



NR-23-02

January 24, 2023

Velocity Enters into Option Agreement to Acquire up to 75% Interest in the Zlatusha Copper-Gold Property in Bulgaria

Large, underexplored property with seven known copper-gold occurrences and 10,000m of historical drilling

Vancouver, British Columbia – Velocity Minerals Ltd. (TSX.V: VLC, OTCQB: VLCJF) (“**Velocity**” or the “**Company**”) announces that it has entered into a binding letter agreement with Zelenrok EOOD (“**Zelenrok**”), a wholly-owned subsidiary of Raiden Resources Limited (collectively with Zelenrok, “**Raiden**”), whereby Velocity has been granted an exclusive option to acquire, in two stages, up to a 75% interest (the “**Option**”) in and to the prospecting and exploration licence covering the 195 km² Zlatusha gold-copper property (“**Zlatusha**” or the “**Property**”), located in Bulgaria. The Option consists of a first option to acquire up to a 51% interest (the “**First Option**”) and a second option (the “**Second Option**”) to acquire an additional 24% (aggregate 75%) interest in and to the Property.

Zlatusha Project Highlights

- Large, under-explored property, located in a highly prospective copper-gold mineral belt
- Potential for epithermal gold, porphyry copper-gold, and skarn deposits
- A total of seven known mineral occurrences for initial follow-up exploration
- Historical drilling totals 52 drill holes (~10,000m) with partial geochemical coverage
- Drilling highlights at Zlatusha Prospect include 11m grading 3.63 g/t gold (at surface)

“Acquisition of the Zlatusha prospecting license has been a high priority for Velocity in recent months.,” stated Keith Henderson, Velocity’s CEO. “The combination of existing mineralized zones located within such a prolific mineral belt, and the general lack of systematic modern exploration means that we will be prioritizing work at Zlatusha. We believe that the Property is highly prospective for additional gold and copper-gold epithermal, porphyry and skarn mineralization.”

Regional Setting

The Zlatusha prospecting license is located within a Tier One porphyry copper-gold and epithermal belt, in the Western Srednogorie segment of the Upper Cretaceous magmatic arc (**Figure 1**), which transects Serbia and Bulgaria. The geological setting of the Western Srednogorie segment is very similar to the Timok Magmatic complex (located 95 km to the northwest in Serbia) that hosts the Bor, Majdanpek and Cukaru Peki copper-gold deposits, as well as the Panagyurishte ore field (located 65 km to the east in Bulgaria), which host operating mines like Chelopech, Elatsite and Asarel copper-gold deposits. The Property is underlain by Upper Cretaceous andesite volcanic rocks, Cretaceous carbonate and clastic sedimentary rocks, which are intruded by diorite porphyry stocks and dikes.

Property Details

Velocity's due diligence identified several magmatic-hydrothermal centers with outcropping copper-gold mineralization hosted in rocks of favourable upper Cretaceous age and composition. In total, the Property hosts seven historically defined porphyry, epithermal and skarn prospects, including advanced prospects with historical drilling. No modern systematic exploration has been carried out and the Company considers the Property prospective for discovery of additional deposits.

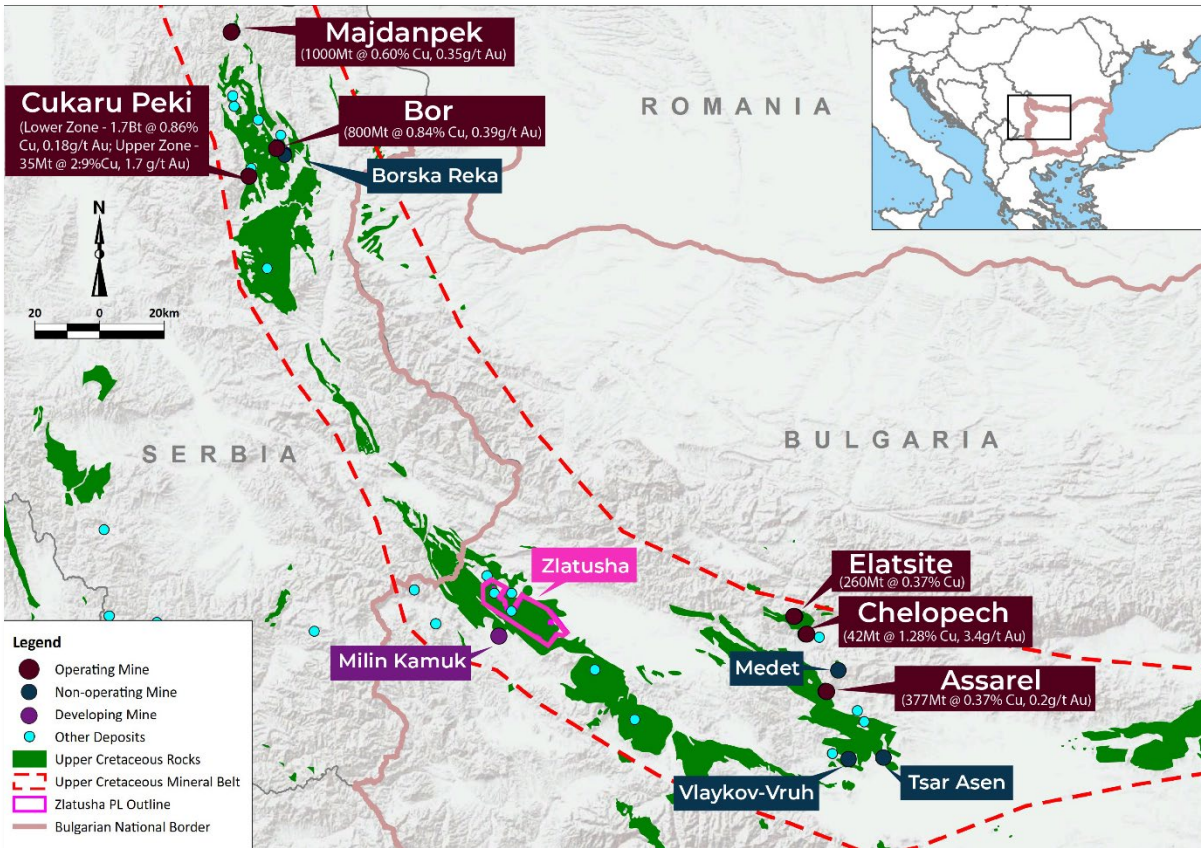


Figure 1. Map showing the location of the Property within the prospective Tethyan copper-gold mineral belt transecting Serbia and Bulgaria and highlighting the location of operating mines, formerly operating mines, and mines under development. Readers are cautioned that the mines and deposits discussed above are adjacent properties 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.

Within Zlatusha, an occurrence of the same name (the "**Zlatusha Prospect**") is considered a high priority for Velocity with 11 historical drill holes having been completed for almost 1,800m. Highlights include 11m grading 3.63 g/t gold (at surface) and 11m grading 4.33 g/t gold (at 109m below surface). Broader zones of disseminated gold mineralization have also been reported. Drill results from the Zlatusha Prospect are historical in nature and Velocity has not completed any check-sampling to verify historical drill results. The inclusion of historical drill results provides information as to the potential grade and nature of the immediate exploration targets within the Zlatusha Prospect.

Velocity geologists completed sampling outcrops for due diligence purposes. Laboratory results returned gold grades ranging from 0.95 g/t to 1.55 g/t gold and from 130 to 759ppm copper from Zlatusha Prospect. These results are consistent with historical rock chip samples collected from the Zlatusha Prospect that range from 0.55g/t to 1.32 g/t gold and from 97 ppm to 549 ppm copper.

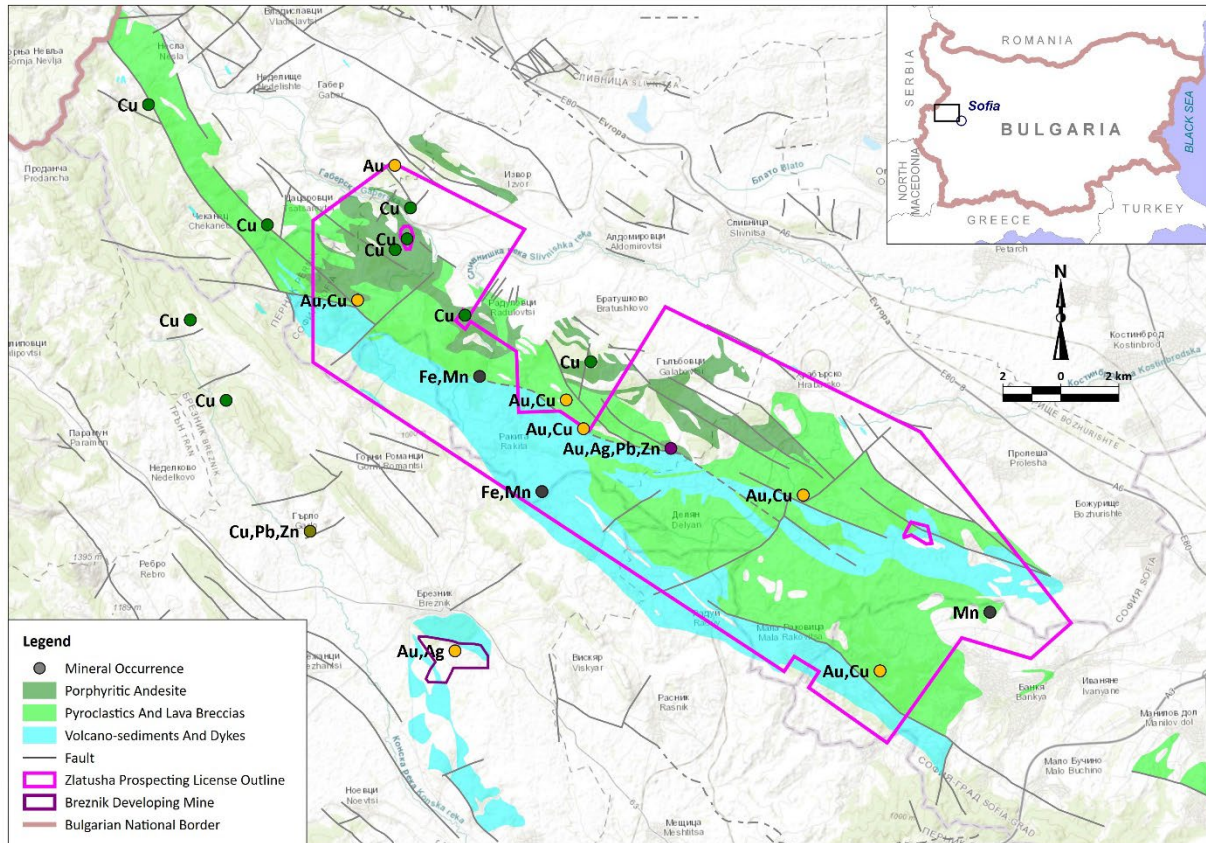


Figure 2. Map showing the Property in detail, together with the many mineral occurrences within it and nearby. The Breznik gold deposit located south of Zlatusha is fully permitted and under construction.

Velocity’s reconnaissance geological mapping indicated multiple porphyry-related alteration zones, characterized by intense quartz-sericite-pyrite alteration and associated biotite altered diorite porphyry typically indicative of large / well developed, potentially productive porphyry systems. Areas of alteration up to 2,000m x 1,000m are characterized by advanced argillic (quartz-alunite high-sulphidation telescoping), quartz-sericite-pyrite, and chlorite alteration, all of which suggests preservation of the entire magmatic-hydrothermal system(s). Historic sampling reported up to 1.97g/t gold and 779ppm copper. The Zlatusha Prospect is partly defined by a 600m x 400m (>100ppb) gold-in-soil anomaly, which remains open and untested. Outcrops of quartz vein stockwork with chalcopyrite mineralization cutting biotite altered diorite porphyry have also been identified in the field.

Planned Drilling

Surface exploration and geophysical surveys will commence as soon as possible, with a view to initiating drill testing in Q2 2023. Drilling will initially focus on the priority Zlatusha Prospect, where interpretation of historical drilling indicates potential for additional mineralization. Assessment of six other existing prospects will be undertaken concurrently for expected drill testing to commence in Q3 2023.



Plate 1. Outcropping QSP-altered andesitic volcanic rock sampled by Velocity, grading 1.55 g/t gold and 130ppm copper (left), and altered andesite fragmental & andesite porphyry with disseminated chalcopyrite (right).

Commercial Terms

To exercise the Option in full and acquire a 75% interest in the Property, Velocity must: (i) make cash payments in the aggregate amount of \$700,000; (ii) make payments in the aggregate amount of \$300,000, payable in cash or common shares of Velocity; (iii) complete 40,000m of drilling on the Property; (iv) deliver an Inferred Mineral Resource estimate on a deposit on the Property prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”); and (v) deliver a Preliminary Economic Assessment on a deposit on the Property prepared in accordance with NI 43-101, all over a period of 5 years (**Tables 1 and 2**). To exercise the First Option, Velocity must complete the earn-in requirements the (“**First Option Earn-In Requirements**”) set out in Table 1 on or before the third anniversary of the commencement date.

Table 1. Requirements to Exercise First Option.

Date	Cash (CAD)	Cash (CAD) or Shares	Drilling (m)	Deliverable	Vesting
Commencement Date	\$100,000	\$100,000		--	--
First Anniversary	-	-	8,000	--	--
Second Anniversary	-	-	10,000	--	--
Third Anniversary	\$250,000	\$100,000	10,000	Inferred Mineral Resource estimate	51%
First Option Total	\$350,000	\$200,000	28,000	--	51%

Provided the First Option is exercised by Velocity, Velocity may elect within 60 days to earn an additional 24% interest in Property through the exercise of the Second Option by completing the earn-in requirements (“**Second Option Earn-In Requirements**”) set out in Table 2 on or before the fifth anniversary of the commencement date.

Table 2. Requirements to Exercise Second Option.

Date	Cash (CAD)	Cash (CAD) or Shares	Drilling (m)	Deliverable	Vesting
Fourth Anniversary	-	-	8,000	--	
Fifth Anniversary	\$350,000	\$100,000	4,000	Preliminary Economic Assessment	24%
Second Option Total	\$350,000	\$200,000	12,000	--	24%
Total Consideration	\$700,000	\$300,000	40,000	--	75%

Velocity will be under no obligation to fulfill any of the First Option Earn-In Requirements or Second Option Earn-In Requirements, all of which will be at the sole discretion of Velocity. If Velocity exercises the First Option, but chooses not to exercise the Second Option, Velocity and Raiden will be deemed to have formed a joint venture ("**Joint Venture**") with Velocity initially owning 51% and Raiden owning 49%. If Velocity exercises the First Option and the Second Option, Velocity and Raiden will be deemed to have formed a Joint Venture with Velocity initially owning 75% and Raiden owning 25%. If a participant's participating interest in the Joint Venture falls below 15%, that participant will transfer its participating interest to the other participant in exchange for the grant of an ongoing royalty to be paid at 1% of net smelter returns (the "**1% NSR Royalty**"). The participant with the largest participating interest in the Joint Venture will have the right, but not the obligation, exercisable at any time prior to a production decision to purchase half of the 1% NSR Royalty (being 0.5%) for the sum of \$1.5 million.

The Property is subject to an existing 2% net smelter royalty held by Gold Bull Resources Corp. (the "**Gold Bull Royalty**"), of which, prior to commencement of commercial production: (i) an initial 0.5% of the total Gold Bull Royalty can be purchased for USD\$2,500,000 (reducing the Gold Bull Royalty from 2% to 1.5%); and (ii) a further 1% of the total Gold Bull Royalty can be purchased for USD\$5,000,000 (reducing the Gold Bull Royalty from 1.5% to 0.5%).

Pursuant to the terms of the Letter Agreement, the Velocity and Raiden will negotiate in good faith toward the execution and delivery of a definitive property option agreement (the "**Definitive Agreement**"), 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. During the term of the Letter Agreement, and if applicable the Definitive Agreement, if either Velocity or Raiden acquires an interest in a property (the "**Additional Property**") located within or partially within the Property or a 5 km area of interest extending from the outermost exterior boundaries of the Property, the non-acquiring party may elect that such Additional Property be included in the Property, in which case the non-acquiring party would be required to reimburse the acquiring party upon the exercise of the later of the First Option or the Second Option, as applicable, as to 51% (75% after the exercise of the Second Option by Velocity) of the acquisition costs, if the non-acquiring party is Velocity; or 49% (25% after the exercise of the Second Option by Velocity) of the acquisition costs, if the non-acquiring party is Raiden.

Quality Assurance / Quality Control

The work programs were designed and supervised by Daniel Marinov, RPGeo, the Company's Vice-President Operations, who is responsible for all aspects of the work, including the quality control/quality assurance program. On-site personnel at the project rigorously collect and track samples which are then security sealed and shipped to Eurotest-Control laboratory in Sofia, Bulgaria. Samples used for the results described herein are prepared and analyzed by fire assay using an Aqua regia digest of 50g charge with Atomic Absorption Spectrometry finish in compliance with industry standards at Eurotest-Control laboratory in Sofia, Bulgaria. When gold grade exceeds 10g/t the assay is repeated using a 20g charge

with gravimetric finish. A 0.5g sample split of the milled material is prepared and analyzed by Aqua regia digest and ICP-AES finish for 35 elements in compliance with industry standards at Eurotest-Control laboratory. Field duplicate samples, blanks and independent controlled reference material (standards) are added to each batch of samples.

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 Igljika 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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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 First Option or the Second Option by Velocity, the entering into of the Definitive Agreement, the formation of the Joint Venture, 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 Property, 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.sedar.com.

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.