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October 15, 2020

Velocity Files Prefeasibility Technical Report on SEDAR for the Rozino Gold Project, Southeast Bulgaria

Vancouver, British Columbia – Velocity Minerals Ltd. (TSXV: VLC) (“Velocity” or the “Company”) announces it has filed on SEDAR an independent Prefeasibility Study (“PFS”) Technical Report (the “Report”) for its Rozino gold project (“Rozino” or the “Project”) located in southeast Bulgaria. The Report entitled “Rozino Gold Project, Pre-feasibility Technical Report” is dated October 14, 2020 (effective date August 30, 2020) and was prepared by CSA Global, an international mining consultancy with experience in Bulgaria, in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

The PFS results were previously disclosed in the Company’s news release dated August 31, 2020.

The PFS establishes the Rozino deposit as supporting an economic open pit mine operation with gold recovery by a combination of on-site concentration in a flotation plant and further processing to produce a gold-silver doré in the existing and operating processing plant located in Kardzhali, 85 km by road from Rozino, where doré would be produced.

All amounts are reported in United States dollars (US\$) unless otherwise specified.

Prefeasibility Study¹ Highlights

- **After-Tax Financials:** After-tax NPV_{5%} of CAD\$163 (\$123) million and after-tax IRR of 27.4% using a base case gold price of \$1,500 per ounce.
- **Life of Mine Earnings:** \$293 million before interest, taxes, and depreciation.
- **Cash Cost:** All-in sustaining cost² of \$755 per ounce of gold and cash cost³ of \$699 per ounce of gold.
- **Capital Costs:** Total estimated capital costs of \$94.8 million and pre-production capital costs of \$87.1 million (including an 11% contingency).
- **Mineral Resource:** Indicated Mineral Resource at a 0.3 g/t gold cut-off grade of 20.5 Mt at 0.87 g/t gold, for contained gold of 573,000 ounces and an Inferred Mineral Resource at a 0.3 g/t cut-off of 0.38 Mt at 0.8 g/t gold for 10,000 ounces⁴.
- **Initial Mineral Reserve:** Probable Mineral Reserve at a 0.5 g/t gold cut-off grade of 11.8 Mt at 1.22 g/t gold for 465,000 ounces.
- **Mining:** Open pit with 0.5 g/t gold cut-off grade (COG), low strip ratio of 2.2 and 1.22 g/t life of mine (“LOM”) gold grade.
- **Conventional Process Flow Sheet:** Returns 79.3% gold recovery to doré at the operating Processing Plant.
- **Processing:** On-site flotation producing gold-bearing pyrite concentrate assaying from 15 to 40 g/t and transportation to the Processing Plant (located 85 km from the Project) for processing to produce doré.
- **Low Environmental Risk:** Small project footprint with benign, non-acid generating and non-hazardous waste and tailings material.

- **Opportunities for Project Enhancement:** The Rozino gold deposit is open to the southeast and exploration is ongoing. Additional pit tailings storage capacity exists to accommodate potential increases in ore production.

Notes:

(1) Base case parameters assume a gold price of US\$1,500/ounce and an exchange rate (CAD\$ to US\$) of 0.75. Financial results on 100% equity basis.

(2) All-In Sustaining Cost (AISC) is defined as all cash costs related to production costs such as mining, processing, refining, site administration, and NSR royalty to final product (direct and indirect), and mine closure and rehabilitation. Sustaining capital costs related to continuing the business including development and equipment required to sustain production are included. Taxes, working capital, M&A, disposals, and acquisitions as well as new mine development capital costs are excluded. See "Use of Non-IFRS Financial Performance Measures" below.

(3) Cash Costs include production costs such as mining, processing, refining, site administration, and NSR royalty, divided by gold ounces sold to arrive at a cash cost per gold ounce sold. See "Use of Non-IFRS Financial Performance Measures" below.

(4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Mineral Resources are considered too speculative geologically in nature to enable them to be categorized as Mineral Reserves and there can be no certainty that all or any part of an inferred mineral resources will ever be upgraded to Indicated Mineral Resources or Measured Mineral Resources.

The Technical Report is available for download at www.SEDAR.com and at the Company's website.

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 doré. The Company envisions staged open pit mining of satellite deposits and processing in a currently operating CIL plant. Velocity has a 70% interest in the Tintyava prospecting licence, which includes the advanced Rozino gold project and the Kazak exploration target, option agreements to earn a 70% interest in the Obichnik and Makedontsi gold projects, and an option agreement to earn a 100% interest in the Igljika project.

On Behalf of the Board of Directors
"Keith Henderson"
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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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain 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*. All statements, other than statements of historical fact, included herein including, without limitation, statements with respect to: our estimates, expectations, forecasts and guidance for production, all-in sustaining cost, cash costs and capital expenditures, cost savings, Project economics (including net present value and internal rates of return) and other information contained in the PFS; as well as references to other possible events, the future price of gold, and

silver the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of the Project and mining and processing activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, and environmental risks. 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 statements can be identified by words such as “will”, “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. The forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of the Company referenced, contained or incorporated by reference in this news release, which may prove to be incorrect, include, the various assumptions set forth herein and in the PFS, our annual 2020 and first quarter 2020 Management’s Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company whether due to extreme weather events and other or related natural disasters, labour disruptions, supply disruptions, power disruptions, damage to equipment, pandemics, including, COVID-19 or otherwise; (2) permitting, development, operations and production from the Project being consistent with the Company’s expectations; (3) political and legal developments in any jurisdiction in Bulgaria being consistent with its current expectations; (4) the exchange rate between the U.S. dollar, the Canadian Dollar, the Euro and the Bulgaria Leva being approximately consistent with current levels; (5) certain price assumptions for gold and silver; (6) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (7) production and cost of sales forecasts meeting expectations; (8) the accuracy of the current mineral reserve and mineral resource estimates of the Company; (9) labour and materials costs increasing on a basis consistent with the Company’s current expectations; and (10) asset impairment (or reversal) potential being consistent with the Company’s current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. These uncertainties and contingencies can directly or indirectly affect, and could cause, the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company, including but not limited to resulting in an impairment charge on goodwill and/or assets. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES. The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. All mineral resource and mineral reserve estimates contained in this news release or in documents referenced in this news release have been prepared in accordance with NI 43-101 and the CIM Definition Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms “Mineral Reserve”, “Proven Mineral Reserve” and “Probable Mineral Reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Definition Standards. These definitions differ materially from the definitions in the Securities Exchange Commission (the “SEC”) Industry Guide 7 (“SEC Industry Guide 7”) under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are defined in and required to be disclosed by NI 43-101 and the CIM Definition Standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. U.S. investors are cautioned not to assume that any part of a “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” or an “Inferred Mineral Resource” will ever be converted into a “Reserve”. In addition, “Reserves” reported by the

Company under Canadian standards may not qualify as reserves under SEC standards. Under SEC standards, mineralization may not be classified as a “Reserve” unless the mineralization can be economically and legally extracted or produced at the time the “Reserve” determination is made. Accordingly, information contained or referenced in this news release containing descriptions of the Company’s mineral deposits may not be compatible to similar information made public by U.S. companies subject to the reporting and disclosure requirements of U.S. federal securities laws, rules and regulations. Inferred Mineral Resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Historical results or feasibility models presented herein are not guarantees or expectations of future performance.

The SEC has adopted final rules, effective February 25, 2019, to replace SEC Industry Guide 7 with new mining disclosure rules under subpart 1300 of Regulation S-K of the U.S. Securities Act (the “SEC Modernization Rules”). The SEC Modernization Rules replace the historical property disclosure requirements included in SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”. In addition, the SEC has amended its definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” to be substantially similar to international standards. The SEC Modernization Rules will become mandatory for U.S. reporting companies beginning with the first fiscal year commencing on or after January 1, 2021.

USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES: This news release refers to all-in sustaining cost (AISC) and cash costs. These measures are not recognized under IFRS as they do not have any standardized meaning prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other issuers. The Company uses these measures internally to evaluate the underlying operating performance of the Company. The use of these measures enables the Company to assess performance trends and to evaluate the results of the underlying business. Velocity understands that certain investors, and others who follow the Company’s performance, also assess performance in this way. The Company believes that these measures reflect our performance and are useful indicators of our expected performance in future periods. This data is intended to provide readers with additional information and should not be considered in isolation of, or as a substitute for, measures of performance prepared in accordance with IFRS.