surface trenching, 55 historical surface drill holes, all existing underground development and production stopes including details of underground sampling within 31,664m of exploration and mine development and face sampling within 657 mining stopes.

The resulting data set allowed Velocity to build a comprehensive 3D geological model, which was then used to generate priority drill targets.

**Tintyava Gold Property and Rozino Gold Project - Bulgaria**

Velocity (through a Bulgarian subsidiary) holds an option to acquire an undivided 70% legal and beneficial interest in the Tintyava property (163km$^2$), free and clear of all liens and encumbrances, granted by Gorubso Kardzhali A.D. ("**Gorubso**"). The Rozino gold project is located within the Tintyava property. To exercise the option for the Tintyava property, the Company must pay the $266,750 tender fee (paid) to the Ministry of Energy of the Republic of Bulgaria and deliver an NI 43-101 preliminary economic assessment ("**PEA**"). The option is exercisable for a period of up to six years, but the Company intends to exercise the option in 2018.

The Rozino project is located 20km east of the 0.85 Moz Ada Tepe gold deposit, currently being developed by Dundee Precious Metals Inc., and 50km southeast of the city of Kardzhali, which is host to tailings and gold processing facilities operated by Gorubso.

Cautionary Note. Ada Tepe measured and indicated resource (2013); Upper Zone 5.0Mt @ 2.99g/t gold (0.482Moz, 0.6g/t COG) and Wall Zone 1.9Mt @ 6.13g/t gold (0.377Moz, 0.8g/t COG). Readers are cautioned that Ada Tepe is an adjacent property and that Velocity has no interest in or right to acquire any interest in the deposit, and that mineral deposits on adjacent or 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.

The Rozino project was first explored in the 1980's by the Bulgarian state company Asenovgrad Geoengineering EAD, which completed 86 vertical diamond drill holes for 14,289m. Available drill technology was limited to vertical drill holes, which in the context of steeply-dipping zones of mineralization was not a suitable approach. Hereward Ventures Ltd ("**Hereward**") and Asia Gold Corp. ("**Asia Gold**") began exploration in 2001 and completed three phases of drilling between 2004 and 2006, completing 55 diamond drill holes for 7,995m. Diamond drilling was angled but oriented to the northwest, parallel to the predominant outcropping structural trends and therefore less than optimal.

In 2005-2006 Asia Gold carried out a structural review and recognized a strong northwest control on mineralization and completed two drill holes to test this new idea. Drill hole R-245 was drilled towards the northeast, perpendicular to the newly-interpreted northwest control on mineralization, and intersected 68m @ 3.15 g/t gold, including 11.39m @ 8.09g/t gold. The current exploration model at Rozino has not had sufficient drill testing to be able to determine true thickness of mineralization. Asia Gold's drill hole R-245 confirmed that mineralization exists between the drill fences.

Exploration drilling at Rozino was initiated in late July 2017. A total of 56 drill holes have been completed to date with results for 49 drill holes having been received and announced. The Company maintains a web site where an up to date table of drill results, drill plan and cross sections can be reviewed (www.velocityminerals.com) together with news releases.
The Company released the results of a maiden inferred mineral resource estimate in March 2018. Highlights include:

> 17Mt @ 1.15g/t gold for 629,000 ounces at 0.5g/t cut-off grade; and
>
> 8.2Mt @ 1.68g/t gold for 443,000 ounces at 0.8g/t cut-off grade;
>
> Estimated resources extend to the base of mineralized drilling at around 190m depth, with around 90% of estimates from depths of less than 110m and less than 1% from below 150m; and

The mineralized system remains open for expansion and drill testing is ongoing.
The mineral resource was estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum "CIM Definition Standards for Mineral Resources and Mineral Reserves" (CIM, 2014). Mineral resources that are not mineral reserves do not have demonstrated economic viability. Any known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves are detailed below in the section entitled "Cautionary Statement Regarding Forward-Looking Information". The Qualified Person responsible for the resource estimate is Jonathon Abbott, a member of the Australian Institute of Geoscientists and employee of MPR Geological Consultants Pty Ltd. Mr. Abbott is a Qualified Person, as defined by National Instrument 43-101. Mr. Abbott is independent of the Company.

The Company also reported results from bottle roll and stirred leach tests carried out on various grades of mineralized samples from Rozino. The test results show gold recoveries up to 92.9%. Test work was completed for Velocity by Wardell Armstrong. Test results are comparable with historical results where gold recoveries for similar tests were reported up to 93%. In fact, results across the spectrum of grind sizes, grades and the various tests completed are broadly in agreement with historical results. Results confirm that the mineralization at Rozino is very simple with very low sulphide concentrations related almost entirely to iron sulphides. The Rozino mineralization contains low levels of carbon, which is positive for gold recoveries. The simple style of mineralization and very low sulphide contents are amenable to the application of modern extraction technologies that should ultimately reduce operating costs and increase the profitability of a potential project.

In total, three samples were submitted for testing representing high-grade (5.44g/t gold), medium grade (1.18g/t gold) and low grade (0.5g/t gold) mineralization. Fine agitated leach test work was carried out on the three samples, each sample being milled to 75µm and with recoveries up to 92.9%. Coarse bottle roll test work was carried out on the samples crushed to -1.7mm, returning gold recoveries up to 68.4%.

**Ekuzya Gold Property - Bulgaria**

Velocity (through a Bulgarian subsidiary) holds an option to acquire an undivided 50% legal and beneficial interest in the Ekuzya property, free and clear of all liens and encumbrances, in consideration for incurring US$1 million in exploration expenditures over a two year period, as to US$500,000 in the first year and US$500,000 in the second year; provided that if after Velocity has incurred the expenditures and there is a delay of more than 180 days in effecting the transfer of the earned interest in the property to Velocity or if at any time prior thereto Velocity elects not to exercise the option, then Velocity's interest in the property will be limited to the obligation of Gorubso to pay Velocity a 5% gross value commission on all metals discovered on the property as a result of Velocity's exploration activities thereon.

The Ekuzya property has an area of 2.13km$^2$ and is located within the Chala Mining Concession held by Gorubso, and located in southeast Bulgaria, about 230km by road, east-southeast of the capital Sofia. The Ekuzya property is situated south and adjacent to the currently operating Chala gold mine, operated by Gorubso.

Velocity has compiled all of the exploration data available within the Ekuzya property and has digitally captured the most significant information into a project database stored within a Micromine exploration and mining software system. Historical exploration within the Ekuzya property includes 79 base metal diamond core drill holes for 64,350m with no gold analysis and 17 gold diamond core drill holes for 15,095m. The mineralization at the Ekuzya property is an Intermediate Sulphidation Epithermal vein type gold – base metal deposit. Previous Soviet-style exploration appears to have been vigorous, systematic and based on a solid understanding of economic geology. The digital capture of these large data sets (more than 200 large format maps scanned and digitised) has enabled Velocity to produce a reasonable model of mineralization within the Ekuzya property with the result that the structural control on mineralization has become apparent.

Velocity has filed on SEDAR a technical report prepared under National Instrument 43-101 on the Ekuzya property. The technical report includes exploration recommendations for the first year of exploration include acquisition of satellite imagery and topographic data, DGPS survey of historic exploration collars and trenches, soil sampling over the Ekuzyata target, systematic trenching of soil geochemistry anomalies, twinning of one drill hole, up to eight drill holes at target Zone 5, and if appropriate, drill testing of Ekuzyata soil and trench anomalies. The recommended budget for the first year of exploration of US$510,000 includes 1,000m of diamond core drilling after the completion of soil sampling and trenching.

**Other Bulgaria Properties - Bulgaria**

Under the terms of the Agreement, Velocity will have the exclusive option to earn an undivided 70% interest in all existing and future Gorubso properties (the "Gorubso Properties") located within the Alliance Area, with the exception of the Chala Mine which is dealt with separately (see above). The existing Gorubso Properties are at various stages of exploration and development. Depending on how advanced the particular property is, the associated option is exercisable by Velocity by the delivery of either a mineral resource estimate (for grass roots properties), a PEA (for advanced exploration properties) or a feasibility study (for properties with a mining concession). For example, the Sedefche Property has existing historical resources and consists of a fully permitted mining concession, where 30,000 tonnes of material has already been mined and processed as part of a pilot plant operation. For this advanced property, the earn-in will be a feasibility study.

**Mt. Haskin Molybdenum Property – British Columbia, Canada**

The Company's wholly-owned subsidiary, Velocity Exploration Ltd., holds a 100% interest in the Mt. Haskin property, a molybdenite prospect located in the Cassiar District of the Liard Mining Division in northwestern British Columbia, Canada. The claims are subject to a 3% NSR, which may be acquired by the Company for a cash payment of $1,500,000. At June 30, 2013, the Company determined that the Mt. Haskin property was impaired and wrote off all associated costs to operations. Since that time, no significant exploration has been carried out on the property. During the year ended June 30, 2016, the Company completed the reclamation work required by the Government of B.C. and filed a report supporting this work. The work and report were approved by the BC Government which resulted in the refund in full of the $25,000 bond that had been posted with the Government of B.C.

The Company considers its Canadian asset to be a non-core asset and is actively seeking a joint venture partner to move the property forward.

**Qualified Person**

Stuart Mills, the Vice President Exploration for the Company, and a Qualified Person as defined by National Instrument 43-101, has approved the scientific and technical information concerning the Company discussed in this MDA. Mr. Mills is not independent of the Company as he is an officer, a shareholder and holds incentive stock options.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. The following is a summary of selected financial data for the Company for its eight completed financial quarters ended March 31, 2018.

| Quarter Ended Amounts in 000's | Mar. 31, 2018 | Dec. 31, 2017 | Sept. 30, 2017 | June 30, 2017 | Mar. 31, 2017 | Dec. 31, 2016 | Sept. 30, 2016 | Jun. 30, 2016 |
|---|---|---|---|---|---|---|---|---|
| Net income (loss) | (373) | (352) | (8,196) | (148) | (79) | (157) | (5) | (21) |
| Earnings (loss) per share – basic and diluted | (0.01) | (0.00) | (0.15) | (0.01) | (0.01) | (0.01) | (0.00) | (0.00) |
| Total assets | 2,845 | 3,190 | 3,508 | 544 | 44 | 10 | Nil | Nil |
| Working capital | (44) | (766) | 2,211 | (924) | (80) | (183) | (25) | (21) |

During the six months ended December 31, 2017, the Company completed a reverse acquisition and became a publicly listed company. The Company completed financings during the period for net proceeds of $3,341,006 and acquired $239,832 from the reverse acquisition. The Company also incurred exploration and evaluation expenditures of $1,768,532. Details of operating expenses are reviewed under Overview – 2017.

During the year ended June 30, 2017, the Company received funding through a promissory note of $350,000. The Company incurred professional fees of $204,528 and property investigation costs of $95,304 and incurred exploration and evaluation expenditures of $514,815.

**Three Months ended March 31, 2018 compared to three months ended March 31, 2017**

The Company's general and administrative costs were $372,579 (2017 - $78,966), and reviews of the major items are as follows:

- Consulting of $99,080 (2017 - $Nil) consisting of business development and VP of Exploration in Bulgaria;
- Investor relations of $44,441 (2017 - $Nil) increased because of the reverse acquisition and the Company started an investor relations program;
- Professional fees of $74,580 (2017 - $59,760) consisting of legal which increased as result of the company incorporation agreements and accounting and auditing; and
- Salaries of $35,026 (2017 - $Nil) increased as the Company became active because of the reverse acquisition.

**LIQUIDITY AND CAPITAL RESOURCES**

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company draws attention to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

| $ | Mar. 31, 2018 | Dec. 31, 2017 |
|---|---|---|
| Working capital surplus (deficiency) | (43,815) | 766,369 |
| Deficit | (9,330,236) | (8,957,657) |

Net cash used in operating activities during the three months ended March 31, 2018 was $312,135 (2017– $31,958).

Net cash provided by investing activities during the period ended March 31, 2018 was $437,605 (2017 - $29,923). The Company had exploration and evaluation expenditures of $360,828 (2017 - $Nil).

Net cash provided by financing activities during the period ended March 31, 2018 was $Nil (2017 - $64,860).

The Company issued 600,000 common shares, as a finder's fee at a fair value of $150,000, on the acquisition of the Tintyava property.

On June 29, 2017 14,000,000 previously issued warrants were transferred by the holders to the shareholders of 7076 and all the 14,000,000 warrants were exercised such that Velocity received exercise proceeds of $1,050,000.

On July 21, 2017 The Company completed a concurrent non-brokered private placement of 8,857,000 units issued at $0.25 per unit for gross proceeds of $2,214,250. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.40 to July 21, 2018. Cash finders' fees in the amount of $94,448 were paid, and 377,790 agents' warrants were issued, valued at $54,098.

On September 25, 2017 The Company completed non-brokered private placement 3,803,176 units issued at $0.34 per unit for gross proceeds of $1,293,080. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.50 to September 25, 2018. Cash finders' fees in the amount of $71,876 were paid, and 211,400 agents' warrants were issued, valued at $27,923.

On May 3, 2018, the Company announced the first tranche of financing raised aggregate gross proceeds of $1,324,365 through the issuance of 6,621,824 units at a price of 20 cents per unit. All securities issued in connection with the financing are subject to a hold period of four months and one day in Canada. Each unit consists of one common share in the capital of the company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one share at a price of 30 cents per share for a period of 12 months from the issue date. The expiry of the warrants will be accelerated if the closing price of the shares on a stock exchange in Canada is at least 50 cents for a minimum of 10 consecutive trading days during the term commencing after four months and one day from the issue date (the triggering event). The expiry of the warrants will be automatically accelerated upon the occurrence of the triggering event and the holders' rights to exercise their warrants will automatically expire and terminate at 4 p.m. Vancouver time 30 days following notice by the company to the holders of the occurrence of the triggering event.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering could result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's future revenues, if any, are expected to be in large part derived from the development of its mineral properties for the mining of certain minerals, particularly gold, or interests related thereto. The economics of developing and producing resource properties are affected by many factors including the cost of operations, variations in the grade of ore discovered or mined and the price of the metals produced. Depending on metal prices, the Company may determine that it is impractical to continue development of its mineral properties or to pursue commercial production. In the case of molybdenum, its price has fallen in recent years. goldprices are affected by factors that include anticipated changes in international investment patterns and monetary systems, economic growth rates, political developments and shifts in supply and demand. In the case of gold, prices remain moderate to strong for the foreseeable future.

## RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

### Key management personnel compensation

During the three months ended March 31, 2018 the Company entered into the following transactions with key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and management.

| Name | Relationship | Purpose of transaction | | Three Months Ended March 31, 2018 |
|---|---|---|---|---|
| Keith Henderson | CEO, President & Director of the Company | Wages and salary | $ | 37,500 |
| Promaid Services Ltd | Personal services company controlled by the CFO of the Company | Consulting | | 12,000 |
| Marvel Office Management Ltd. | Company controlled by the Corporate Secretary of the Company | Consulting | | 6,000 |
| Stewart Mills | VP Exploration - Bulgaria | Consulting | | 62,400 |
| Danial Marinov | Director | Consulting | | 6,930 |

Due to related parties of $29,331 (2017 - $Nil), were payable to directors and/or officers of the Company. These amounts were advanced to the Company for working capital purposes and were unsecured, non-interest bearing and had no fixed terms of repayment.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## OUTSTANDING SHARE DATA

(a) As of the date of the MDA the Company has 67,810,237 issued to date and outstanding common shares. The authorized share capital is unlimited no par value common shares.

(b) As at the date of the MDA the Company has 5,750,000 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 13,541,102 share purchase warrants.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet financing arrangements.

## PROPOSED TRANSACTIONS

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended March 31, 2018 that had a material effect on its condensed interim consolidated financial statements. The Company's significant accounting policies are disclosed in Note 2 to its audited annual consolidated financial statements for the six month period ended December 31, 2017.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards ("IAS") Board or International Financial Reporting Standards Interpretation Committee ("IFRIC") that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9 Financial Instruments: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company does not expect any impact to the financial statements from the adoption of this standard.

## RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economical.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial Risk Factors

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

***Credit Risk***

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company had a cash balance of $84,158, to settle current liabilities of $166,318. All the Company's trade and other payables are subject to normal trade terms.

Historically, the Company's sole source of funding has been advances from related individuals and entities. The Company's access to financing is always uncertain. There can be no assurance of continued access to funding. The Company will seek to complete further equity financing to continue its programs on its exploration and evaluation assets.

***Interest Rate Risk***

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not subject to significant exposure to interest rate risk.

***Foreign Currency Risk***

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in United States dollars and Bulgarian Lev. As at December 31, 2017, the Company had cash funds denominated in either the United States dollars, or the Bulgarian Lev. A 10% fluctuation between the Canadian dollar against the Bulgarian Lev or United States dollar, would insignificantly affect profit or loss.

***Price Risk***

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

## CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants included in reserve, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There we no changes to the Company's approach to capital management during the year.

## DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the three month period ended March 31, 2018, the Company did not enter into any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under "Related Parties Transactions".

2. During the three month period ended March 31, 2018, officers of the Company were paid for their services as officers by the Company as noted above under "Relate Parties Transactions".

3. During the three month period ended March 31, 2018, the Company did not enter into any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

## APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

Additional information related to the Company is available on SEDAR at www.sedar.com.