NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT FOR THE ROZINO PROJECT, REPUBLIC OF BULGARIA

PREPARED FOR
VELOCITY MINERALS LTD.

BY

REPORT DATE: WEDNESDAY 26TH JULY 2017
EFFECTIVE DATE: MONDAY 3RD OCTOBER 2016

Document Title	National Instrument 43-101 Technical Report for the Rozino Project, Republic of Bulgaria.
Project Number	20160810_Rozino
Prepared by	James Hogg MSc MAIG, Director and Principal Consultant
Contact	info@addisonmininggroup.com
Company Address	Addison Mining Services Ltd 64 Addison road Wanstead London E11 2RG Company No. 08883789
Effective Date	Monday 3rd October 2016
Signature Date	Wednesday 26th July 2017
Competent Person	James Hogg MSc MAIG, Director and Principal Consultant
Competent Person Signature	
Client Name	Velocity Minerals Ltd.
Client Address	530 - 625 Howe Street Vancouver, British Columbia V6C 2T6

Table of Contents

List of Figures

List of Tables

Acronyms and Abbreviations

Acronyms or abbreviations have provided in parentheses upon first use, and then used in place of the full term in the remainder of the document.

7076	1077076 B.C. Ltd.	Hg	mercury
$	United States Dollars	IRGS	Intrusive-Related Gold System
%	percent	ISE	Intermediate Sulphidation Epithermal
@	at	ISO	International Organization for Standardization
AAS	Atomic Adsorption Spectroscopy	JORC	Joint Ore Reserves Committee
Ag	silver	km	kilometres
AMS	Addison Mining Services Ltd.	Koz	thousand ounce
Apophyse №1	Zone 5a Target	LSE	Low Sulphidation Epithermal
Ar / Ar	Argon / Argon	m	metres
As	arsenic	mm	millimetre
Au	gold	Mo	molybdenum
Author	James Hogg MSc, MAIG, MSEG	Moz	million ounce
Chala Mine	Chala gold mine	Mt	million tonnes
CIL	Carbon In Leach	Natura 2000	Natura 2000 Conservation Area
CIM	Canadian Institute of Mining	NI 43-101	National Instrument 43-101 Technical Report
cm	centimetres	NRMRR	Bulgarian Nat. Reg. of Mineral Reserves and Resources
Company	Velocity Minerals Ltd.	NSR	net smelter return
Concession	Chala mining concession	№	number
Cu	copper	°	degrees
DGPS	differential geographic positioning system	Pb	lead
DPM	Dundee Precious Metals Inc.	Pers Comm	personal communication
EIA	Environmental Impact Assessment	ppm	parts per million
Ekuzya	Ekuzya gold project	Project	Ekuzya gold project
Ekuzya Property	Ekuzya gold project	QA/QC	quality assurance / quality control
Ekuzyata	Ekuzyata Target	RIRGS	Reduced Intrusive-Related Gold System
EU	European Union	Sb	antimony
Eurotest	Eurotest Control EAD Laboratory	SOF	Spahievo Ore Field
E-W	east - west	SOP	Standard Operating Procedures
g	grams per tonne	State Balance	Bulgarian Nat. Reg. of Mineral Reserves and Resources
g/t	grams per tonne	t	tonne
Geoengineering	Asenovgrad Geoengineering EAD	US$	United States Dollars
Geofond	National Geological Fund, Ministry of Energy	UTM	Universal Transverse Mercator
Gorubso	Gorubso - Kardzhali AD	Velocity	Velocity Minerals Ltd.
GPS	geographic positioning system	Zn	zinc
GSR	gross smelter return	Zone 5	Zone 5 Target
GxM	gram metres	Zone 5a	Zone 5a Target

1 Executive Summary

1.1 Introduction

Addison Mining Services Ltd. ("AMS") has prepared this National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) technical report for the Rozino gold project, Bulgaria, held by Velocity Minerals Ltd. (“Velocity”) under option from the underlying Bulgarian owner Gorubso-Kardzhali AD (“Gorubso”).

This report provides a summary of the geology, style of mineralisation and exploration work conducted on the area (“Tintyava” or “Tintyava Property”) covered by the Tintyava prospecting and exploration licence No. 467 dated February 28, 2017 granted by the Council of Ministers of Republic of Bulgaria (“Tintyava PL"), much of which was focussed specifically on mineralization at the Rozino gold deposit (“Rozino Target”, "Rozino Project", “Rozino Deposit” or “Rozino”), located within the Tintyava Property.

Field visits by the author of this report (“Author”) were conducted September 1 – 4, 2016, with results of verification check sampling being returned on September 30, 2016. The Tintyava PL was subsequently approved by the Bulgaria Council of Ministers on February 28, 2017, and a prospecting and exploration licence agreement for the project was signed on May 2, 2017. Subsequent to that, an exploration and drilling permit for the Tintyava Property was granted July 3, 2017.

Velocity has an exclusive option to earn an undivided 70% interest in the Tintyava Property. The Tintyava Property was acquired by Velocity as a result of its acquisition as of July 21, 2017 of all the issued and outstanding shares of 1077076 B.C. Ltd. (“7076”), whereby 7076 became a wholly-owned subsidiary of Velocity. 7076's Bulgarian subsidiary, Kibela Minerals AD (“Kibela”), is a party to an option agreement dated July 19, 2017 (“Option Agreement”) with Gorubso-Kardzhali AD (“Gorubso”), whereby Gorubso granted the option to Kibela.

1.2 Project Description and Location

The Rozino Project is located within the Tintyava Property, South-East Bulgaria, about 350 km (by road) east-southeast of the capital, Sofia. The Tintyava Property has an area of 163.4 km^2 and its centroid is located at WGS84 Longitude 41^o 27’ 28”, Latitude 25^o 52’ 22”, approximately 25km west-southwest of the border town of Ivaylovgrad and 10 km east of Krumovgrad town.

The Rozino Project is located 20 km east of the Ada Tepe gold deposit, which is described in more detail in section 23 “Adjacent Properties”, and 50 km southeast of the city of Kardzhali. The Ada Tepe

gold deposit is currently being developed by Dundee Precious Metals Inc. ("DPM") and the city of Kardzhali is host to tailings and gold processing facilities operated by Gorubso.

1.2.1 Mineral Tenure & Option Agreement Terms

Gorubso and the Bulgarian Minister of Energy entered into a prospecting and exploration licence agreement dated May 2, 2017, pursuant to which the Tintyava PL was issued. The Tintyava PL gives the holder the exclusive right to explore for metal ores both on the surface and at depth within a certain parcel of land described by a set of co-ordinates.

In Bulgaria, the holder of a licence for prospecting and exploration shall be directly selected as the concessionaire for extraction upon completion of the following conditions:

- Registration with the Ministry, of the deposit discovery, that is within the valid term and the area of the exploration licence.
- Application for and receipt of a commercial discovery certificate.
- Submission of a written request to the Ministry for a mining concession within six months of receipt of the commercial discovery certificate.

Mining concessions are generally granted for a period of up to 35 years, extendable for a further 15 years thereafter.

In accordance with the competitive tender (NP E- 26-Г- 121/ 05 .05 . 2016 г) won by Gorubso on June 1, 2016, 7076 made the payment of a tender fee ("Tender Fee") of 360,000 BGN (approximately CAD$270,000) on May 4, 2017. In addition, pursuant to the terms of the Option Agreement, Velocity is obliged to make an exploration expenditure of 1,755,220 BGN (approximately CAD$1,312,000) in the first year of the Tintyava PL and an estimated total work expenditure of 5,672,000 BGN (approximately CAD$4,240,000) over the 3 year Tintyava PL term or as extended. At the discretion of the Ministry of Energy, the Tintyava PL can be extended 3 times, the 1st and 2nd potential extension periods are for 2 years with a requirement to reduce the Tintyava PL by a minimum of 30% at each extension period. A further year can be granted for assessment of a commercial discovery certificate.

Pursuant to the terms of the Option Agreement, Velocity has acquired the exclusive option ("Option") to acquire a 70% indirect legal and beneficial interest in the Tintyava Exploration EAD ("Tintyava Exploration"), which is currently a wholly-owned subsidiary of Gorubso, it being a condition of the Option Agreement that Gorubso shall initiate a procedure pursuant to the Natural Resources Act of Bulgaria and use its best efforts to effect the transfer of the Tintyava PL to Tintyava Exploration. The Option is exercisable through delivery of a preliminary economic assessment ("PEA"), within the meaning of NI 43-101. Until such time as the Option has been exercised (or abandoned), Velocity is

responsible for funding 100% of its exploration expenditures on the Tintyava Property (including all costs and expenses necessary for the preparation and the delivery of the PEA) and for all costs necessary to maintain the Tintyava PL in good standing, including fulfilling all existing work expenditure commitments. Delivery of the PEA is the only obligation that Velocity is required to meet in order to exercise the Option.

Upon exercising the Option, Velocity and Gorubso shall be deemed to have formed a joint venture ("Joint Venture") for the purpose of developing the Tintyava Property. The initial participating interests of Velocity and Gorubso in the Joint Venture shall be 70% and 30% respectively. If Velocity decides to abandon the Tintyava Property after exercising the Option, then all of Velocity's interest in the Tintyava PL and Tintyava Exploration will revert back to Gorubso, subject to a 1% net smelter return ("NSR") in favour of Velocity. If Velocity decides to continue with development of the Tintyava Property, Gorubso will have the right to fund its 30% interest in the Joint Venture. If either Velocity or Gorubso does not contribute its portion of expenditures, then that party's interest in the Joint Venture will be diluted and if reduced to a percentage of 10% or less, will convert to a 1% NSR.

1.2.2 Environmental & Cultural Heritage Liabilities

The Author is not aware, nor has it been made aware, of any environmental liability associated with the Rozino Project or the Tintyava Property other than those applied under the Bulgarian Environmental Protection Act. Under these regulations, mining projects are required to comply with an EIA process as a key part of project permitting. A number of small archaeological sites are present within the Tintyava Property, although none of these sites is situated on or adjacent to the Rozino Deposit. The closest site to the Rozino Project is located at Tashlaka South and it has no material effect on the Rozino Project. It is possible that other sites will be discovered during the exploration activities, and these will be appropriately dealt with in full consultation with the authorities and their officers.

1.2.3 Exploration Permitting & Access

Gorubso submitted a detailed 1st year work programme and 'holistic 3 year work programme to the Ministry of Energy and the Ministry of the Environment on May 2, 2017. The Ministry of Environment has granted approval of the work programme (July 3, 2017) following review and this will entitle Velocity to break ground in accordance with the 1st year detailed work programme. Velocity (through Kibela) has received additional permits from the local municipality and forestry departments. An extensive network of drill roads is already present and most of the 1st and 2nd phases of drilling will not require new drill road access.

1.2.4 Royalties

At present, the Tintyava PL is 100% owned by Gorubso and therefore, only state royalties are applicable. Based on Bulgarian legislation royalties are negotiated based upon the projected profitability of the operation, in line with the mining plan submitted to the government. Royalties are generally between 0.5 and 2% NSR.

The terms of the Option outline a potential 1% NSR payable to Velocity, should Velocity abandon the Project after exercising the Option and payable to either Velocity or Gorubso in the event that either party fail to fund their share under the terms of the Joint Venture and in that case if their interest falls to 10% or lower.

1.3 Accessibility, Local Resource & Infrastructure

The licence area is located 20 km by paved road to the border town of Ivaylovgrad and the Rozino Project can be accessed year round by 4 wheel drive vehicle via a collection of existing forestry and historical drill roads.

The areas proximity to the Aegean Sea creates a transitional Mediterranean climate, with average January temperatures of 1-2°C and average July temperatures is 24°C. The prevailing winds are northwest, and the average annual rainfall varies widely from 800 to 1200 mm with a maximum rainfall during November and December. Snow cover is sporadic usually lasting only 5-10 days per year.

Small villages are dispersed widely throughout the licence area and the people are involved in subsistence farming, particularly livestock and the growing of tobacco on the poorly developed soils that are characteristic of the region. The other main land use within the licence area is state controlled forestry. Rozino village is largely deserted with only a handful of locals remaining, due to a lack of work and investment within the region. The population of Bulgaria is largely non-practicing Eastern Orthodox Christian (85%) with a Turkish Muslim minority predominantly residing in the southeast of the country. Towns such as Kardjali and Krumovgrad are mainly Turkic, however the Rozino – Ivaylovgrad region is predominantly Christian. Infrastructure in the area is good, with paved roads, power and water resources available within close proximity to the Project.

The local terrain is low mountainous with levelled hills, cut by step valleys and a local average altitude of 320 m. The Rozino Project area is bounded to the south by steep cliffs at Tashlaka South bordering a fault controlled river valley that converges upon the main Arda River.

1.4 History

To date, Velocity has not completed any exploration on the Project, other than activities related to due diligence and site visits.

All the results described in this report result from work completed by previous operators, a summary of which is provided here, and in further detail in section 9 “Exploration” and 10 “Drilling”.

The Rozino Project was first explored in the 1980’s by the Bulgarian state company Asenovgrad Geoengineering EAD (“Geoengineering”) who completed 86 vertical diamond drill holes for 14,289 m. Geoengineering did not document drill sampling protocols. Hereward Ventures Ltd (Hereward) began exploration in 2001 and completed 3 phases of drilling between 2004 and 2007. In order to maintain the prospecting and exploration licence for the Rozino Project in good standing, a joint venture company backed by Caracal Mining submitted an application for Commercial Discovery. For reasons detailed below, the application was rejected by the Bulgarian government in 2009 and despite extensive dialogue between the parties in 2013 the prospecting and exploration licence for the Rozino Project was cancelled. The Caracal Commercial Discovery Report summarised works completed in the Rozino Project by Hereward and the previous Hereward joint ventures in full:

- 1:2,000 scale geological mapping (8 km^2)
- Soil sampling (2,079 stations)
- Trenching, (clearing of existing state trenches and new trenches) for 3,978.3 m
- Channel sampling from trenches (2,411 samples)
- 55 diamond drilling core holes for 7,409.45 m
- Assay results of drill core (4,918 samples)
- 12.2 line km of ground magnetic surveying
- 1.5 line km of Induced Polarisation geophysical profiling

The Caracal Commercial Discovery Report also includes the findings of a number of independent consultants who have given an opinion on the work carried out by Hereward / Caracal:

- Snowden Group (UK): Independent review and assessment of the Tashlaka gold resource, Bulgaria; for Asia Gold Corp.
- Lakefield (Johannesburg) Research Ltd.: Mineralogical / metallurgical study of 3 core holes R-225, 226 and 227.
- CSMA Consultants Ltd (Wardell Armstrong): Auditor’s report on the Resource section of Caracal’s Technical report.

The results of these various metallurgical and resource studies are summarised below, and in sections 13 and 14 of this report.

Geoengineering believed that the target mineralization at the Rozino Project would be a flat-lying body at the contact of Palaeogene sediments and metamorphic basement, so all of the drilling was vertical. Hereward recognised that the mineralisation was steep but targeted northeast structures related to the Palaeogene sedimentary basin. In 2006 Asia Gold realised that mineralisation was post sedimentary basin and was controlled by northwest structures but only drilled 1 hole at the Rozino Deposit to test this idea. Drill hole R-245 returned 68m @ 3.15 g/t Au. Caracal agreed with Asia Gold and understood that the drilling had been done in the wrong direction but elected to complete the Commercial Discovery Report based on the flawed data set.

Caracal were faced with a difficult quandary as most of the angled drilling was parallel to the vein strike and resource variography confirmed this with the identification of two ranges of 80 m and 35 m oriented northwest and northeast respectively. Previous resource estimations had overcome this difficulty by using unconstrained omnidirectional interpolation. However, Caracal chose to use the variography information resulting in a search ellipse focussed along the drill fences, but excluding adjacent drill fences that were outside of the 35 m range (50 m). This resulted in a resource block model that is severely restricted by data with blocks developed along drill fences giving the appearance of narrow, steep, northwest trending veins. Caracal, subsequently designed an underground mining operation using a 1.2 g/t Au cut-off resulting in a sub-economic resource of less than 100koz.

Drill hole R-245 confirmed that mineralisation exists between the drill fences and the potential for additional wide intersects at high grades located between the existing drill fences is considered to be very good. In the planned exploration program, Velocity will ignore Caracal's potential underground resource and focus on resource drilling to produce an open pittable resource estimate. The drill program will step out from R-245 and test a number of trench and soil anomalies over sub-parallel mineralising zones that have not been drill tested to-date.

1.5 Geological Setting

The Eastern Rhodope mineralisation district of south eastern Bulgaria lies within an Eocene-Oligocene continental magmatic belt that extends *c.* 500 km from Serbia and Macedonia to NW Turkey. The eastern part of this belt is occupied by the Rhodope Massif, which is comprised of Precambrian to Mesozoic metamorphic rocks. Palaeogene magmatic rocks consist of calc-alkaline to sub-alkalic intermediate, acid and subordinate basic volcanic rocks and their intrusive equivalents. The Palaeogene magmatism was accompanied by the formation of small Cu-Mo porphyry deposits and abundant epithermal deposits which form the Rhodope metallogenic province.

At Rozino, Palaeogene syn-tectonic sediments form a string of discrete sedimentary basins controlled by northeast trending extensional faults that represent a series of pull apart basins acting in sympathy to a major west – northwest trending dextral strike slip fault. The granitoids at the Rozino Project have previously been described as Cretaceous in age, but are considered to be Palaeogene and associated with the gold mineralisation. There are 2 significant mineral occurrences present within the Rozino Project area (5 km^2) with the Rozino deposit covering 1 km^2 and the 200 m wide, 600 m long Tashlaka South mineral occurrence.

1.6 Mineralisation & Deposit Types

The Rozino deposit represents a typical Low Sulphidation Epithermal ("LSE") gold deposit hosted within Palaeogene sediments as disseminations, replacement and vein mineralisation. The ore mineralogy of the Rozino deposit is simple, consisting mainly of pyrite with traces of base metals and arsenopyrite, with gold present mainly at sulphide mineral boundaries and to a lesser degree as free grains or encapsulated inclusions. Gangue minerals consist of silica, iron carbonates (mainly ankerite) and adularia. Alteration is characterised by a quartz + carbonate + chlorite + adularia + pyrite assemblage. Outcrop mineralisation at surface is characterised by conjugate veins in sandstones and disseminations / irregular veins in breccia conglomerates.

The Tashlaka South mineral occurrence is composed of chalcedonic and massive silicification adjacent to the Bijala Reka strike slip fault and is anomalous in antimony – arsenic – mercury and barium. The mineralisation represents the high levels of a hot-spring epithermal mineral deposit and gold potential exists at depth within bonanza – type gold targets.

1.7 Exploration

Velocity has not completed any exploration activities on the Project, other than activities related to due diligence and site visits.

1.8 Drilling

In summary, over 20 km of diamond drilling have been completed to-date and yet the deposit is not well defined. Most of the drilling is either vertical or parallel to the steep northwest trending veins that constitute the main mineralised grades at the Rozino Project. Limited amounts of vein measurements from orientated drill core support this interpretation, but more importantly the only angled hole drilled across the main mineralisation returned an intersect of 68m @ 3.15 g/t Au, 3.59 g/t Ag including 11.39m @ 8.09 g/t Au, 7.99 g/t Ag. Assuming steep mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to

be approximately 43.5m, however, exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data.

All previous resource estimations have been limited by the lack of suitably targeted drilling and the final resource reported to the Bulgarian government was severely restricted to the available drill information with no resource blocks generated between drill fences. The Author has been unable to verify any historical resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Infill potential around the main deposit exists between drill fences and the mineralisation remains open to the southeast and northwest. Lateral to the main deposit, high grade surface (trench) sampling returned best intercepts of 17m @ 3.39 g/t Au, 4.53 g/t Ag in the northeast and 14m @ 4.29 g/t Au, 2.58 g/t Ag in the southwest. These intercepts are interpreted to be approximate true thickness, however the exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data. The potential for additional sub-parallel vein zones to the main deposit is very good and the targets are essentially untested by drilling.

1.9 Sampling & Analysis

Velocity Minerals Ltd., the issuer to whom this report is addressed, only recently acquired the Property (2016) and neither Velocity Minerals nor 7076 have completed any exploration activities on the Project, other than activities related to due diligence and site visits. The methodologies and results described in this report result from work completed by previous operators.

The Author has been unable to directly determine the QAQC of sampling procedures. However, in early 2005 Asia Gold procured Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person, to audit Hereward's drill core sampling and assaying and considered the results to be of sufficient trustworthiness for use in preliminary resource estimation. Both sets of drill core samples were prepared and analysed in accredited laboratories and Asia Gold also carried out independent QC checks with the systematic use of independent standards.

AMS are satisfied with the quality of data collection and QAQC procedures for the purpose of this technical report as they are not at this stage being relied upon for precision of gold content or to quantify gold content in any compliant mineral modelling and resource estimation work. The reliability of results is considered satisfactory for the disclosure of exploration results, definition of gold anomalism and of exploration targets.

1.10 Data Verification

All the results described in this report result from work completed by previous operators. The Author has completed site visit including check sample collection; desktop report, news releases, hardcopy and digital data review; database cross-reference and validation as part of the data verification exercise.

The Author completed a site visit between the 1st and 4th September 2016. The visit included field checks of the Rozino Project and Tashlaka South, which included discussions with the project personnel, review of the geological settings, observation of surface sampling techniques, examination of the mapping and trench logging, review of Caracal's sampling procedures, and a visit to The Geofond to independently review previous government submissions made for the Rozino Project. The site visit also included the collection of verification check surface rock 'float' and 'grab' samples, drill hole collar, trench and outcrop GPS pick up co-ordinate checks, geological and structural verification checks.

In total, 19 field locations were visited, to include three GPS pick-up drill collar co-ordinate checks, three GPS pick-up trench location checks, the collection of seven verification check samples, and collection of nine surface/trench structural orientation check measurements.

The site visit's geological observations confirmed the geology and styles and orientation of mineralisation as described within this report. Collar and trench location check GPS pick-ups are considered satisfactory.

The Author was unable to inspect or duplicate sample drill core or trenches for logging and assay verification purposes. However, verification check sampling was completed to verify the occurrence, location and association of mineralisation, as opposed to comparison and verification of previous sample interval assay grades. Check sample analysis confirms the presence, style and association of gold mineralisation.

The Author was unable to inspect or duplicate sample historical drill core or trenches for verification purposes. However, as part of the verification site visit the Author spent time in the Geofond repository, Sofia for the purpose of data review and verification cross-checks. Here, the digital database used for reporting of results, geological interpretation and historical resource modelling was cross checked against the logging information contained within hardcopy logs, laboratory assay certificates and core photographs (where available) held in storage. AMS completed checks on six diamond drill holes and six trenches.

The Author is satisfied with the level of detail and accuracy between the geological logs, digital geological database and core photographs.

In addition to cross-check of digital data against hardcopy, core photographs and original assay certificates AMS completed drill hole and trench database validation within Micromine 3d exploration data modelling software. This exercise is designed to check for any inconsistencies and errors within the database used for the generation of exploration results for reporting and display. AMS found no significant errors within the project digital database.

The Author believes that the data quality is adequate for the purpose of exploration stage assessment, interpretation, and definition of exploration targets. However, use of historical data as input to CIM/NI 43-101 compliant resource estimations will require further verification work including first hand review of drill core, duplicate check sampling and/or twin verification drilling.

1.11 Mineral Processing & Metallurgical Testing

Velocity, the issuer to whom this report is addressed, only recently acquired the Tintyava Property (July 2017) and Velocity or 7076 has not completed any metallurgical testing on samples from the Project, other than activities related to due diligence and site visits. All the results described in this report result from work completed by previous operators.

Metallurgical test work was initially carried out by Geoengineering, in which flotation, gravity and cyanidation test work returned favourable results. The systematic research methodologies are not reported in detail. Flotation test work returned gold recoveries of 93.6% and agitated cyanide leach recoveries returned 89.8% of the gold.

Lakefield Research (Johannesburg) carried out a study on drill core where they concluded that the mineralisation is confirmed to be of a LSE style and that the sulphide and gangue mineralogy is very simple with base metal and deleterious concentrations very low. Test work showed that gravity separation is unlikely to be successful on all but the highest grade ores, but that static cyanide leach test work showed good recoveries and low cyanide consumption.

Caracal conducted agitated cyanide leach test work on 3 potential ore types; namely, Oxide, Sulphide and Low pyrite mineralisation. The leach tests were carried out on differing size fractions and indicated that primary crushed oxide material (½ inch) has the potential to be exploited by conventional heap leach technology but that the volumes of oxide material at the Rozino Project are insignificant. Caracal concluded that milling of ores to -200 mesh increases recoveries, but does not overcome the additional cost of milling and tank cyanidation (assuming a $900/Oz gold price) and that a crush size

of 1.7mm appears to show the most effective results with average recoveries capable of sustaining agglomerated heap leach processing.

Wardell Armstrong were subsequently contracted to carry out a single series of agitated cyanide extraction tests and the results returned average recoveries from 3 samples based on cyanide in pulp and cyanide in leach extraction of 94.7% and 97.7% respectively.

It should be noted that the Author has been unable to verify any of the metallurgical testwork completed for the project and as such for the purpose of this technical report. The Author cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

1.12 Mineral Resource Estimates

Historical resources referenced in this section are not considered current and are not consistent with the standards of disclosure defined by National Instrument 43-101 and may not necessarily be consistent with CIM best practice with respect to reporting mineral resources and reserves. Historical resources are included because they are considered relevant by the Author as they form the additional support for the acquisition of the Option by Velocity and for the Transaction.

The inclusion, review and discussion of historical resource estimations provide information as to the size and nature of the immediate exploration target within the Rozino Deposit area.

A number of historical resource estimates have been carried out at the Rozino Project, however none of them have been completed to standards consistent with CIM best practice or compliant with NI 43-101. The Author has been unable to verify the historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

All previous resource estimations have been limited by the lack of suitably targeted drilling and the final resource reported to the Bulgarian government was severely restricted to the available drill information with no resource blocks generated between drill fences.

Previous historical resource estimates were biased by a lack of data support because the deposit was drilled in the wrong orientation and grade was interpolated outside the limits of the data set. However, the final resource estimation carried out on behalf of Caracal that was used for commercial modelling is severely restricted because the search ellipse was focused in the plane of the drill fences and did not reach between drill fences. This resulted in a block model akin to a narrow vein type

mineralisation oriented in the same direction as the drill fences with a false plunge aligned along the dip of the drill holes. Caracal were unable to generate any other resource estimation that conformed with the data and as a consequence the mine planning was forced into a to a small underground mine design.

It is clear from the work carried out by Caracal that the restrictions placed upon the resource estimation were well understood and despite the reluctance to generate an unconstrained resource estimate such as those generated by Hereward previously, Caracal did report a last estimation that better represented the low grade bulk tonnage nature of the deposit.

Infill potential around the main deposit exists between drill fences and the mineralisation remains open to the southeast and northwest. Lateral to the main deposit high grade surface (trench) sampling returned best intercepts of 17m @ 3.39 g/t Au, 4.53 g/t Ag in the northeast and 14m @ 4.29 g/t Au, 2.58 g/t Ag in the southwest. The potential for additional sub-parallel vein zones to the main deposit is very good and the targets are essentially untested by drilling. These intercepts are interpreted to be approximate true thickness, however the exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data.

1.13 Conclusions

The Rozino Project is prospective for LSE gold mineralisation within the Tintyava Property. The Rozino Deposit has been extensively explored since the 1980's and yet potential exists to significantly expand the known mineralisation. A series of genetic model - driven exploration programmes have failed to identify the likely controls on mineralisation evidenced and identified in the field and project exploration datasets.

In 2006 a previous operator, Asia Gold, developed a unified exploration approach that correctly identified a northwest structural control, however drilled only one diamond drill hole to test this orientation in the main deposit before relinquishing the Project. Caracal took over from Asia Gold as operator of the Project but instead of continuing exploration to properly test the northwest control model, opted to fast-track conversion of the then prospecting and exploration licence for the Rozino Project to a mining and exploitation permit. Caracal re-modelled the resource using the existing information, but the drill data was unable to support a rational resource estimate.

The flawed methodology of Caracal failed to get state approval for a Commercial Discovery and the company was unwilling to fund the additional drilling necessary to adequately define the deposit. In 2013 the PL was cancelled by the Bulgarian state and because no Geological Discovery or Commercial Discovery had been reported on the Rozino Project the tenement was returned to exploration status despite having had such a large amount of work completed.

The Rozino Deposit is composed of low to moderate grade, epithermal, gold vein, localised stockwork and dissemination mineralisation that is characterised by quartz, carbonate, adularia and pyrite with trace amounts of base-metals. Mineralisation appears controlled by northwest trending steep structures, cross-cutting a north east trending pull-apart sedimentary basin. Mineralisation is present at the contact between tight metamorphic basement and porous basal breccia conglomerates where throttle decompression causes gold precipitation. The highest grade mineralisation is present as northwest trending veins and veinlets within the sediments, above the basal unconformity contact.

Several occurrences of gold mineralisation are currently identified by historic drill, trench and surface sampling within the licence area, with the main focus of historic exploration and current main area of interest being the Rozino Deposit.

Angled, historical resource drilling at the Rozino Deposit was directed to the northwest, sub-parallel to the mineralised trend and as a consequence the resource estimations lacked adequate sample support. The mistake was identified by Asia Gold, however the company chose to focus on the adjacent Tashlaka South occurrence situated to the southwest of the main Rozino Deposit and as a consequence currently only one diamond drill hole directed northeast, perpendicular to the controlling structural orientation was completed within the main Rozino Deposit (R-245). This angled, oriented drill hole returned a best intercept of 68m @ 3.15 g/t Au (uncut) and an intercept using a 20 g/t Au top-cut of 68m @ 2.79 g/t Au. Assuming steep mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be approximately 43.5m.

During the period 2005-2007 Hereward Ventures commissioned various independent resource estimations using both old fashioned vertical State drilling and their own modern angled drilling. As part of their due diligence and property review Velocity used the existing drill data to check the integrity of the data set and found that both compositing of the assays and block modelling of the data set using inverse distance weighted (IDW^2), unconstrained interpolation generated very similar results to the work carried out on behalf of Hereward. The purpose of this exercise was to verify the input data integrity and ability to replicate the historical resource figures. However it was also recognised that an unconstrained IDW^2 interpolation was not appropriate for the style of mineralisation and density of the drill information collected to date.

Velocity have carried out further in house block model evaluations by restricting the input drill hole database to the areas where Hereward and Asia Gold had carried out closest spaced angled drilling within the main Rozino deposit area. A review of this work and independent review of historical models has been completed by the Author. The results from this area constrained inverse distance

weighted modelling are rudimentary and in no way can be used in resource estimation and resource reporting. However the grade and tonnage results concur closely with the historic Hereward and final resource estimations carried out by Caracal in 2008 and reported in their Commercial Discovery Report (Andrew, C. 2009), and shown in the table below.

The Author has been unable to verify the resource estimates in the table below and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

A great deal of high quality work has been carried out within the Rozino Project area and the cumulative knowledge of previous workers has led to a better understanding of the mineralising system. Asia Gold's drill hole R245 was drilled perpendicular to the previous historical resource drilling and showed the potential for significant exploration upside at the Rozino Deposit.

On the basis of current geological understanding for the project, the quantity and quality of exploration data, field observations, data verification checks and historical model review it is the Author's opinion that the main Rozino Deposit area represents an immediate Exploration Target for the project, with conservative near surface exploration potential of 5 to 10 million tonnes, at average grades ranging between 0.5 to 1.5 g/t Au. *The potential quantity and grade of material is conceptual in nature as there is insufficient quality and quantity of exploration to define a mineral resource on the property and it is uncertain if further exploration will result in the discovery of a mineral resource on the property.*

In addition, mineralisation at the main Rozino Deposit area is interpreted to remain largely open along strike to the northwest and southeast and offers further exploration potential for the deposit

Currently three other sub-parallel zones / trends, adjacent to and in close proximity to the main mineralisation are identified which returned high-grade trench and rock chip results and the targets remain largely undrilled.

The potential to find strike extensions and adjacent, sub-parallel gold zones is considered good. In addition, a number of gold-in-soil anomalies to the east, south east and west of the main deposit remain untested.

Preliminary metallurgical test work carried out by Geoengineering, Lakefields, Caracal and Wardell Armstrong suggests that recoveries by cyanide leaching are above 90%, with no deleterious elements and the deposit should be amenable to simple low cost processing. This is consistent with LSE deposits elsewhere in the world, where similar grade mineralisation is mined.

It should be noted that the Author has been unable to verify any of the metallurgical testwork completed for the project and as such for the purpose of this technical report, the Author cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

	Hereward 2005			Caracal 2008			AMS/Velocity re-estimation of Hereward 2005 data set			AMS/Velocity re-estimation of Hereward 2005 clipped 'Central Area' data set		
Cut-off grade	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**
Au g/t	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**
2	N/R	N/R	N/R	572,000	2.53	46,458	N/R	N/R	N/R	N/R	N/R	N/R
1.8	776,450	4.44	110,606	880,100	2.32	65,548	N/R	N/R	N/R	N/R	N/R	N/R
1.6	940,750	3.95	119,412	1,342,250	2.09	90,058	N/R	N/R	N/R	N/R	N/R	N/R
1.4	1,245,500	3.35	133,983	2,251,600	1.85	133,723	N/R	N/R	N/R	N/R	N/R	N/R
1.2	1,709,250	2.79	153,130	3,066,050	1.7	167,329	N/R	N/R	N/R	N/R	N/R	N/R
1	**2,589,050**	**2.21**	**183,776**	4,241,900	1.54	209,712	**2,482,045**	**2.24**	**178,758**	1,878,850	2.55	154,002
0.8	4,361,900	1.67	234,314	6,036,550	1.34	259,678	4,197,385	1.69	228,270	2,750,700	2.03	179,401
0.6	7,724,750	1.24	307,711	N/R	N/R	N/R	7,326,581	1.26	297,716	4,581,850	1.50	220,233
0.5	**10,819,950**	**1.04**	**361,440**	N/R	N/R	N/R	**10,234,862**	**1.06**	**349,157**	5,724,000	1.31	240,488
0.4	15,799,300	0.85	431,910	N/R	N/R	N/R	14,988,433	0.87	417,960	7,414,700	1.11	264,922
0.2	41,342,650	0.49	655,526	N/R	N/R	N/R	40,591,182	0.49	644,301	16,549,250	0.65	347,550

A discussion of significant risks and uncertainties that could reasonably be expected to affect the reliability and confidence in the exploration information are summarised below. Due to the planned further exploration and verification work to be undertaken by the issuer using CIM guidelines and industry accepted best practice methodologies, the Author does not foresee any significant impact of the current risks and uncertainties of the exploration data on the projects potential economic viability or continued viability.

All of the targeting is based on the digital capture of comprehensive historic exploration and although the quality of the work done is very good, errors are introduced during the scanning, ferencing and digitising of paper copy results. Limited field studies and ground truthing of the different generations / eras of exploration using hand held GPS indicate a location error in the region of ± 10m.

Analytical results are non-verifiable and as such, used only to indicate the presence of mineralisation of potentially significant grades and target identificaton for further testing. The Author considers the exploration data satisfactory for the purpose of exploration target zone development. However, further work to improve survey control on historical data, interpreted models are recommended going forward.

1.14 Recommendations

On the basis of this technical report and in consideration of Velocity's operating strategy, the Author makes the following exploration recommendations for the first year of exploration:

1. Purchase of high resolution satellite imagery over the Rozino Project in order to document the effects of previous exploration and aid geological re-mapping of the Project area together with the design of further drilling.
2. Obtain high resolution topographic survey data for the project area.
3. Complete DGPS pick up of features and historic exploration drill collars and trenches.
4. Further systematic trenching and controlled sampling upon the position of untested Au mineralised trenches to the north east and south west of the main deposit is required prior to drill testing.
5. For future sampling programmes, a regular QA/QC program using independent standards and independent umpire laboratory analysis of mineralised drill intercepts is to be implemented as a routine check on the precision of the primary laboratory.
6. Twin drill R-245 for verification purposes.

7. Based on the significant mineralised intercepts at Rozino and the fact that previous resource drilling was done in the wrong direction, step out drilling from R-245 is warranted.
8. Heel to Toe drill fences facing north east should be completed in order to delimit the extents of the main deposit.
9. Instigate additional metallurgical test work in preparation for further resource drilling and a Preliminary Economic Assessment in the 2nd year of work.
10. Confirmation of soil anomalies and subsequent trenching over large untested soil anomalies to the south and east of the main deposit is required for drill targeting.
11. Collation and interpretation of the Tashlaka South deposit is required in order to assess the potential for bonanza grade LSE gold mineralisation beneath the high level silica ledges.
12. Ground truthing of regional gold in soil anomalies within the Palaeogene sediments to the south east of Rozino is required.
13. Re-processing of project airborne and ground geophysics to better define basement and structural architecture.
14. Where possible and practical, locate and re-sample useful significant historic drillholes.
15. Palaeogene rhyolitic intrusives and purported Cretaceous 'granitoids' have been mapped throughout the Tintyava Property and represent high priority grass roots exploration plays.
16. Secure, where possible additional exploration and prospecting licences that cover prospective LSE gold terrain elsewhere within the Eastern Rhodopes.
17. Set up well documented project specific Standard Operating Procedures to ensure compliance with CIM Best Practice, maximise information captured and value from exploration works.

To accomplish the above objectives, a comprehensive exploration programme has been proposed by Velocity Minerals Ltd primarily focused on the Rozino Deposit. The intent of the proposed exploration activities is to build on previous programmes, using the knowledge to advance the project as quickly as possible to a Preliminary Economic Assessment (PEA). Additional work to assess the regional potential of the Tintyava PL will be carried out in parallel with the detailed works at Rozino and various existing targets that have already been identified within the Rozino environs.

2 Introduction

Addison Mining Services Ltd. ("AMS") has prepared this National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the Rozino gold project, Bulgaria, held by Velocity Minerals Ltd. ("Velocity") under option from the underlying Bulgarian owner Gorubso-Kardzhali AD ("Gorubso"). The author of this report is James Hogg MSc, BSc MAIG (the "Author") who is a Principal Geologist with AMS and has over nineteen years' experience in the mineral exploration and resources industry

Velocity has an exclusive option to earn an undivided 70% interest in the Tintyava Property. The Tintyava Property was acquired by Velocity as a result of its acquisition as of July 21, 2017 of all the issued and outstanding shares of 1077076 B.C. Ltd. ("7076"), whereby 7076 became a wholly-owned subsidiary of Velocity. 7076's Bulgarian subsidiary, Kibela Minerals AD ("Kibela"), is a party to an option agreement dated July 19, 2017 ("Option Agreement") with Gorubso-Kardzhali AD ("Gorubso"), whereby Gorubso granted the option to Kibela.

2.1 Terms of Reference

This technical report provides a summary of the geology, style of mineralisation and exploration work conducted on the area ("Tintyava" or "Tintyava Property") covered by the Tintyava prospecting and exploration licence No. 467 dated February 28, 2017 granted by the Council of Ministers of Republic of Bulgaria ("Tintyava PL"), much of which was focussed specifically on mineralization at the Rozino gold deposit ("Rozino Target", "Rozino Project", "Rozino Deposit" or "Rozino "), located within the Tintyava Property.

Field visits by the Author were conducted September 1 – 4, 2016, with results of verification check sampling being returned on September 30, 2016. The Tintyava PL was subsequently approved by the Bulgaria Council of Ministers on February 28, 2017, and a prospecting and exploration licence agreement for the project was signed on May 2, 2017. Subsequent to that, an exploration and drilling permit for the Tintyava Property was granted July 3, 2017.

The scope of work for the NI 43-101 Technical Report on the Rozino Property has included:

- Project data review and validation
- Qualified Persons site visit
- Data verification
- Analysis and interpretation of exploration data
- Preparation of technical report in English using Canadian NI 43-101 reporting standards.

2.2 Sources and Information and Data

This technical report is based on findings of the AMS site visit, desk study data review, data validation and verification where practical and possible.

AMS received the full co-operation and assistance from the Company's personnel during the site visit and in the preparation of this report.

The Author has reviewed information relating to the Rozino Project, including relevant published and unpublished third party information, and public domain data, a list of which is provided in sections 3 "Reliance on Other Experts" and 27 "References of this Report".

Velocity (through 7076) has also provided information which has formed the technical basis of this report. The Author has visited and inspected publicly available information at National Geological Fund, Department of National Geological Services, and Directorate for Natural Resources – Concessions & Control, Ministry of Energy, Bulgaria ("Geofond"), which is a repository of exploration data filed by exploration companies with the Bulgarian authorities in accordance with the Underground Natural Resources Act. All data used in the report has been verified and validated where practical and is based on information believed to be accurate at the time of completion.

A complete list of the material reviewed is found in section 3 "Reliance on Other Experts" and 27 "References" sections of this report.

2.3 Units

All units of measurement used in this report are metric unless otherwise stated. Tonnages are reported as metric tonnes ('t'), precious metal values for gold (Au) and silver (Ag) in grams per tonne ('g/t') or parts per million ('ppm'). Other references to geochemical analysis are in parts per million ('ppm') or percent (%) as reported by the originating laboratories.

Data was captured and located using a Universal Transverse Mercator (UTM). The coordinate system used by the client was UTM Zone 35 North (35T), WGS84 and the projection UTM. Elevations are reported in metres above sea level.

2.4 Property Inspections by the Author

The Author completed a visit to Bulgaria and the Rozino Project between the 1st and 4th September 2016.

The purpose of the visit was to inspect the project data held in the National Geological Fund repository, inspect the licence property, geological setting, evidence of exploration conducted to date and confirm the presence, location and styles of mineralization. During the site visit, he conducted

field checks of selected drill, trench and geological exposure sites and collected seven rock grab verification samples.

The Author was accompanied by Mr Stuart Mills (Vice President Exploration) and Mr. Ivo Stalev (GIS Geologist) for Velocity.

2.5 Addison Mining Services

Addison Mining Services is an independent geology and mining consultancy based in the United Kingdom.

AMS, its directors, employees and associates neither has nor holds:

- any rights to subscribe for shares in Velocity either now or in the future,
- any vested interests in any concessions held by Velocity any rights to subscribe to any interests in any of the concessions held by Velocity either now or in the future,
- any vested interests in either any concessions held by Velocity or any adjacent concessions,
- any right to subscribe to any interests or concessions adjacent to those held by Velocity, either now or in the future.

The Authors only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in connection with the investigations reported here. Payment of professional fees is not dependent either on project success or project financing.

3 Reliance on Other Experts

AMS has not independently verified title to the property, nor has it verified the status of Velocity's agreements with Gorubso, but has relied on information supplied by Velocity in this regard. We are relying on public documents and information provided by Velocity for the descriptions of title and status of the Property agreements. AMS has no reason to doubt that the title situation is other than that which was reported to it by the Company.

The main sources of literature relied upon in the compilation of this report sections 2 and 4 were the following listed below, with additional sources of information are referenced in the text where applicable. A list of major sources of information is included in section 27: References.

4 Property Description and Location

4.1 Project Location

The Rozino Project is located within the Tintyava Property, within the municipalities of Ivaylovgrad and Haskovo, South-East Bulgaria, about 350 km (by road) east-southeast of the capital, Sofia (Figure 4.1). To the east is the border with Greece and to the north and west are the municipalities of Lyubimets, Madjarovo and Krumovgrad. The Tintyava Property has an area of 163.4 km^2 and its centroid is located at WGS 84 Longitude 41° 27' 28", Latitude 25° 52' 22", approximately 25 km west-southwest of the border town of Ivaylovgrad and 10 km east of Krumovgrad town.

The Rozino Project is located 2 km south of the village of Rozino, 20 km east of the Ada Tepe gold deposit, which is described in more detail in section 23 "Adjacent Properties", and 50 km southeast of the city of Kardzhali. The Ada Tepe gold deposit is currently being developed by Dundee Precious Metals Inc. ("DPM") and Kardzhali is host to tailings and gold processing facilities operated by Gorubso.

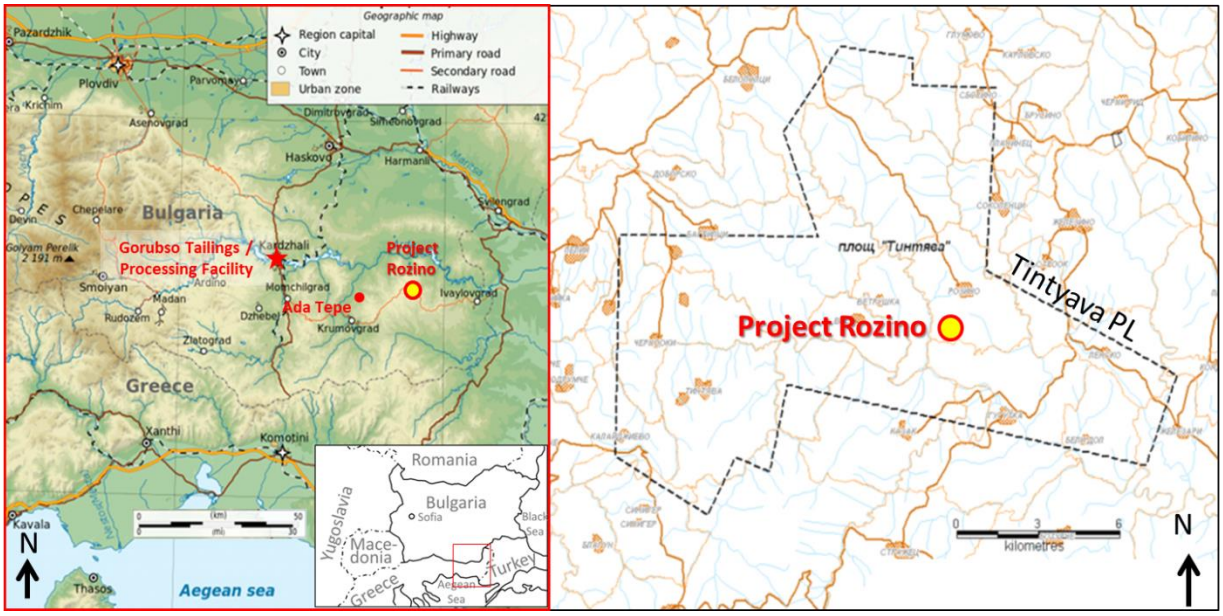

Figure 4.1: Location map of the Rozino Project, southeast Bulgaria

4.2 Mineral Tenure

Gorubso and the Bulgarian Minister of Energy entered into a prospecting and exploration licence agreement dated May 2, 2017, pursuant to which the Tintyava PL was issued. The Tintyava PL gives the holder the exclusive right to explore for metal ores both on the surface and at depth within a certain parcel of land described by a set of co-ordinates (Table 4.1).

Table 4.1: Corner Pillar coordinates for the Tintyava Property (WGS84 Projection, UTM Zone 35N)

Corner ID	X (UTM 35N)	Y (UTM 35N)
A	395,629	4,591,781
B	402,956	4,591,721
C	401,674	4,595,328
D	403,779	4,598,273
E	406,445	4,597,854
F	406,459	4,596,909
G	409,507	4,596,833
H	409,150	4,590,595
I	416,153	4,586,991
J	415,047	4,583,978
K	401,825	4,586,642
L	401,167	4,583,695
M	399,900	4,584,154
N	398,882	4,582,192
O	395,499	4,584,186

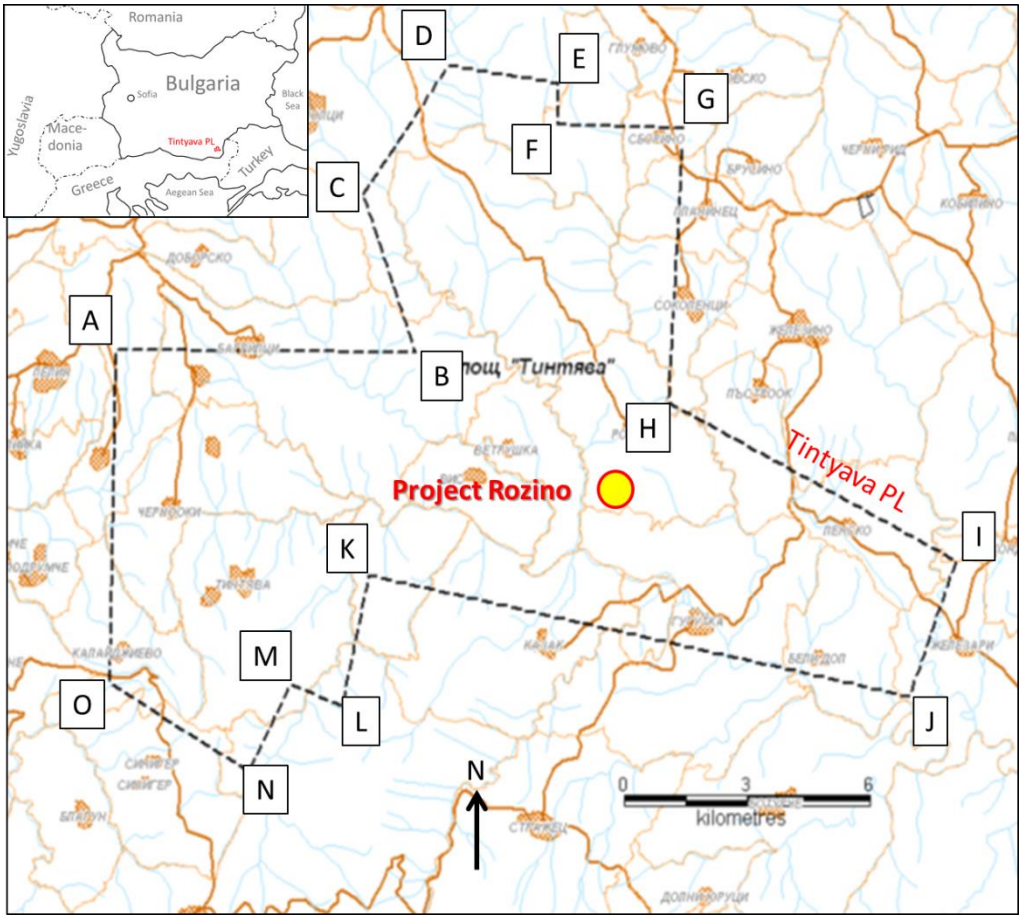

Figure 4.2: Location map of the Tintyava Property, Haskovo Province, Republic of Bulgaria

Under Bulgarian environmental regulations, the mining projects are required to comply with an EIA process as a key part of project permitting. The content and depth of the EIA is compliant with the Bulgarian Environmental Protection Act. The Bulgarian environmental legislation is fully harmonised with EU regulations.

Velocity has received a drill permit for the initial 7,000 m of diamond drilling in and around Rozino. The permit is dated July 3, 2017 and covers the 1st year Work Program as defined in the prospecting licence agreement signed with the Minister of Energy on May 2, 2017.

AMS has not independently verified title to the property, nor has it verified the status of Velocity's Property agreements, but has relied on information supplied by the Company in this regard.

4.3 Option Agreement Terms

Pursuant to the terms of the Option Agreement, Velocity has acquired the exclusive option ("Option") to acquire a 70% indirect legal and beneficial interest in Tintyava Exploration EAD ("Tintyava Exploration"), which is currently a wholly-owned subsidiary of Gorubso, it being a condition of the Option Agreement that Gorubso shall initiate a procedure pursuant to the Natural Resources Act of Bulgaria and use its best efforts to effect the transfer of the Tintyava PL to Tintyava Exploration. The Option is exercisable through delivery of a preliminary economic assessment ("PEA"), within the meaning of NI 43-101. Until such time as the Option has been exercised (or abandoned), Velocity is responsible for funding 100% of its exploration expenditures on the Tintyava Property (including all costs and expenses necessary for the preparation and the delivery of the PEA) and for all costs necessary to maintain the Tintyava PL in good standing, including fulfilling all existing work expenditure commitments. Delivery of the PEA is the only obligation that Velocity is required to meet in order to exercise the Option.

Upon exercising the Option, Velocity and Gorubso shall be deemed to have formed a joint venture ("Joint Venture") for the purpose of developing the Tintyava Property. The initial participating interests of Velocity and Gorubso in the Joint Venture shall be 70% and 30% respectively. If Velocity decides to abandon the Tintyava Property after exercising the Option, then all of Velocity's interest in the Tintyava PL and Tintyava Exploration will revert back to Gorubso, subject to a 1% net smelter return ("NSR") in favour of Velocity. If Velocity decides to continue with development of the Tintyava Property, Gorubso will have the right to fund its 30% interest in the Joint Venture. If either Velocity or Gorubso does not contribute its portion of expenditures, then that party's interest in the Joint Venture will be diluted and if reduced to a percentage of 10% or less, will convert to a 1% NSR.

4.4 Environmental Liabilities

The Author is not aware, nor has it been made aware, of any environmental liability associated with the Project other than those applied under the Bulgarian Environmental Protection Act. Under these regulations, mining projects are required to comply with an EIA process as a key part of project permitting.

4.5 Cultural Heritage

A number of small archaeological sites are present within the Tintyava Property, although none of these sites is situated on or adjacent to the Rozino Deposit. The Ministry of Culture has consulted with the national database of potentially significant archaeological sites and has listed 33 sites located within the Tintyava Property. Velocity has elected to exclude small areas covering each site from the

Tintyava Property. Of the 33 sites identified 27 are defined by 100m^2 exclusion zones and the remaining 6 sites are defined by exclusion zones less than 200m^2 in area. The closest polygon to the Rozino Project is located at Tashlaka South and its exclusion from the Tintyava Property has no material effect on the Rozino Project (Figure 4.3).

It is possible that other sites will be discovered during the exploration activities, and these will be appropriately dealt with in full consultation with the authorities and their officers. During the recommended exploration program, the archaeological sites will be examined in more detail by qualified archaeologists and their exclusion reviewed.

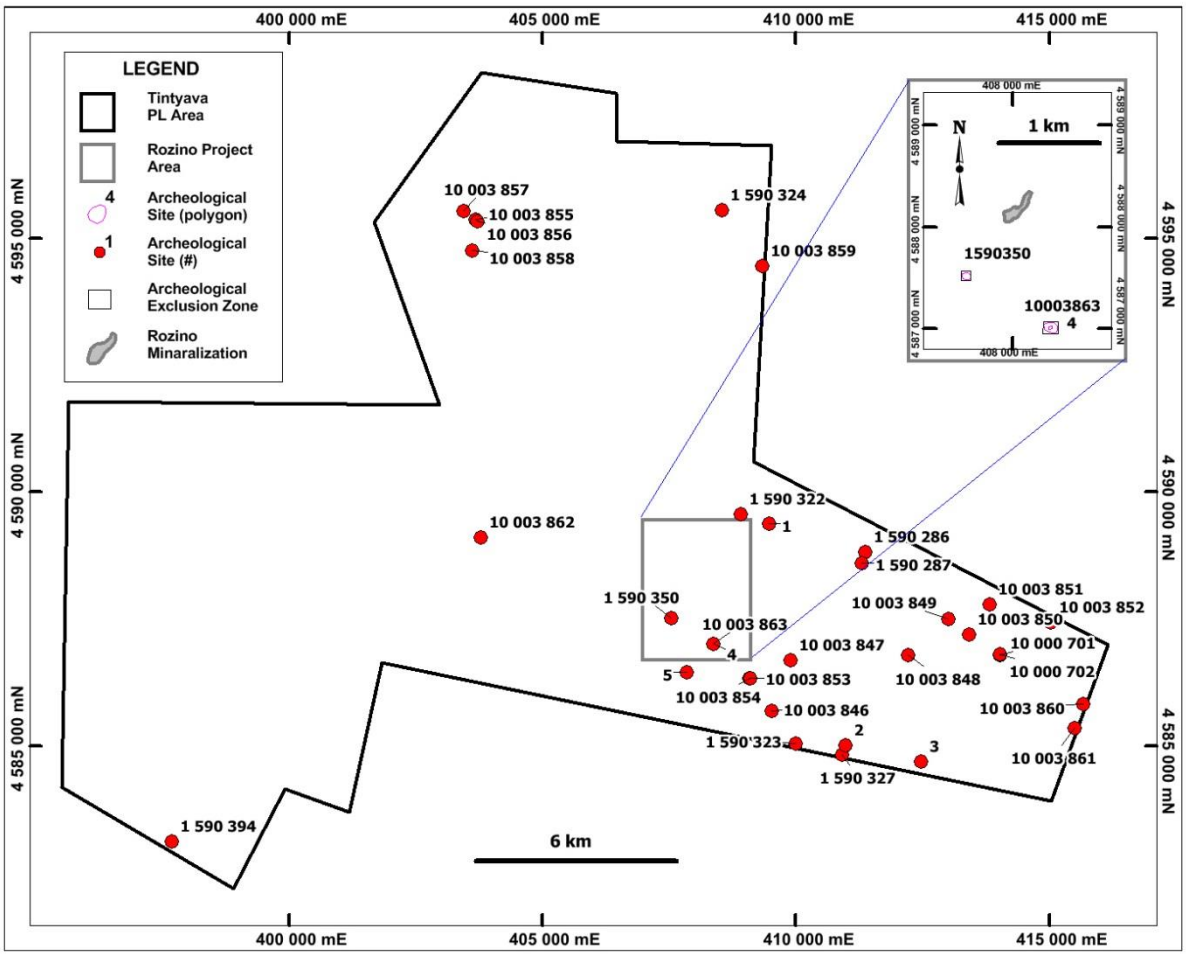

Figure 4.3: Location map of the Tintyava Property with archaeological sites and Rozino Project Area.

4.6 Exploration Permitting

Gorubso submitted a detailed 1st year work programme and 'holistic 3 year work programme' to the Ministry of Energy and the Ministry of the Environment on May 2, 2017. The Ministry of Environment has granted approval of the work programme (July 3, 2017) following review and this will entitle Velocity to break ground in accordance with the 1st year detailed work programme. Velocity has received an additional permit from the local municipality and forestry departments. An extensive

network of drill roads is already present and most of the 1st and 2nd phases of drilling will not require new drill road access.

4.7 Surface Rights

The Bulgarian state forestry currently controls the vast majority of the surface rights on the and on the Project with only a small proportion of the land controlled by residential owners. On receipt of a mining concession, a contract will be required to transfer the surface rights for the term of the concession. In Bulgaria, if no agreement can be reached with the existing incumbent of the surface rights, the matter may be passed to the respective authorities. The authorities may request that the Minister of Finance and the Minister of Regional Development and Public Works act in conjunction with the Regional Governor to enforce an agreement in pursuance of Chapter Three of the Law on State Property.

As far as AMS can ascertain, there are no known significant factors or risks that may affect access, title or the right or ability to perform work on the Property.

4.8 Royalties

The Project is 100% owned by Gorubso and therefore, only state royalties are applicable. Based on Bulgarian legislation royalties are negotiated based upon the projected profitability of the operation, in line with the mining plan submitted to the government. Royalties are generally between 0.5 and 2% NSR. The actual applicable royalty is determined at the time of granting of mining licence.

As guidance, the Author refers to the recently published NI43-101 feasibility study completed for the Ada Tepe deposit on behalf of Dundee Precious Metals whereby “The Company will pay a royalty to the Bulgarian government, at a variable royalty rate applied to the gross value of the gold and silver metals combined in the ore mined. The royalty rate depends on the profitability of the operation. At a pre-tax profit to sales ratio of 10% or less, the royalty rate will be 1.44% of the value of the metals. At a pre-tax profit to sales ratio of 50% or more, the royalty rate will be 4% of the value of the metals. At intermediate levels of profitability, the royalty rate will vary on a sliding scale between 1.44% and 4% in a linear fashion. At a gold price of $1,250/oz and a silver price of $23/oz, the royalty rate will be in the order of 2. 5% of the gross value of gold and silver metals contained in the ore produced from the mine.” (CSA, 2014).

The terms of the Option outline a potential 1% NSR payable to Velocity should Velocity abandon the Project after exercising the Option and payable to either Velocity or Gorubso in the event that either

party fail to fund their share under the terms of the Joint Venture and in that case if their interest falls below 10%. In all cases such NSR would be defined as a 1% NSR.

4.9 Other Factors and Risks

To the extent known, the Project is not affected by any other factors that would affect access, title, or the right or ability to perform work on the properties, which would be considered as abnormal to established exploration work practices in the local and regional setting.

The Project area is uninhabited and most of the surface rights are State held. Access to the area is guaranteed under the rights and obligations set out within the prospecting and exploration licence agreement dated May 2, 2017. Any specific ground breaking activity does require prior permission from the land owner, which in the case of the Rozino deposit is the Forestry Department and a market rate compensation is payable for any damage to the forestry assets.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

A number of international airlines with routes to Europe, the Middle East and Asia have scheduled flights daily from Sofia and international charter flights also operate from the city of Plovdiv, located 100km northwest of the Rozino Project. The Tintyava Property is accessible at all times of the year, by sealed roads and exploration teams operate from Ivaylovgrad, approximately 20km by paved road to the village of Rozino. The Rozino Project can be accessed year round by 4 wheel drive vehicle via a collection of existing forestry and historical drill roads (Figure 5.1).

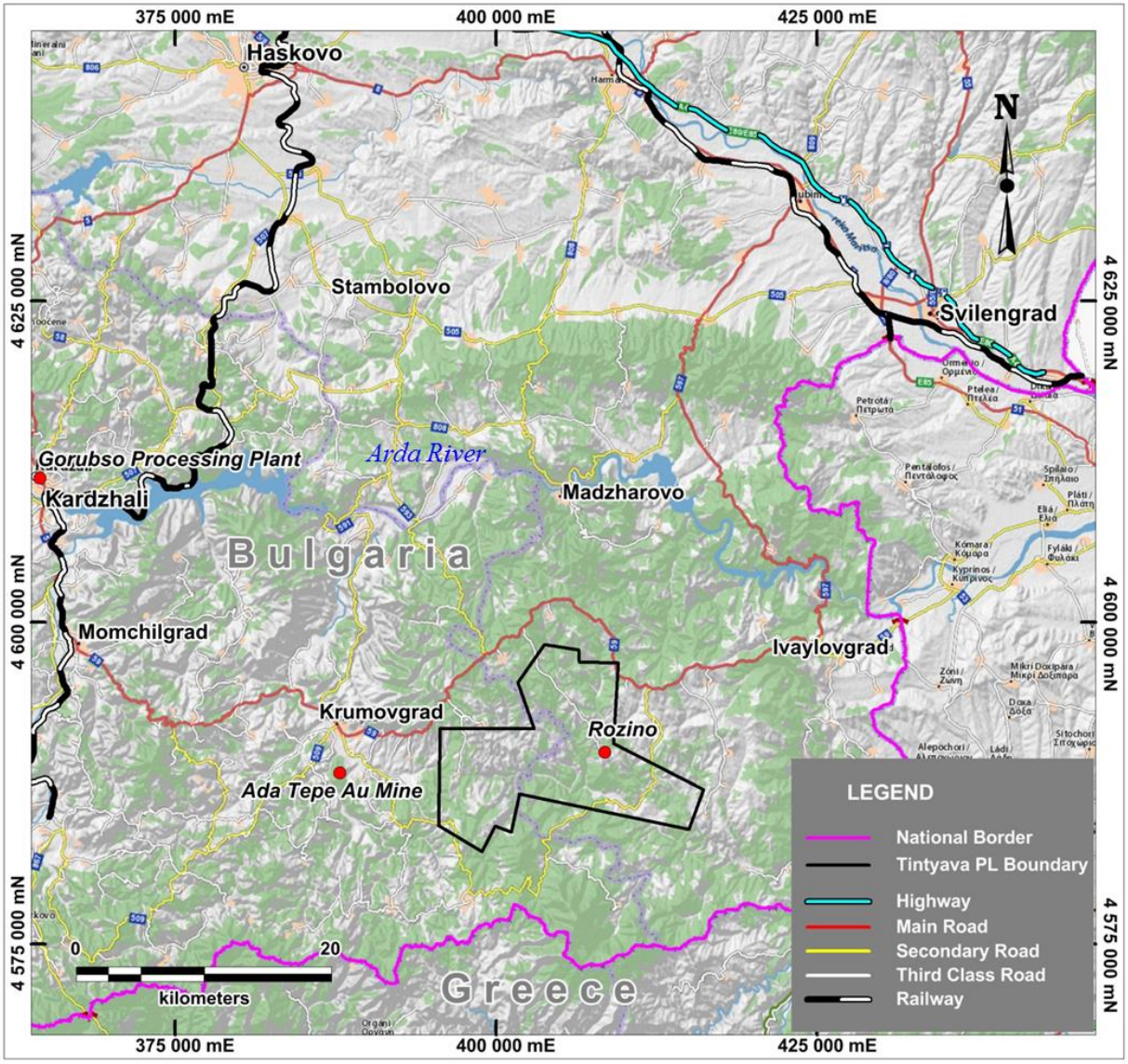

Figure 5.1: Location map of the Tintyava Property with associated supporting infrastructure.

5.2 Climate

The areas proximity to the Aegean Sea creates a transitional Mediterranean climate, with the region to the north of the Project merging into a transcontinental climatic regime. The average January temperature is 1-2°C and the average July temperature is 24°C. The average annual temperature is 12-13°C.

Prevailing winds are northwest, and the average annual rainfall varies widely from 800 to 1200 mm with a maximum rainfall occurring in the months of November and December, during which weather fronts can bring torrential rainfall of up to 100mm per day and snow cover is sporadic usually lasting only 5-10 days per year.

5.3 Local Resources

Small villages are dispersed widely throughout the licence area and the people are involved in subsistence farming, particularly livestock and the growing of tobacco on the poorly developed soils that are characteristic of the region. The other main land use within the licence area is state controlled forestry. Rozino village is largely deserted with only a handful of locals remaining, due to a lack of work and investment within the region. Depopulation is a significant problem throughout Bulgaria, but the rural villages in the south east are particularly hard hit.

The Arda River, which flows approximately 20km north of the Project, has more than 117 dams along its length with most being used in the regulation of irrigation systems, but a number of the larger dams provide hydroelectric power and the nearest high tension power line is less that 10km from the Rozino deposit. The capacity of the power line is currently unknown, and requires further investigation. Despite most of the villages in the area suffering from depopulation, electricity is currently provided in all villages and settlements in the region.

The population of Bulgaria is largely non-practicing Eastern Orthodox Christian (85%) with a Turkish Muslim minority predominantly residing in the southeast of the country. Towns such as Kardjali and Krumovgrad are mainly Turkic; however the Rozino – Ivaylovgrad region is predominantly Christian. Infrastructure in the area is good, with paved roads, power and water resources available within close proximity to the Project.

5.4 Physiography

The local terrain is characterised by low mountains and predominantly levelled hills, with the highest peak in the region being Kodzhaele at 1,267 m. The region is cut by step valleys with a local altitude ranging from 70 to 700 m, with an average of 320 m. The Rozino Project area is bounded to the south by steep cliffs at Tashlaka and is segmented by the White River and its tributaries. Throughout the

area river basins are dominated by fault controlled river valleys that converge upon the Arda River. Figure 5.2 shows a typical view from the licence area looking South-East.

Figure 5.2: View of terrain from licence area, taken from Tashlaka South Ridge looking South-East.

6 History

To date, Velocity has not completed any exploration on the Project, other than activities related to due diligence and site visits. All the results described in this report result from work completed by previous operators, a summary of which is provided here, and in further detail in sections 9 "Exploration" and 10 "Drilling".

6.1 Work Done

The Rozino Project was first explored in the 1980's by the Bulgarian state company Asenovgrad Geoengineering EAD ("Geoengineering") who carried out extensive mapping, surface trenching and drilling (table 6-1). A total of 86 vertical diamond drill holes for 14,289m were drilled and a resource based on the Russian classification system was produced together with preliminary metallurgical test-work. Metallurgical test work including flotation studies and cyanide recovery of gold was carried out by Geoengineering using methodologies developed within the former centrally planned CIS

(Commonwealth of Independent States), but results have not been verified and are not reported here. Geoengineering did not document drill sampling protocols.

Table 6.1: Summary of Historical Trenching and Drilling at the Rozino Project

Operator	Years	Trench (m)	Number of DDH	DDH (m)
Geoengineering	1981-1992	Not reported-	86	14,289
Hereward / Hereward JV's	2001-2003	2,967	40	5,262
Asia Gold (Hereward-Asia Gold JV)	2005-2006	1,123	15	2,733
Caracal (Hereward-Caracal JV)	2007-2009	-	-	-
Reported totals		4,090	141	22,284

Hereward Ventures Ltd (Hereward) began exploration in 2001 and initially conducted a twin-hole study of the Geoengineering drilling, the results of which suggest that the Bulgarian state gold assay results were significantly underestimated. Neither Velocity nor the Author has independently verified this interpretation.

In total, Hereward carried out 3 phases of exploration drilling between 2004 and 2007, mainly through the formation of various joint ventures ("JV").

Under the Bulgarian Subsurface Resources Act it is necessary to apply for a Commercial Discovery prior to the issuance of a mining and exploitation licence ("ML") and the regulations require detailed reporting of all exploration results carried out by the prospecting and exploration licence ("PL") holder. Hereward initiated their final JV with Caracal Gold LLC in 2008 and the JV subsidiary, Caracal Cambridge Bulgaria EAD ("Caracal") was tasked with the submission of a Commercial Discovery to the Bulgarian government. Caracal submitted a 12-volume report (the "Caracal Report") in 2009 (Andrew C, 2009) and the report is available as part of Geofond, located in Sofia. The report, and translated version have been reviewed by the Author, and is relied upon to establish a record of previous exploration works and results.

The Caracal Report summarised works completed in the PL by Hereward and the previous Hereward JV's in full:

- 1:2,000 scale geological mapping (8 km^2)
- Soil sampling (2,079 stations)
- Trenching, (clearing of existing state trenches and new trenches) for 3,978.3m
- Channel sampling from trenches (2,411 samples)
- 55 diamond drilling core holes for 7,409.45m
- Assay results of drill core (4,918 samples)
- 12.2 line km of ground magnetic surveying

- 1.5 line km of Induced Polarisation geophysical profiling

The Caracal Report includes the findings of a number of independent consultants who have given an opinion on the work carried out by Hereward / Caracal:

- Snowden Group (UK): Independent review and assessment of the Tashlaka gold resource, Bulgaria; for Asia Gold Corp.
- Lakefield (Johannesburg) Research Ltd.: Mineralogical / metallurgical study of 3 core holes R-225, 226 and 227.
- CSMA Consultants (UK) Ltd: Auditor's report on the Resource section of Caracal's Technical report.

The results of these various metallurgical and resource studies are reported below in sections 13 and 14.

6.2 Comment on Historical Work

Geoengineering believed that the target mineralization at the Rozino Project would be a flat-lying body at depth and so all of the drilling completed by Geoengineering was vertical.

Hereward understood from an early stage that mineralisation at the Project is in fact controlled by steep structure and all drilling was angled in order to maximise intersections. However the initial drilling and the main resource drilling is now believed to have been drilled in the wrong orientation; parallel to the current dominant NW striking steep control model and effectively giving similar coverage to Geoengineering's 1980's vertical drill programme.

Hereward conducted a number of in-house resource estimates which were reported under the JORC2004 code, but not all subsequent workers consider the resources to be consistent with JORC2004 standards. These historical resources were all based on potential surface extraction of mineralized material and are discussed in more detail below in section 14.

Asia Gold Corp. (previously Ivanhoe Balkan Mines, a related company to Ivanhoe Mines) in JV with Hereward, realised the mistake and their third and final drill programme used a northeast drill direction, the results of which support the model that mineralisation is steep and dominantly strikes northwest. Unfortunately Asia Gold concentrated most of their final drilling (9 DDH) on a satellite deposit to the Rozino Project (Tashlaka South) and only one northwest oriented drill hole (R-245) was drilled at the Rozino Project, returning 68m @ 3.15 g/t Au. Core from R-245 was oriented northeast and the mineralised intersection consisted of multiple veins, veinlets and disseminations trending northwest. These very positive results suggest that the mineralisation is open to the southeast and northwest. Based on the new model for mineralisation, interpretation indicates intercepts are approximately perpendicular to the strike and dip of mineralisation, however, exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data. Assuming steep

mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be approximately 43.5m.

When reporting to the Bulgarian Government, Caracal were faced with a difficult quandary as most of the angled drilling was parallel to the vein strike and resource variography confirmed this with the identification of two ranges of 80m and 35m oriented northwest and northeast respectively. Previous resource estimations carried out by Hereward overcame this difficulty by using omnidirectional interpolation. However Caracal chose to use the variography information resulting in a search ellipse focussed along the drill fences, but excluding adjacent drill fences that were outside of the 35m range (50m). This resulted in a resource block model that is severely restricted by data with blocks developed along drill fences giving the appearance of narrow, steep, northwest trending veins. However drill hole R-245 confirms that mineralisation exists between the drill fences and the potential for more wide intersects at high grades between the existing drill fences is very good.

The Caracal prospecting licence was due for expiry unless Caracal reported a Commercial Discovery to the government, and as a consequence of the flawed resource estimate the company was forced to report based on an underground mine design, exploiting narrow vein mineralisation. As a consequence of higher mining costs, the resulting underground resource used a 1.2 g/t Au cut-off; severely limiting the size of the deposit. The Bulgarian government were unhappy with Caracal's report and asked them to re-submit a low grade bulk mineable variation as a Commercial Discovery. Four years later (2013), the state cancelled the prospecting licence as Caracal had not re-submitted the Commercial Discovery report and had refused to continue exploring within the licence area. The prospecting licence was returned to open exploration ground as a Commercial Discovery had not been lodged with the government.

In the planned exploration programs for the Rozino Deposit, Velocity will ignore Caracal's potential underground resource and focus on resource drilling to produce a potentially surface-extractable resource. The drill program, will follow-up on the concept-proving drill hole R-245, aiming to intersect northwest-trending mineralisation within the defined body of mineralisation and along strike to the northwest and southeast. The program will also follow-up on positive trench results, almost all of which remain untested at depth. These interpretations and concepts held by the issuer and supported by the Authors observations are further expanded upon below.

7 Geological Setting and Mineralisation

7.1 Regional Geology

The eastern part of the Balkan Peninsula, except for the Moesian Platform, belongs to the Alpine-Himalayan Tectonic Belt. Bulgaria forms part of the Balkan Peninsula that is composed of a number of identifiable characteristic mineral belts (metallotects), termed the West Tethyan and overprinted by the Alpine – Himalayan Tectonic Belt (Figure 7.1). The West Tethyan can be broadly divided into two metallotects; the Upper Cretaceous Belt and the Eocene – Oligocene Belt.

The Upper Cretaceous Metallotect is dominated by subduction related calc-alkaline volcanic arc associated mineralisation and is host to intrusion related Porphyry copper-gold deposits such as **Majdanpec** in Serbia containing a pre-mining resource of approximately 1000Mt @ 0.6% Cu & 0.35 g/t Au (Armstrong *et al*, 2005) and **Assarel** in Bulgaria with a pre-mining resource of approximately 354Mt @ 0.44% Cu & 0.2 g/t Au (Strashimirov *et al*, 2002), and intrusion related High Sulphidation Epithermal (HSE) deposits such as **Bor**, Serbia (800Mt @ 0.84% Cu & 0.39 g/t Au) and **Chelopech**, Bulgaria containing approximate resources quoted in 2005 of 42Mt @ 1.28% Cu & 3.40 g/t Au (Moritz, 2005).

The Author has been unable to verify the above resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

The Eocene – Oligocene Metallotect is dominated by a failed rift and post collisional sub-alkalic volcanic associated mineralisation and is host to intrusion-related Porphyry Au and Porphyry Cu – Au deposits such as **Kisladag**, Turkey (908Mt @ 0.52 g/t Au) & **Skouries**, Greece (459Mt @ 0.4% Cu, 0.48 g/t Au), intrusion related Carbonate Replacement deposits, e.g. **Olympias**, Greece (5.42Moz Au equiv. @ 8.84g/t) and LSE deposits such as **Perama Hill**, Greece (21.2Mt @ 2.84 g/t Au), **Efemcukuru**, Turkey (11Mt @ 6.78 g/t Au), **Ada Tepe**, Bulgaria (6.5Mt @ 3.92 g/t Au) and **Chala**, Bulgaria (1.5Mt @ 9.83 g/t Au) (Figure 7.1).

The Author has been unable to verify the above resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Figure 7.1: West Tethyan metallogenic belt with significant mineral deposits

The Eastern Rhodope mineralisation district of south eastern Bulgaria lies within an Eocene-Oligocene continental magmatic belt that extends *c.* 500 km from Serbia and Macedonia to NW Turkey (Figure 7.2). The magmatic belt resulted from post-Palaeocene-Eocene extension that followed Upper Cretaceous collision of the Serbo - Macedonian and Rhodope Massifs with the Pelagonian microplate (Ricou, 1994). The eastern part of this belt is occupied by the Rhodope Massif, which is comprised of Precambrian to Mesozoic metamorphic rocks. Palaeogene magmatic rocks consist of calc-alkaline to shoshonitic intermediate, acid and subordinate basic volcanic rocks and their intrusive equivalents that show a distinct south to north enrichment in Potassium Oxide (K_2O) with minor alkali basalts in the south eastern part of the Eastern Rhodopes (Marchev, 2002). The Palaeogene magmatism was accompanied by the formation of small Cu-Mo porphyry deposits and abundant epithermal deposits which form the Rhodope metallogenic province (Mutafchiev, 2005).

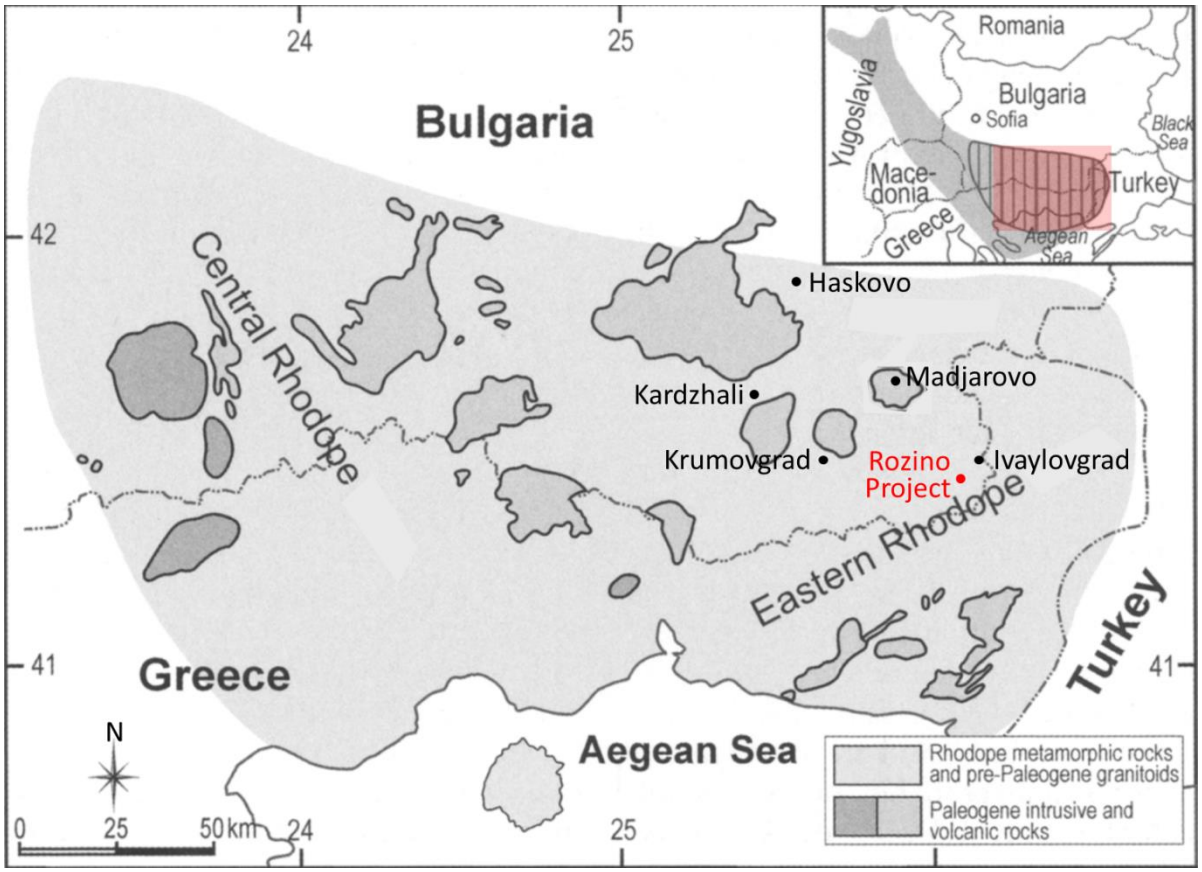

Figure 7.2: Location of Eocene volcanic complexes within the Palaeogene intrusive and volcanic belt, Rhodope Mountains. Inset shows the Palaeogene Macedonian-Rhodope-North-Aegean Volcanic Belt (Marchev, 2002).

The metamorphic rocks of the Rhodope basement are composed of interlocking metamorphic core complexes, such as the Kessebir and Biala Reka domes that are made up of two major tectonostratigraphic complexes, recognised on the basis of the composition and tectonic setting of the metamorphic rocks: a gneiss-migmatite complex and a variegated complex.

The structurally lower gneiss-migmatite complex crops out in the core of the Kessebir metamorphic dome is dominated by igneous protoliths including metagranites, migmatites and migmatised gneisses overlain by a series of pelitic gneisses, and rare amphibolites formed from Variscan or older continental basement. The overlaying variegated complex consists of a heterogeneous assemblage of pelitic schists, para- gneisses, amphibolites, marbles and ophiolite bodies with metamorphosed ophiolitic peridotites and amphibolitised eclogites intruded by gabbros, gabbronorites, plagiogranites and diorites. U–Pb zircon dating of a gabbro from the Biala Reka dome yields a Late Neoproterozoic age of 572 ± 5 Ma for the core and the outer zone records a Hercynian metamorphic event at ~300–350 Ma.

Volumetrically minor plutonic bodies are intruded into the variegated complex and are presumed to be Upper Cretaceous in age as they contain a weak to moderate foliation (Marchev et al, 2004). The granitoids that are present at Rozino, Beli Dol, Lensko, Vis and Vetrushka (Figure 7.5, page 49) are compositionally different from the dominant sub-alkalic volcanics in the rest of the region, being composed of 2 micas with elevated K and Na. Isotopic studies suggest the granitoids are as a result of mantle differentiation with minor basement assimilation. At Rozino the granitoid is aplitic, intensely argillised and auriferous and may well be directly related to the Rozino gold deposit.

Lava flows and domes of the ~35Ma andesites of the Iran Tepe volcano are exposed northeast of Krumovgrad (Figure 7.3). This magmatic activity was followed by scarce dykes of latitic to rhyolitic composition in the northern part of the Kessebir dome, dated at 31.82 ± 0.20 Ma and finally by 26 - 28 Ma old intra-plate basaltic magmatism in the southern part of the dome (Marchev et al, 2004). Adularia alteration at Rozino has been dated at 36.0 – 36.5Ma suggesting an older age for mineralisation than the rhyolitic magmatism. Marchev et al, 2004 use the isotopic age dating as evidence of an intimate association of Au mineralisation to the metamorphic core-complex formation rather than to the igneous activity.

The rocks of the variegated complex are locally overlain by the Maastrichtian to Paleocene age syn-detachment Shavarovo Formation, which is in turn overlain by Upper Eocene– Lower Oligocene coal-bearing-sandstone, syn-tectonic breccia conglomerates and marl-limestone formations.

Previous workers have described the Shavarova Formation in detail at the Ada Tepe gold deposit, where it hosts mineralisation. Ada Tepe is located at the north-eastern closure of the Kessebir metamorphic core complex (Figure 7.3) and the Shavarovo consist of poorly consolidated sedimentary breccias containing metamorphic blocks, conglomerates, sandstones, marls and argillaceous limestones that unconformably overly the Variegated complex. Workers have described the contact at Ada Tepe as a regionally developed low-angle normal fault, named the Tockachka Detachment Fault (“TDF”) (Bonev, 2005) that dips 10–15° to the north - northeast. The TDF has been traced southwest for more than 40 km from Krumovgrad to the Bulgarian - Greek frontier.

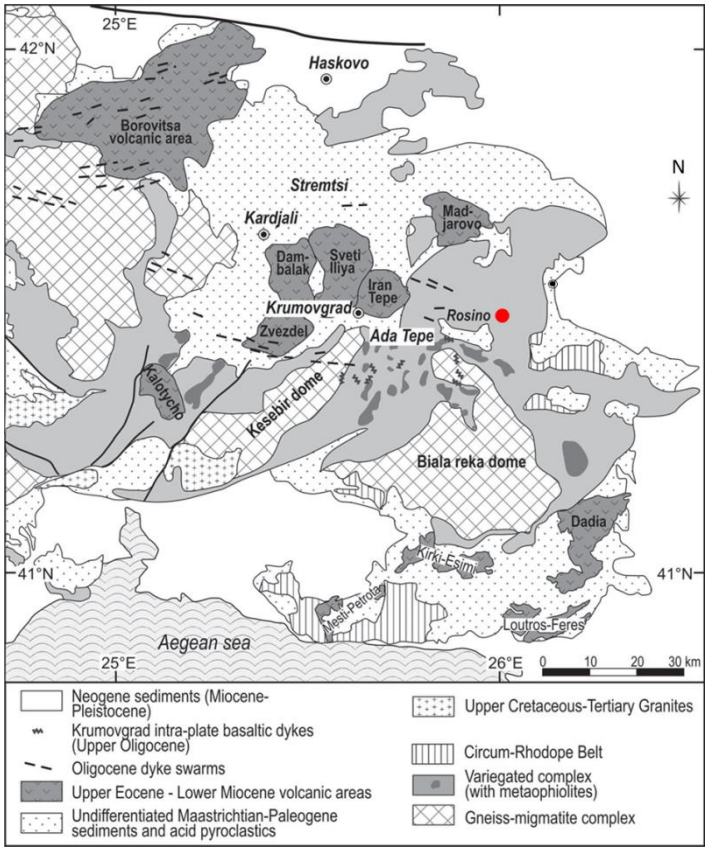

Figure 7.3: Schematic geological map of the Eastern Rhodope showing metamorphic dome structures, major volcanic areas and dyke swarms (Marchev, 2004)

7.2 Project Geology and Mineralisation

At the project a thrust within the basement complex is located to the north and west of the deposit; however the Palaeogene basal breccia – conglomerate appears to truncate the thrust / discontinuity and the sedimentation is clearly controlled by a localised pull-apart basins (Figure 7.5).

The Palaeogene syn-tectonic sediments form a string of discrete sedimentary basins (highlighted yellow in Figure 7.5) that are controlled by northeast trending extensional faults (green line in Figure 7.5) acting in sympathy to a major west – northwest trending dextral strike slip fault. The sinistral pair to this major shear zone trends north – northeast and is located 7km west of the Rozino deposit. Palaeogene rhyolite dykes are subparallel to these major shear zones and similar aged sub-volcanic rhyolite bodies in the north of the Tintyava Property (Figure 7.5) strongly suggest that igneous activity and basin development are penecontemporaneous. The granitoids at the Rozino Project have previously been described as Cretaceous in age, despite the fact that they are altered, gold-bearing and adjacent to the mineralised Palaeogene sediments. It is possible that the Rozino granitoid is in fact Palaeogene in age and related to the dykes and subvolcanic stocks seen elsewhere in the Tintyava Property.

There are 2 significant mineral occurrences present within the Tintyava Property and both are located within the Rozino Project are defined by the detailed geological map shown in figure 9.1. The Rozino Project area covers more than 5km^2 and contains the LSE Rozino deposit and the Tashlaka South high-level hot springs type antimony – arsenic mineral occurrence.

The Rozino Deposit area covers approximately 1km^2 and is located at the summit of Tashlaka. Whereas the Tashlaka South occurrence is located in the southwest corner of the Rozino Project area and constitutes a NW trending mineralisation 200m wide and 600m long.

Detailed vein orientations and interpretation of ground magnetic data suggest a dominant northwest fabric at the Project, which is perpendicular to the northeast extensional faults that control the pull-apart basins. Andersonian regional kinematics dictated by the major shear pairs, predicts regional extensional faults (δ1) with a northwest trend perpendicular to the pull-apart extensional faults. Field observations by the Author support a steep northwest orientation to local structural components and fabrics and potential control on mineralisation.

The Rozino deposit is a typical Low Sulphidation Epithermal ("LSE") gold deposit hosted within Palaeogene sediments as disseminations, replacement and vein mineralisation. The ore mineralogy of the Rozino deposit is simple, consisting mainly of pyrite with traces of base metals and arsenopyrite, with gold present mainly at sulphide mineral boundaries and to a lesser degree as free grains or encapsulated inclusions. Gangue minerals consist of silica, iron carbonates (mainly ankerite) and adularia. Alteration is characterised by a quartz + carbonate + chlorite + adularia + pyrite assemblage.

Previous workers and academic research has suggested an intimate association of gold mineralization to the metamorphic core-complex formation rather than to the local magmatism. The main line of evidence comes from age dating of adularia from the Rozino and Ada Tepe deposits (Marchev, 2003), which is 3Ma older than the nearest rhyolitic magmatic activity and 3Ma younger than the closing temperatures of the nearby metamorphic core complex. However, the field relations evidenced by trenching and drilling at the Project suggest a close link between rhyolitic magmatism and gold mineralisation. A largely magmatic fluid source and genesis for ore formation being a commonly accepted model for the wider region.

Trench and outcrop samples 1km north of the Rozino deposit are composed of rhyolitic intrusive, rhyolitic breccias and quartz eye rhyolite that have been extensively altered (quartz – kaolinite – iron oxides). The rhyolites are hosted within metamorphic basement and appear to have been steeply emplaced within north-west trending structure. The alteration has a strong supergene clay overprinting the acid sulphate alteration and contains low level gold anomalism. Previous workers have described these rhyolitic rocks as Cretaceous 'Rozino Granite'.

Surface mapping has recorded a number of vein orientations with the dominant trend being 120-150°, dipping at steep angles to the northeast. Vein outcrops in the main deposit are rare, with the majority of surface vein outcrop to the east and west of the main deposit. Silicified ribs are the most striking geological feature at surface (Figure 7.4) although they rarely contain significant gold, as noted at Tashlaka South. Silicified ribs immediately south of the main deposit trend northeast and east-west but rarely contain appreciable quantities of gold.

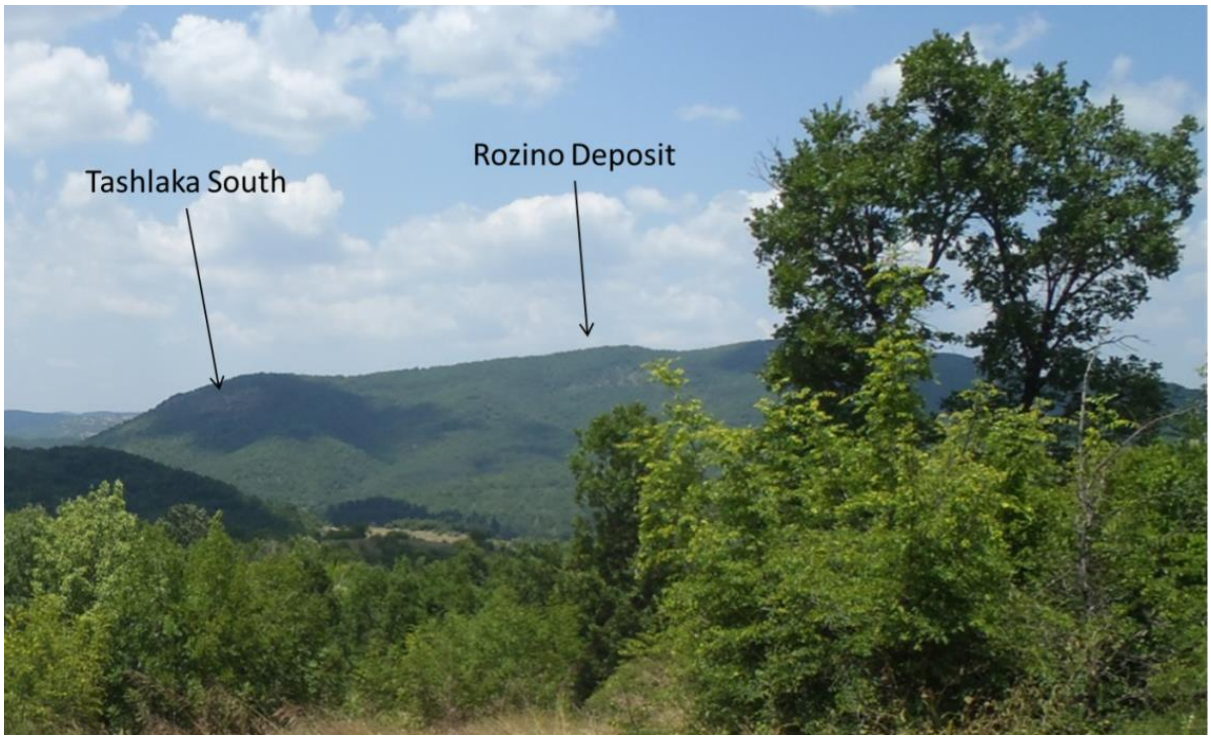

Figure 7.4: Dense oak bush terrain at the Rozino Project viewing north from Gugutka Village. Note steep cliffs of silicification at the Tashlaka South and the lack of outcrop at the main Rozino Deposit

Drilling intersected Rozino Granite in contact with ore-grade Palaeogene sediments. This 'Rozino Granite' is altered and anomalous in gold. Previous workers have invoked 3 different discrete mineralising events associated with sequential juxtapositioning of the altered intrusive by faulting against the mineralised Palaeogene sediments. A rhyolite intruded into Palaeogene sediment synchronous with gold mineralisation is a much simpler mineralising model.

A reliance on the detachment fault model has influenced the way in which the Rozino Project has been explored. Government funded exploration relied on vertical drilling to test a shallow dipping body situated at the detachment fault. Later exploration recognised the importance of vertical control on gold mineralisation, but tested structures related to the development of the Palaeogene basin, invoking gold transport from the detachment fault up steep, northeast trending listric faults. A new model recognises that mineralisation affects both the Rozino granitoid and the Palaeogene sediments

and that the steep vein gold mineralisation is controlled by northwest trending regional extensional faults, as opposed to northeast trending pull-apart extensional faulting.

Field observations and measurements by the Author, along with desk study project data review and interpretation lends support to the steep northwest control to mineralisation model. The steep northwest faults are geometrically predicted to be extensional and the drilling supports a block faulting interpretation.

The Palaeogene sedimentary basins within the Tintyava Property are discrete and arranged parallel to a major west-northwest trending dextral strike-slip fault and their geometries clearly show that they are developed as pull-apart basins related to the dextral fault (figure 7.5). The mineralisation at the Project is characterised by LSE disseminations, veins and veinlets that clearly post-date the sediments. The dominant mineral trend is northwest which is parallel to the regional extensional fault regime as opposed to the 2nd order, northeast striking pull-apart extensional faults that generated in sympathy to the regional strike slip fault.

The Rozino granite is present within the area as steep rhyolite dykes / aplites and small megacrystic granitoid bodies. The Rozino granite has not been age dated but granites located north of Rozino have been assigned a Cretaceous age. At the Project the rhyolite dykes are highly altered, contain gold and appear to be intimately associated with the deposit, suggesting a Palaeogene age.

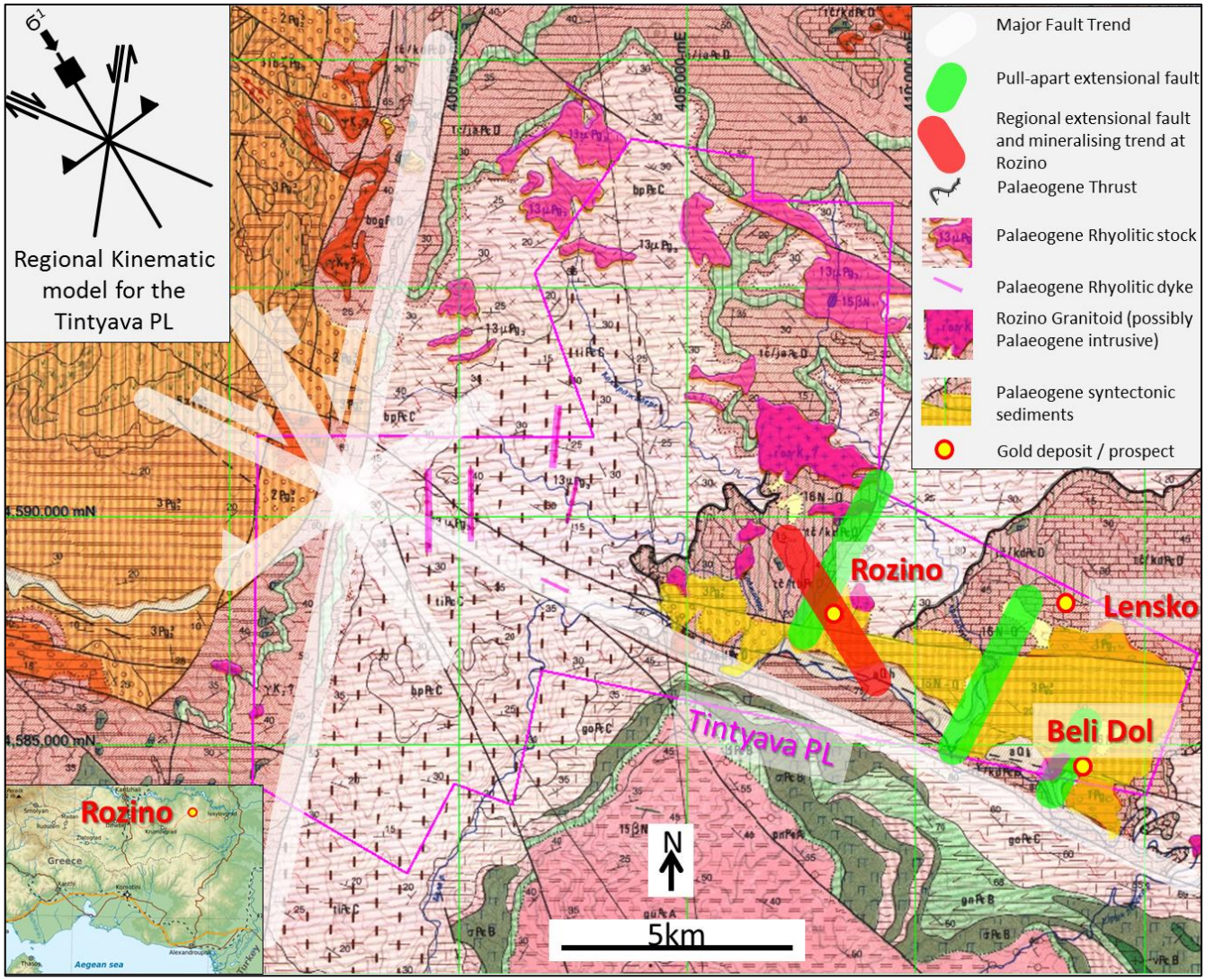

Figure 7.5: Annotated 1:100,000 scale geological map for the Tintyava Property (After Goranov, 1995)

8 Deposit Types

The mineralisation at the Rozino Project is a sediment-hosted, LSE disseminated and vein-type gold deposit. The style of mineralisation is part of a hybrid system and is a variant of the reducing Intrusive-Related Gold System ("IRGS") (Lang, 2001) and the oxidising Porphyry Copper – Gold related system (Sillitoe, 1979). The Eastern Rhodope region is dominated by A-type, subalkalic intrusions of intermediate to felsic compositions that have a relatively low sulphide mineral content, with a reduced ore mineral assemblage and is more akin to the RIRGS system (Hart, 2005) (Figure 8.1).

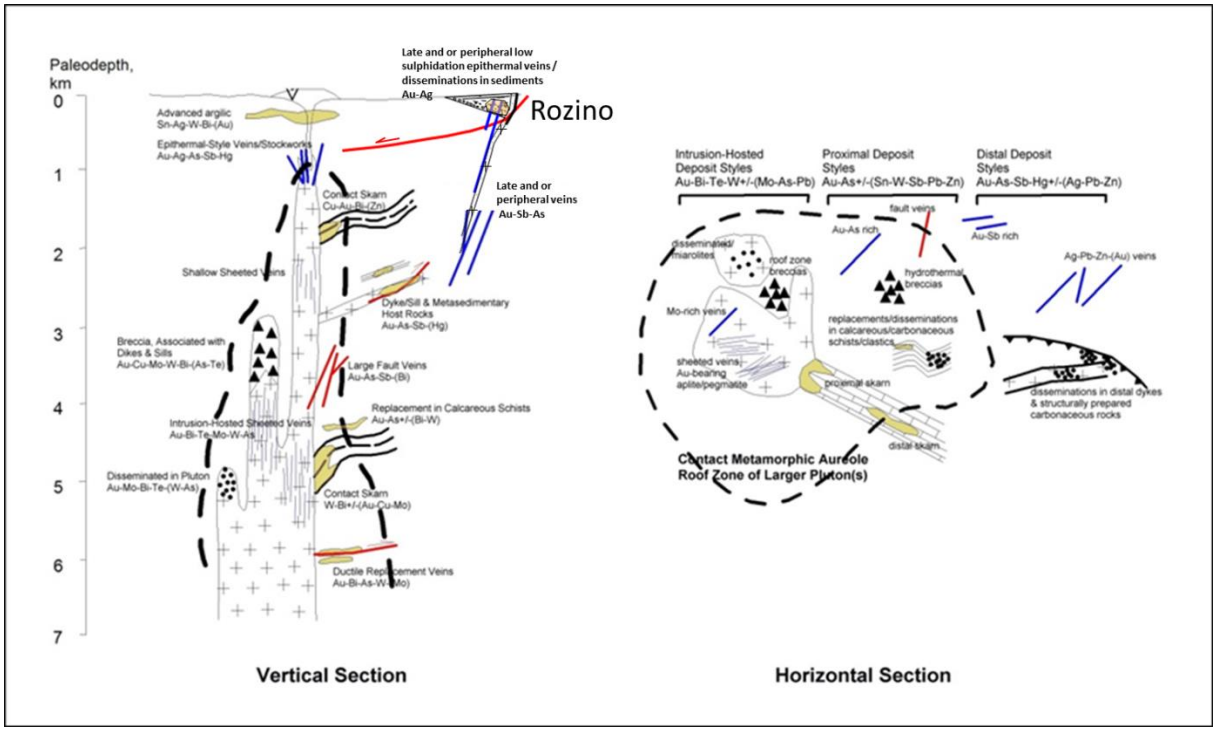

Figure 8.1: Schematic geological-exploration model for a reducing Intrusive-Related Gold Systems (IRGS) (modified from Lang, 2001)

Within the Eastern Rhodopes the mineralising system is represented by Porphyry molybdenum occurrences, e.g Kassiteres, Greece, that are zoned outward from proximal lead-zinc replacement and vein deposits, e.g. Madjarovo, through distal Intermediate Sulphidation gold–base metal deposits, e.g. Chala, further outwards towards epithermal Low Sulphidation vein and disseminated gold-(+/-silver) deposits, for example Ada Tepe and the Rozino Project.

At Kassiteres in Greece a sub-economic porphyry molybdenum–gold stockwork, mineralisation is located apically to the Sappes epithermal gold deposit although a direct genetic relationship has not been proven the spatial similarities to other epithermal deposits as Svezdal and Madjarovo indicate linkage between the porphyry and epithermal environments (Mutafchiev, 2005).

The Madjarovo lead – zinc ore field was exploited by the state owned Maden mining company up to 1995 and is reported to have produced 95 Mt of ore @ 2.54% Pb and 2.10% Zn (Mutafchiev, 2005). A small gold resource was subsequently defined adjacent to the lead zinc lodes of 1Mt @ 1.97 g/t Au (Mutafchiev, 2005). The epithermal veins are distributed radially and concentrically upon the Madjarovo volcanic centre which is host to an uneconomic porphyry molybdenum-gold intrusion.

The Chala intermediate Sulphidation epithermal gold deposit (1.46Mt @ 10.5 g/t Au) is situated north east of the sub-economic Chuka porphyry molybdenum-gold-copper occurrence. The Chala veins are distal to a gold bearing quartz sericite alteration situated > 500m due east of the Chuka intrusion (Mutafchiev, 2005).

The Author has been unable to verify the above resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Initial workers used a Metamorphic Core Complex System as the basis for exploration, whereby metals are stripped from basement by metasomatic fluids and channelled along detachment faults that steepen towards the surface. The model explains in part the focus of gold mineralisation at the contact between basement and Palaeogene sediments. However the vertical scale of detachment fault systems is measured in terms of kilometres, whereas the Rozino which represents low-sulphidation epithermal type mineralisation is likely deposited within 200m from the palaeosurface. Adherence to this model led Geoengineering to target sub-horizontal lodes at the basement contact, despite the fact that the best mineralisation has been intercepted well above the basement.

A modified detachment fault model was developed during exploration of the Ada Tepe gold deposit, located 20km west of Rozino. The style of mineralisation and host rocks at the Rozino Project are very similar and Hereward modified the Ada Tepe model, invoking transport of metals away from intrusive centres along low angled faults where they interact with small Palaeogene sedimentary basins. The basins were interpreted to be seated upon a regional detachment fault in the basement. This model requires the extensional basin bounding faults to control both syn-tectonic sedimentation and mineralisation and this resulted in the drilling of northeast striking steep structures at the Project, despite the fact that the dominant veins strike northwest.

Future exploration will focus on the dominant northwest trend of veins within the Palaeogene sediments. The veins appear to be controlled by steep structures that presumably extend into the basement and yet no significant mineralisation has been detected within the basement rocks to-date. The LSE hydrothermal fluids were confined within the tight basement and these non-reactive fluid

pathways would be difficult to detect by drilling. Upon reaching the basal unconformity the fluids would de-pressurise and throttled boiling is the likely mechanism for gold deposition. The poorly consolidated breccia conglomerate sediments are also likely to have been wet, further neutralising the hydrothermal fluid, creating disseminated gold haloes peripheral to the boiling zones. Where hydrothermal pathways intersect coarse sandstones stockwork quartz carbonate veins are developed at the expense of disseminated mineralisation (Figure 8.2).

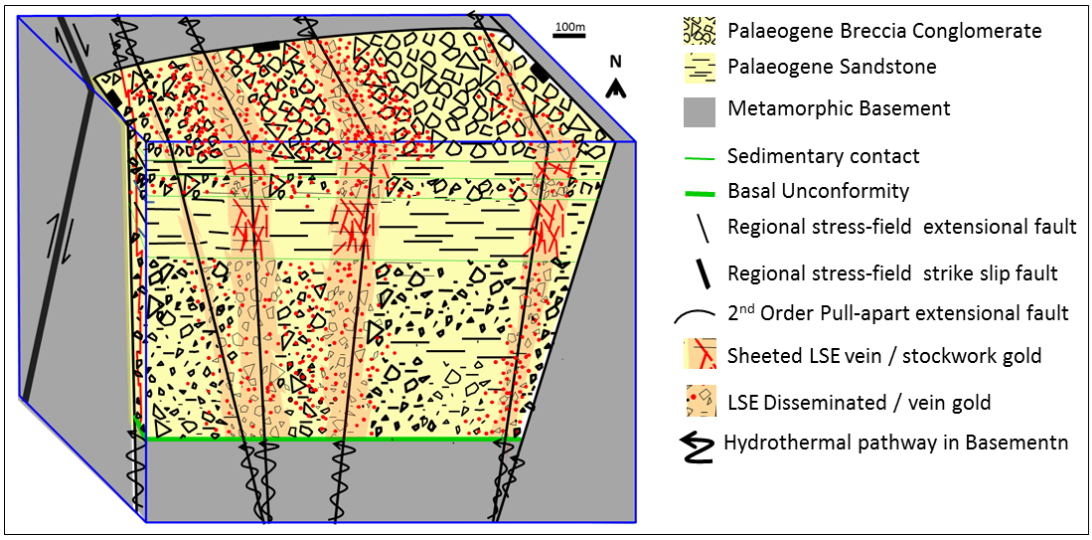

Figure 8.2: Schematic model for the Rozino Project sediment hosted LSE Deposit, Bulgaria

9 Exploration

Velocity the issuer to whom this report is addressed, only recently acquired the Property in July 2017 and to date has not completed any exploration activities on the Project, other than activities related to due diligence and site visits. The exploration completed, methodologies applied and results described in this report are from work completed by previous operators.

9.1 Procedure, Sampling Methods and Quality

The Author has been unable to review at first hand the exploration procedures, sampling methods and quality control undertaken by previous explorers and is reliant upon information contained within the Caracal report (Andrew, C., 2009), news releases to the market during the 2001-2006 period that Hereward and Asia Gold were operating the project (Asia Gold Press Release, 2006a; Asia Gold Press Release, 2006b), and discussions with previous workers.

The main stages of exploration can be subdivided into three phases that have different sample protocols.

- Phase I – 1981 to 1992: Geoengineering
- Phase II – 2001 to2005: Hereward
- Phase III – 2005 – 2006: Asia Gold

Phase I state exploration was carried out by Geoengineering and adhered to the strict regulations formulated by the centralised CIS regulations as set out by the former Soviet Union. Sampling protocols are unreported.

The Phase II Hereward exploration programmes were carried out using international best practice methodologies and their sampling protocols were subject to audit by their JV partners, Goldfields, Ivanhoe Mines and Asia Gold. Sampling protocols were not reported to the Bulgarian government in the Caracal Report (Andrew, C., 2009), but statements on sampling and analytical procedures were given in press releases by Hereward's parent company Cambridge Minerals and by Asia Gold.

Phase II exploration core sampling procedures have been reported in the Asia Gold News Release (Asia Gold Press Release 2006a), stating that drilling was by triple tube with core recoveries of almost 100%, even in broken ground. All drill core was photographed before and after detailed logging, and lithology, hydrothermal alterations, vein and veinlets, tectonic structures, visible sulphide present and other minerals (quartz, carbonates etc.) put in Excel spreadsheet based graphic logs. The drill core was orientated in the core boxes and marked perpendicularly to the dip before cutting. Half-core samples were taken from the whole intervals, put in tightly sealed bags, tagged and then transported by company staff to the Eurotest AD laboratories in Sofia. Samples were divided into batches of 20

samples each containing 17 drill core samples and three control samples (blank, standard and duplicate). A chain of custody was maintained at all times, with records taken during sampling, sample dispatch, laboratory arrival and laboratory storage prior to preparation. All results were reported in digital and hard copy with the appropriate certification of an ISO 9001 accredited laboratory.

Phase III exploration was carried out under the supervision of Asia gold following an audit by Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person, who identified a lack of independent Controlled Reference Materials (CRM) used as standards as part of Hereward's Phase II Quality Assurance and Quality Control "QAQC" procedures, and stated that "The analytical data from Hereward's drilling can be used for preliminary resource estimates as the main analytical laboratory used industry accepted analytical procedures and quality control methods". Asia Gold included drill core orientation during this last phase of exploration and the same strict adherence to core sampling protocols were maintained. Samples were prepared and analysed by ACME Analytical Laboratories in Vancouver, Canada, an ISO 9001 certified laboratory. Asia Gold carried out an internal QAQC programme that was independent from ACME by inserting blind standards, blanks and duplicate samples into all batches of 20 samples for analysis (Asia Gold Press Release, 2006b).

AMS are satisfied with the quality of data collection and QAQC procedures for the purpose of this technical report as they are not at this stage being relied upon for precision of gold content or to quantify gold content in any compliant mineral modelling and resource estimation work. The reliability of results is considered satisfactory for the disclosure of exploration results, definition of gold anomalism and of exploration targets.

9.2 Exploration results and Interpretation

9.2.1 Geological Mapping

Bulgarian state mapping programmes for the Eastern Rhodopes were initiated in 1951 and the last generation of 1:100,000 scale geological mapping of the Tintyava Property was published in 1995 by Goranov *et al*. A series of 1:25,000 scale geological maps were produced between 1952 and 1968 as part of a number of CIS inspired systematic exploration programmes.

Following the collapse of the former Soviet Union in 1991 the Bulgarian state carried out 1:25.000 scale geological mapping (Sarov et al., 1994 & Yordanov et al., 1995) and a programme of state funded 'metallogenic-forecasting' within the Eastern Rhodopes including mapping at scales of 1:10,000 and 1: 5,000 was completed in 1994.

Numerous stages of geological mapping were undertaken during Caracal's reporting period culminating in a detailed 1:2,000 scale geological map of the Rozino Project area. Velocity has field checked the mapping and the standard of work is considered to be very high (Figure 9.1).

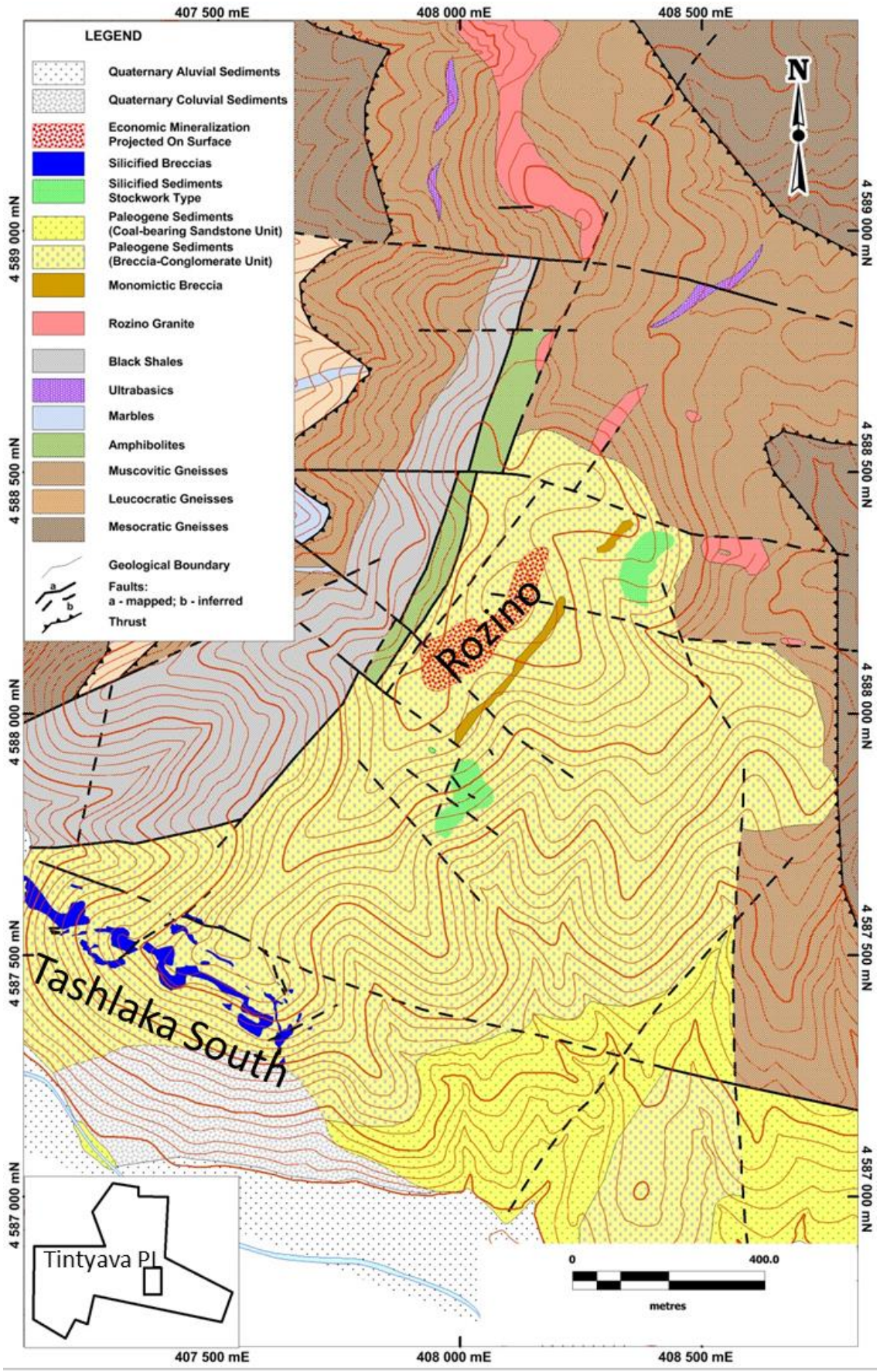

Figure 9.1: Detailed geological map of the Rozino Project Area (Andrew C, 2009)

9.2.2 Soil Sampling

The CIS prescribed State geological mapping at a scale of 1:25,000 required Au in soil sampling on a north – south oriented 250m x 50m grid. The results of the State sampling programme were not reported by Caracal; however a total of 2,079 soil samples were taken by Hereward within their. Only the results of the detailed soil sampling in the vicinity of the Rozino Project were reported to the Bulgarian government by Caracal. Detailed soil sampling covered an area of 1.5km^2 over the main Rozino deposit and the adjacent Tashlaka South prospect. Sampling was carried out on a 50 x 20m grid with a long axis oriented 145°. Analysis of soils was carried out by ACME Labs. – Vancouver using a 36 element ICP-MS determination.

Gold anomalies have an associated pathfinder suite of Ag, Sb, As, Ba, Hg and Tl with 2 specific groupings of Au+Ag and Ba+As+Sb+Hg+Tl±Au. Figure 9.2 shows the distribution of anomalies across the detailed survey area.

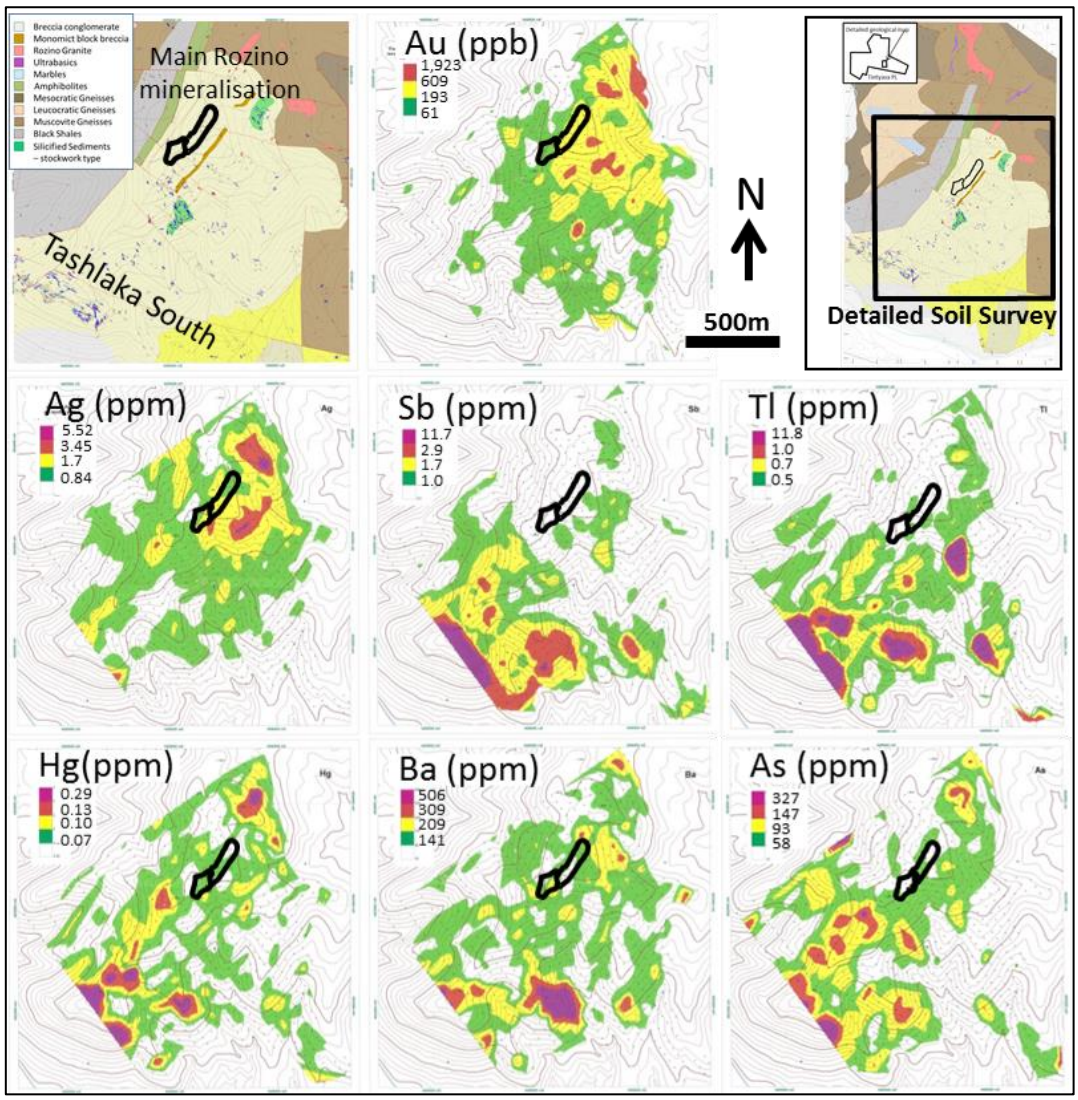

Figure 9.2: Soil anomaly maps for the detailed sampling programme at the Rozino Project (Andrew C, 2009). "Main Rozino mineralisation" outline represents a historic grade shell at basal contact and northeast arm of economic mineralisation above basal contact (projected to surface).

9.2.3 Trenching and Trench Sampling

During the period 2001-2006, Hereward and Asia Gold completed 72 trenches at Rozino for 4,090m, taking 2,411 channel samples. Trenching included the re-opening of previous state trenches and new trenches. The results identify a number of significant mineralised zones that have not been adequately drill tested and the highlights are given in Table 9.1 and Figure 9.3.

At Rozino, due to the limited amount of available data and variable orientation of trenches following irregular forest tracks and clearings, true thicknesses are at present difficult to ascertain.

Table 9.1: Highlights of 2001 to 2006 trench sampling results from the Rozino Project (Andrew C, 2009)

Trench	From	To	Interval	Including
K59	1.00	18.00	17m@3.39 g/t Au,4.53 g/t Ag	9m@5.62 g/t Au, 6.56 g/t Ag 3m@1.26 g/t Au, 2.33 g/t Ag
K56re	0.60	11.60	11m@3.09 g/t Au, 9.55 g/t Ag	6m@5.12 g/t Au, 12.33 g/t Ag
K56	0.00	12.00	12m@5.80 g/t Au, 8 g/t Ag	8m@8.g/t Au, 10.25 g/t Ag
K55re	37.00	48.00	11m@4.20 g/t Au, 3.36 g/t Ag	3m@7 g/t Au, 5 g/t Ag
K-118	92.00	106.00	14m@4.29 g/t Au, 2.58 g/t Ag	4m@13.78 g/t Au, 6.00 g/t Ag
K-109	0.00	12.00	12m@3.46 g/t Au, 4.58 g/t Ag	9m@4.25 g/t Au, 5.11 g/t Ag
K-114	2.00	29	27m @ 2.07g/t Au, 2.65 g/t Ag	7.5m@3.74 g/t Au, 2.84 g/t Ag
K-113	4.00	17.00	13m@1.84 g/t Au, 1.79 g/t Ag	9m@2.34 g/t Au, 2.18 g/t Ag
K-117	1.40	49.70	48m@1.41 g/t Au, 3.41 g/t Ag	17m@1.77 g/t Au, 1.72 g/t Ag
K52	0.00	20.20	20.20m@1.53g/t Au, 8.93g/t Ag	

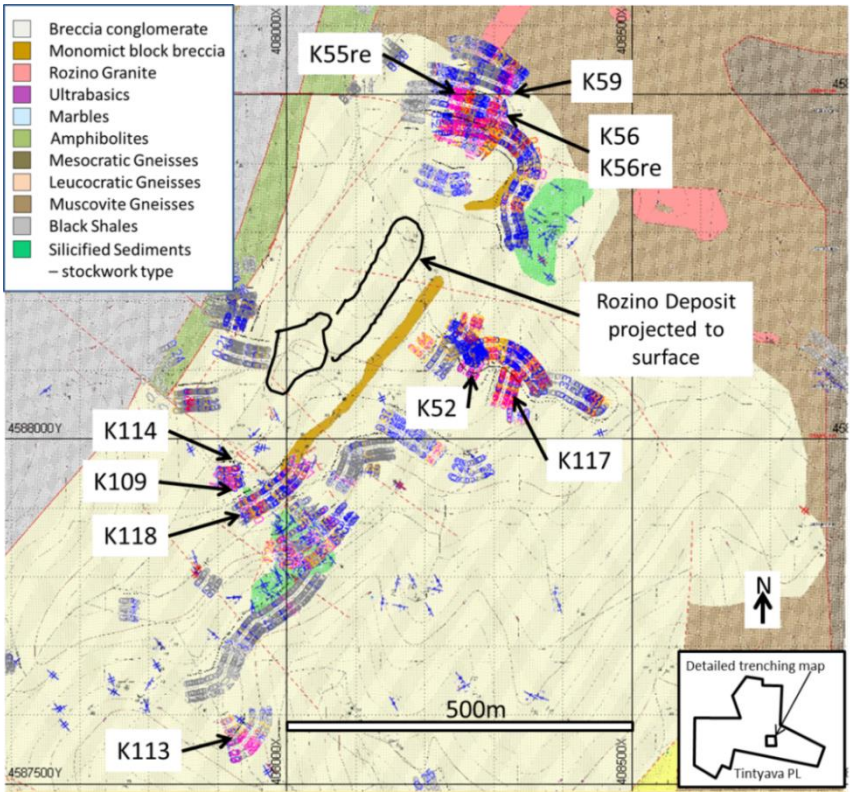

Figure 9.3: Highlights of 2001 to 2006 trench sampling results from Rozino Project (Andrew C, 2009)

9.2.4 Geophysics

Between 2003 and 2006 12.2 line km of ground magnetic surveys were completed at various scales of detail. The imagery is reported in the Caracal Report (Figure 9.4) and the main findings identified zones of de-magnetisation interpreted to represent hydrothermal pathways and magnetic lineaments associated with structure.

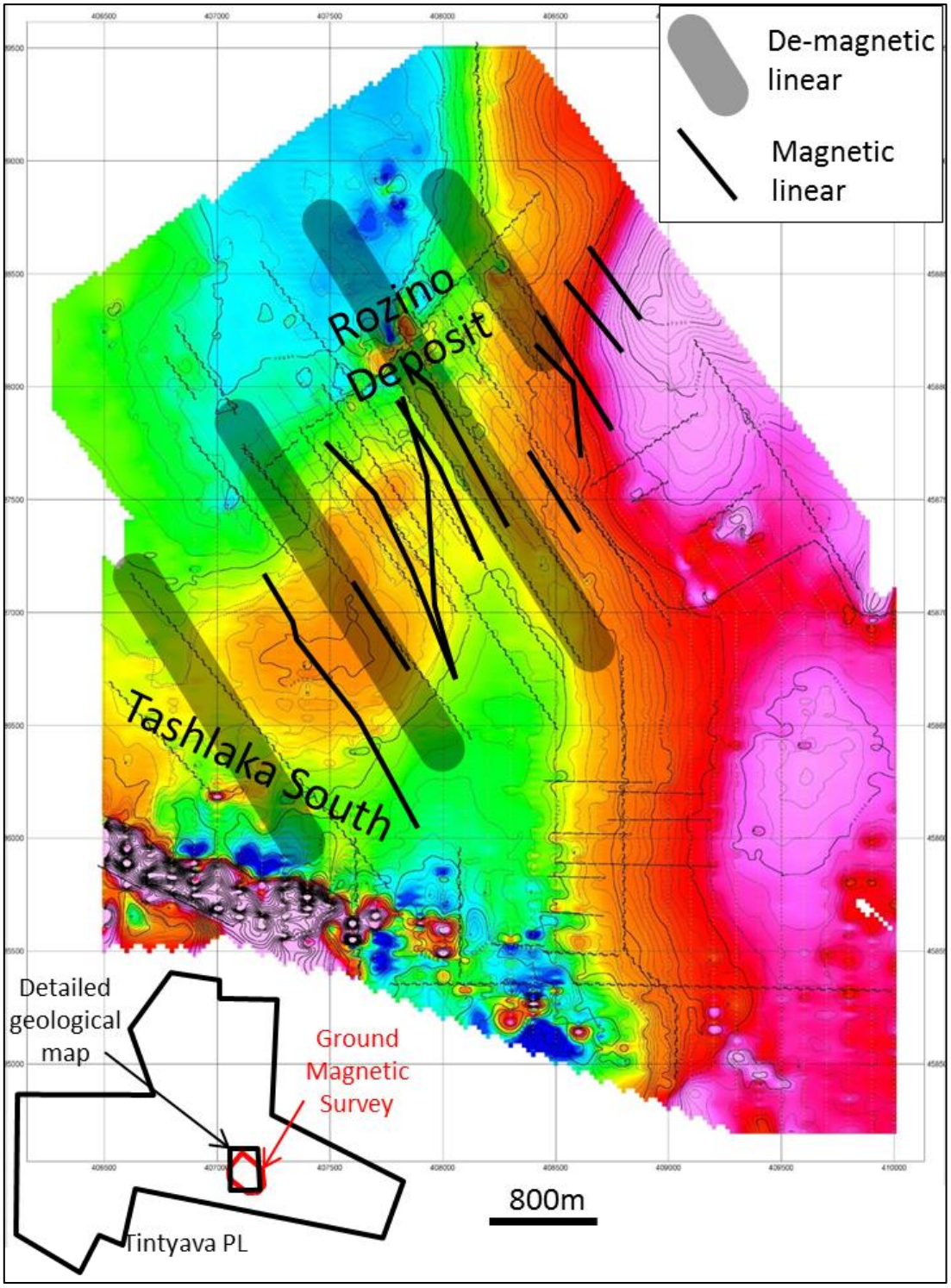

Figure 9.4: Compiled magnetic interpretation superimposed on Total Magnetic Intensity image of ground magnetic data collected at the Rozino Project (Andrew C, 2009)

In 2002 1.5 line km of dipole – dipole IP survey on 3 profiles was carried out at Rozino over the main deposit. It was hoped that the surveys would be able to identify chargeability anomalies associated with disseminated pyrite and resistivity anomalies associated with silicification. The chargeability results are unclear as the basement rocks contain abundant graphite, but there does appear to be an IP effect fringe to the main deposit, situated above the graphite bearing basement. The apparent resistivity pseudo-section does show the pull-apart extensional fault that juxtaposes basement against the Palaeogene sedimentary basin, but further interpretation is limited by the fact that the IP profiling was run parallel to the dominant structural control (Figure 9.5).

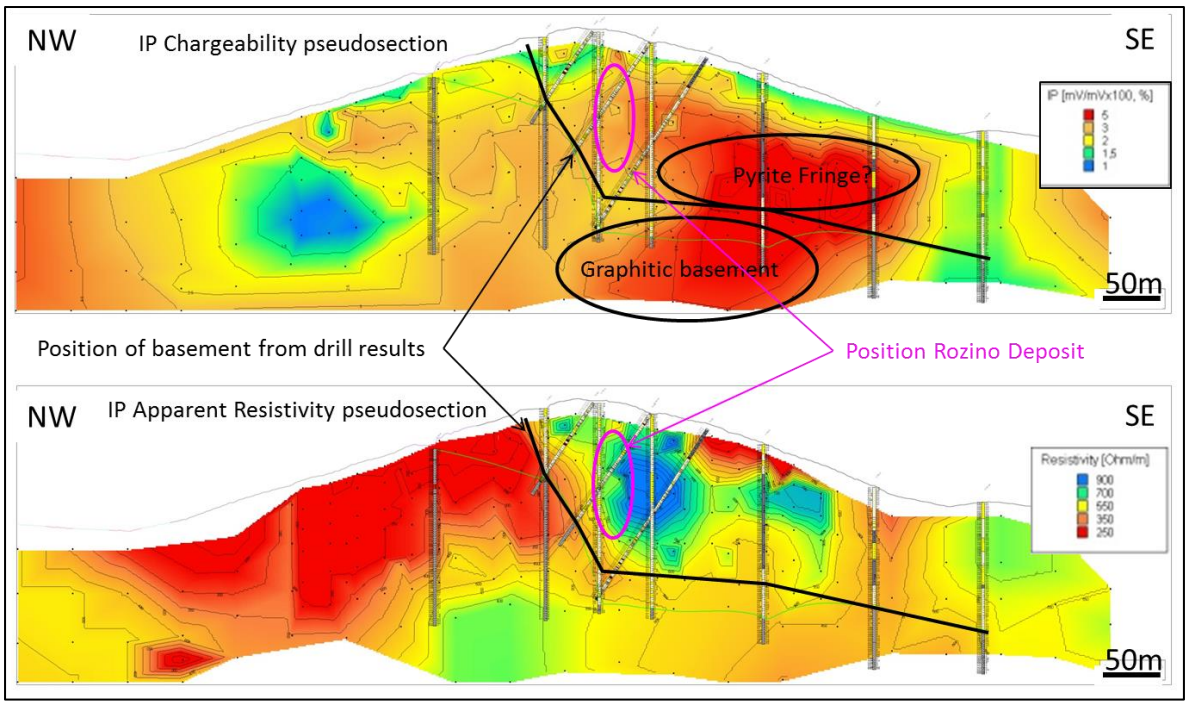

Figure 9.5: Chargeability and Apparent Resistivity pseudosections of Profile 7N oriented NW-SE across the Rozino Project (Andrew C, 2009)

10 Drilling

Velocity, the issuer to whom this report is addressed, only recently acquired the Property in July 2017 and Velocity has not completed any exploration activities on the Project, other than activities related to due diligence and site visits. All the results described in this report result from work completed by previous operators. AMS has relied, for our descriptions of exploration program results, solely on the basis of historic reports, notes and communications with Velocity and previous workers. Historic exploration is summarized under section 6 "History" of this report.

Velocity have not carried out any drilling in the Tintyava Property to date.

A total of 141 historical diamond drill holes (DDH) for 21,720.65m have been completed at the Rozino Project and drilling can be divided into 3 broad campaigns, namely, Geoengineering drilling, Hereward drilling and Asia Gold drilling (Figure 10.1)

Historic drill samples have reported raw analysis values ranging from below detection limits ("BDL") to 246 g/t Au, BDL to 1072 g/t Ag, BDL to 0.2 % Cu, BDL to 1.34 % Pb, and BDL to 2.75 % Zn.

10.1 Rozino Deposit

The initial drilling was completed by the Geoengineering from 1981 to 1992 with a total of 86 DDH for 14,289m. During this period technology was limited to vertical standard drilling in order to test an interpreted sub-horizontal target related to a 'detachment fault model'.

From 2001 to 2005, four drill programmes were carried out by Hereward Ventures and Asia Gold and a total of 55 DDH were completed for 7,995 m. From the beginning it was recognised that mineralisation is controlled by steep structure and the first drill programme targeted the northeast trending extensional faults that control the Palaeogene sedimentary basin, with a focus on the basal unconformity with the metamorphic basement. A second program of resource drilling continued to drill to the northwest and with grid drilling at 50m centres to define the extents of the known Rozino Deposit (Figure 10.1, inset map).

In 2005 -2006 Asia Gold carried out a structural review and identified a strong northwest control on mineralisation and instigated a 7-hole drill programme focussing on the Tashlaka South prospect, described in more detail below, where steep silica ledges crop out over a strike length of more than 1km. The last 2 holes of the drill programme switched to the existing Rozino deposit. Drill hole R-245 was drilled towards the northeast and intersected 68m @ 3.15 g/t Au, 3.59 g/t Ag including 11.39m @ 8.09 g/t Au, 7.99 g/t Ag. Assuming steep mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be approximately

43.5m, however, exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data. Caracal Gold took over the Project from Asia Gold but did not carry out any further exploration, focussing their efforts on the statutory reporting to the Bulgarian Government, necessary to convert the PL to an ML.

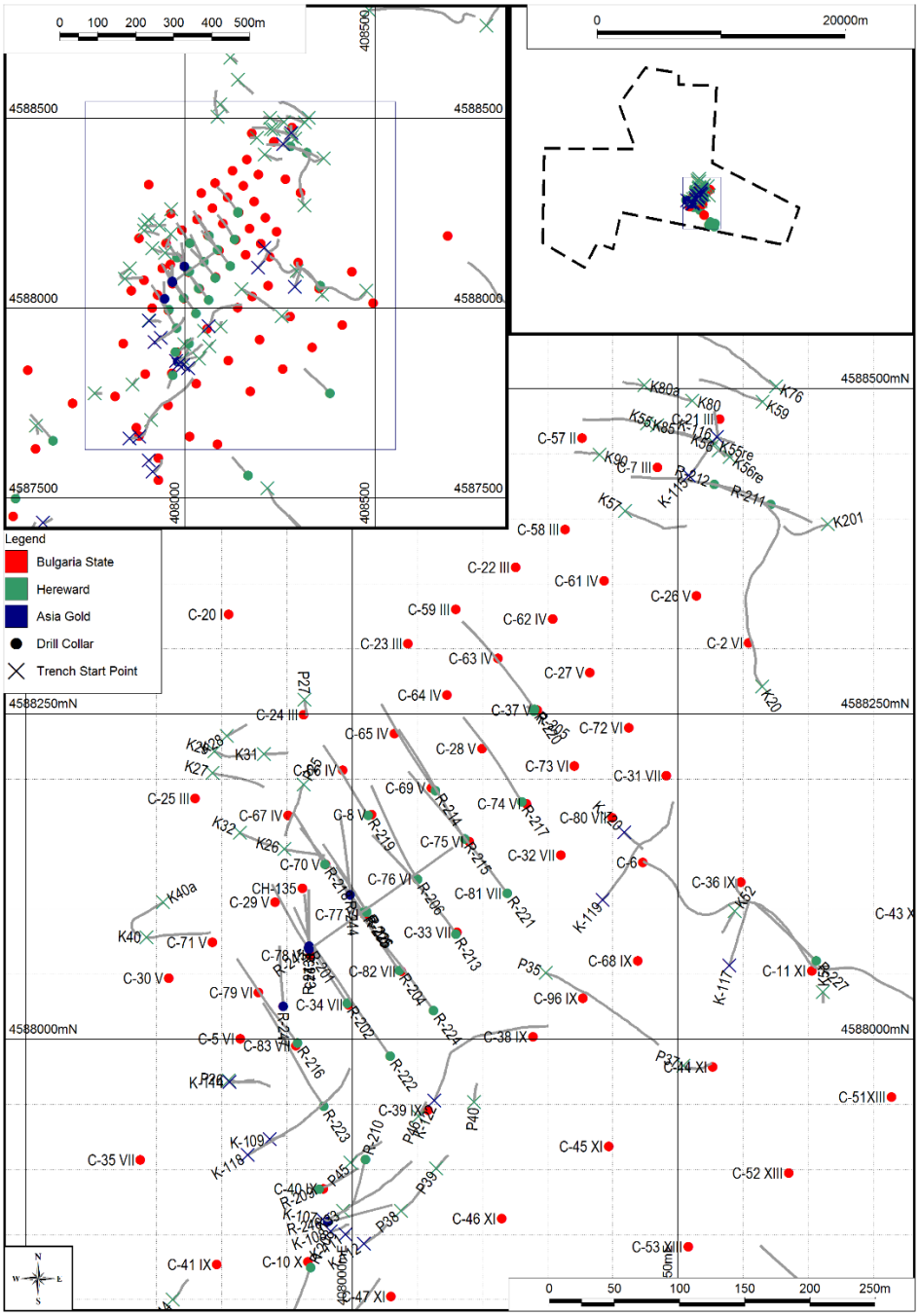

Figure 10.1: Collar map of Rozino Project showing all drill campaigns (after Andrew C, 2009)

Table 10.1 details all significant drill intercepts above 3 g x m (gm) from Hereward's and Asia Gold's drill campaigns. The intercepts were calculated using the following compositing rules and are quoted both as un-cut gold grades and gold grades using a top cut of 20 g/t Au:

- Trigger 0.2 g/t Au
- Minimum length 2m
- Minimum overall grade 0.5 g/t Au
- Minimum consecutive waste interval 2m

Table 10.1: Significant intercepts above 3 g x m (gm) from Hereward's and Asia Gold's drill campaigns, Rozino Deposit.

DDH ID	From m	To m	Metres	Gold ppm	Gold cut to 20 g/t ppm
R-201	34	86	52	1.46	1.46
R-202	0	4	4	4.08	4.08
	8	29.2	21.2	0.90	0.90
	35.2	56.2	21	0.51	0.51
	70.8	81.3	10.5	0.50	0.50
	103	120	17	3.68	3.68
	126	134	8	0.54	0.54
R-203	36	98.3	62.3	7.37	2.83
	112.3	122.3	10	0.51	0.51
R-204	0	12	12	0.73	0.73
	16	32	16	0.61	0.61
	34	130.3	96.3	1.49	1.49
R-205	0	18	18	0.82	0.82
	44	69.5	25.5	0.74	0.74
R-206	0	6	6	0.72	0.72
	10.5	19.5	9	0.54	0.54
	22.5	27	4.5	1.66	1.66
	30	61.5	31.5	6.89	2.36
	64.5	121.5	57	0.76	0.76
R-210	27.79	35.79	8	0.57	0.57
R-211	0.3	9.3	9	0.50	0.50
	18.5	43.5	25	0.51	0.51
R-212	0.3	37.5	37.2	0.72	0.72
	93	105	12	0.91	0.91
R-213	58.79	105.3	46.51	2.04	2.04
	109.8	124.8	15	0.69	0.69
R-215	0.1	3.09	2.99	2.21	2.21
	7.8	33.29	25.49	0.90	0.90
	46.79	51.29	4.5	2.74	2.74
	54.29	64.8	10.51	0.81	0.81
	115.8	120.3	4.5	0.77	0.77
	124.8	171.3	46.5	0.80	0.80
R-216	40.9	63.4	22.5	1.58	1.58

DDH ID	From m	To m	Metres	Gold ppm	Gold cut to 20 g/t ppm
R-217	14.89	30.29	15.4	0.61	0.61
	37.79	51.29	13.5	10.45	7.13
	81.3	84.3	3	1.45	1.45
	88.8	97.8	9	1.39	1.39
R-218	15.39	18.39	3	1.16	1.16
	52.9	66.4	13.5	0.91	0.91
R-220	0	18.5	18.5	1.17	1.17
	78.5	82.9	4.4	2.37	2.37
R-221	1.79	6.59	4.8	3.22	3.22
	9.3	18.29	8.99	0.76	0.76
	30.29	47.29	17	0.56	0.56
	85.8	96.3	10.5	0.56	0.56
	109.8	121.8	12	0.71	0.71
R-222	3	8.8	5.8	0.72	0.72
	78.3	93.3	15	0.98	0.98
	165	182	17	1.21	1.21
R-223	0	5.59	5.59	0.61	0.61
	7.8	13.8	6	1.64	1.64
	34.79	37.79	3	0.63	0.63
	51.29	57.29	6	0.64	0.64
	112.8	115.8	3	1.01	1.01
	118.8	123.3	4.5	1.23	1.23
R-224	21.29	63.29	42	0.72	0.72
R-225	23.6	102.5	78.9	5.90	1.80
R-226	28.5	53.4	24.9	0.73	0.73
	69.69	76.1	6.41	0.53	0.53
	79.69	110.9	31.21	1.05	1.05
R-227	3.7	93.3	89.6	0.94	0.94
R-243a	58	91.7	33.7	1.62	1.47
R-244	59	90	31	0.50	0.50
	91	111.25	20.25	1.50	1.50
R-245	15.5	23.5	8	0.54	0.54
	75	95.4	20.4	0.50	0.50
	100	168	68	3.15	2.79
R-247	26	33	7	0.51	0.51
	48	67.5	19.5	0.50	0.50

Highlights from the intersects quoted using a 20g/t top-cut and higher grade internal intervals quoted without the top cut are:

DDH R-245 ǂ	68.0m @ 2.8 g/t Au,	including 5.9m @ 11.9 g/t Au (uncut)
DDH R-203 ‖	62.3m @ 2.8 g/t Au,	including 28.0m @ 15.6 g/t Au (uncut)
DDH R-225 ‖	78.9m @ 1.8 g/t Au,	including 20.0m @ 21.6 g/t Au (uncut)
DDH R-217 ‖	13.5m @ 7.1 g/t Au,	including 6.0m @ 22.7 g/t Au (uncut)
DDH R-213 ‖	46.5m @ 2.0 g/t Au,	including 9.0m @ 4.7 g/t Au (uncut)
DDH R-227 ‖	89.6m @ 0.9 g/t Au,	including 4.0m @ 4.0 g/t Au (uncut)

DDH R-201 ‖	52.0m @ 1.5 g/t Au,	including 8.0m @ 4.7 g/t Au (uncut)
DDH R-206 ‖	31.5m @ 2.4 g/t Au,	including 15.0m @ 13.2 (uncut)
DDH R-202 ‖	17.0m @ 3.7 g/t Au,	including 8.0m @ 7.4 g/t Au (uncut)
DDH R-243a *	33.7m @ 1.47 g/t Au,	including 5.8m @ 6.3 g/t Au (uncut)

ǂ *055° drill hole azimuth*

‖ *330° drill hole azimuth*

* *360° drill hole azimuth*

Mineralisation is considered to strike NW – SE and drill holes with an azimuth of 330° are oriented sub-parallel to the mineralisation. For these holes it is difficult and considered misleading to approximate interval true thickness.

Drill hole R-245 with an azimuth of 055° is oriented perpendicular to the dominant strike of mineralisation and it is possible to use these drill holes to calculate approximate true widths of intersects. Approximate true thickness of the significant intercept of 68m @ 2.8g/t Au being 43.5m.

Drill hole R-243a with an azimuth of 360° is oriented oblique to the dominant strike of mineralisation and can be used to estimate an approximate true width of intersect of 7.26m.

Caracal reported that the majority of economic intersects are present in silicified sediments, but that above 0.5 g/t Au there appears to be little correlation between Au grade and degree of silicification and in places significant grades are present outside of silicified zones. Where gold is present on the flanks of silicified zones it appears that grade is related to vein associated carbonate alteration, which in part has some stratigraphic control. However the majority of Au intersects do not appear to be influenced by stratigraphy.

Three diamond drill holes, R-225, 226 and 227 were analysed by multi-element ICP; the full suite of multi-element results are not reported by Caracal but a number of points were made:

- Cu, Pb and Zn data is available and it was noted that samples with over 1 g/t Au show a strong correlation with Cu, Pb and Zn
- No obvious association of Au with As although As appears to decrease with grades over 2 g/t Au
- Au occurs in samples with 2 – 3% Fe (may be attribute to Fe carbonate or pyrite)
- Strong correlation between Ca and Mn

Hereward did not routinely orient drill core (a drilling technique that allows detailed structural analysis and interpretation) and although Asia Gold did orient core the results have not been reported in detail by Caracal. It was noted that oriented drilling directed to the northwest within the main deposit intersected veining sub-parallel to the core axis and therefore veins and controlling structures trend northwest and cannot identify the 'true configuration and content' of gold mineralisation.

Caracal has reported drill core mineralogical studies on a number of gold-bearing samples using microscopy and XRF determinations. The results are plotted in Table 10.2, and in general the mineralogy can be summarised as very simple and very homogenous, with the dominant sulphide being pyrite plus trace amounts of base metals and vein gangue is limited to quartz, ankerite and adularia. Host rock alteration is moderately developed, consisting of quartz – sericite with occasional development of chlorite, k-feldspar and minor graphite.

Caracal has reported all mineralogical studies including detailed petrography and concluded that mineralogical associations with respect to gold grades can be summarised as:

- No correlation with pyrite content and gold grades
- Correlation with highest gold contents and graphitic partings intersected in DDH R-230, 225, 201, 221 and 223. Graphitic material is rare and highest gold grades (>40 g/t) fall outside of the main mineralising statistical population
- Silicification generally returns at least 0.3 g/t Au but high grades are better associated with ankerite – clays – adularia

Table 10.2: Sulphide, gangue and alteration mineralogy determined by XRD analysis of selected gold bearing samples from the Rozino Project (Andrew C, 2009)

Gold Grade g/t	Sulphides	XRD Vein Mineralogy	XRD Alteration
0.60	Py, tr Asp	Qtz+Ank+Adul	qtz - ser
0.90	Py, tr Gal	Qtz+Ank+Adul	
1.25	Py, tr Ccp	Qtz+Ank	qtz – ser
2.53	Py, tr Asp	Qtz+Ank+Adul	qtz – ser
2.65	Py, tr Ccp	Adul	qtz – ser
4.63	Py, tr Asp, tr Ccp	Qtz+Adul+Ank	qtz – ser
10.80	Py, tr Ccp	Qtz+K-felds	qtz – ser – chl – K-felds
8.70	Py, tr Sph, tr Gal	Ank	qtz – ser – chl
4.15	Py	Ank+Qtz±Adul± K-felds	qtz – ser – chl - graph
6.50	Py, tr Ccp	Ank+K-felds±Adul	qtz – ser – K-felds – graph
246.00	Py, tr Ccp, tr Sph, tr Gal	Ank+Qtz+Adul	K-felds – ser – chl - graph

In summary, over 20km of diamond drilling have been completed to-date and yet the deposit is not well defined. Most of the drilling is either vertical or parallel to the steep northwest trending veins that constitute the main mineralised grades at the Rozino Project. Limited amounts of vein measurements from orientated drill core support this interpretation, but more importantly the only angled hole drilled across the main mineralisation returned an intersect of 68m @ 3.15 g/t Au, 3.59 g/t Ag including 11.39m @ 8.09 g/t Au, 7.99 g/t Ag. Assuming steep mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be approximately 43.5m, however, exact true thicknesses at Rozino are at present difficult to ascertain at the current level of available data.

10.2 Tashlaka South Prospect

The 2005 – 2006 Asia Gold drill programme focussed on the Tashlaka South prospect ("Tashlaka South") where it targeted a 1km long zone of strong silicification trending west-northwest. This orientation is predicted to be dominated by dextral shears (Figure 7.5, page 49) and the presence of LSE vein material in drill core that displays crustiform and carbonate replacement textures confirms that boiling occurred within the hydrothermal system and at surface colloform banded silica and chalcedony indicate the upper levels of an epithermal system (Figure 10.2, inset picture). Soil sampling at Tashlaka South returned a strong Sb, Tl, Hg, As, Ba response with minor Ag and no Au anomalism.

Drill results were on the whole disappointing with only minor, narrow north trending structural zones anomalous in Au.

DDH ID	From m	To m	Metres	Gold ppm	Gold cut to 20 g/t ppm
R-239	202.8	212.1	9.3	1.42	1.42
R-239a	217.8	234.1	16.3	0.87	0.87
R-242	195	204	9	0.65	0.65
	213	240.2	27.2	0.81	0.81

Highlights from the Tashlaka intersects quoted using a 20g/t top-cut and higher grade internal intervals quoted without the top cut are:

DDH R-239 ǂ 9.3m @ 1.42 g/t Au, including 4.4m @ 2.74 g/t Au (uncut)

DDH R-242 ǂ 27.2m @ 0.81 g/t Au, including 3.0m @ 2.24 g/t Au (uncut)

ǂ *055° drill hole azimuth*

The presence of epithermal vein textures and a high level epithermal geochemical signature indicates there is potential for Au-Ag mineralisation at depth. Drilling has fully tested the Palaeogene sediments at Tashlaka South, but bonanza gold targets within the basement remain an untested target worthy of drill testing.

Examples of bonanza gold mines of the LSE – type that are directly related to the Rozino Deposit and are situated in the same mineral belt include; Efemcukuru, Turkey (3.9Mt @ 11.20 g/t Au for 1,397,000 Oz Au) and Chala, Bulgaria (1.5Mt @ 9.83 g/t Au, for 452,000 Oz. Au). The Author has been unable to verify the resource estimates listed above and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

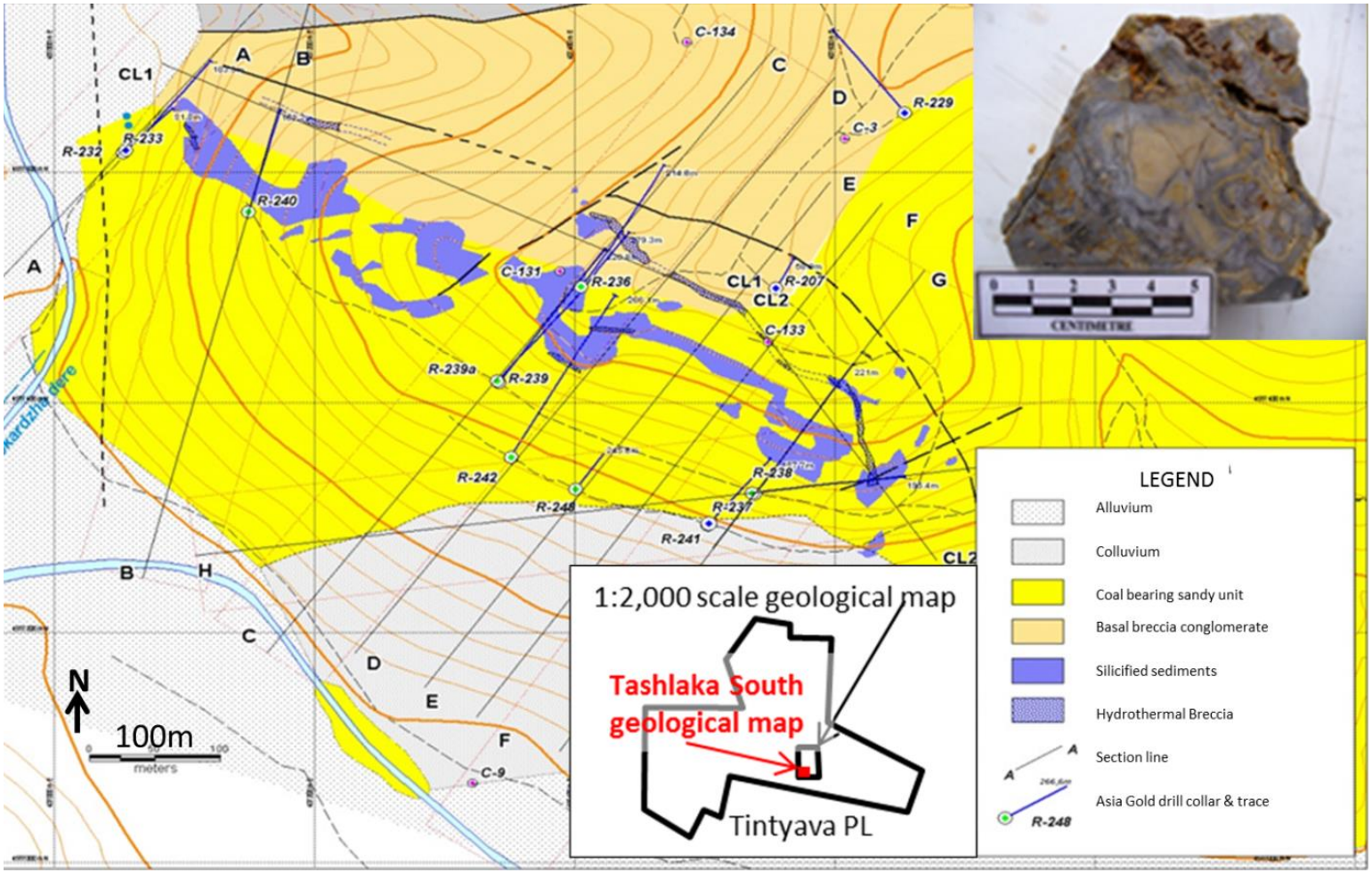

Figure 10.2: Geological map of the Tashlaka South target showing Asia Gold's drill programme. (Inset photograph of cut outcrop sample displaying colloform banded silica and chalcedonic replacement), Andrew C., 2009)

11 Sample Preparation, Analysis and Security

Velocity Minerals Limited, the issuer to whom this report is addressed, only recently acquired the Property and Velocity have not completed any exploration activities on the Project, other than activities related to due diligence and site visits. The methodologies and results described in this report result from work completed by previous operators.

Sample preparation analysis and security procedures for state exploration, carried out by Geoengineering are not detailed in the Caracal reporting.

Sampling, preparation, analysis and security procedures carried out by Hereward and their JV partners between 2001 and 2005 is reported in the Asia Gold press releases as being subject to quality control procedures which ensured the use of industry best practice in respect of the handling, sampling, transport, analysis, storage and documentation of sample materials and their analytical results.

The results from drilling carried out between 2001 to 2005 was audited by Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person on behalf of Asia Gold who reported that, "The analytical data from the Tashlaka Hill (former name for the Rozino Project) drilling can be used for preliminary resource estimates as the main analytical laboratory is using industry accepted analytical procedures and quality control methods. The present analytical data from the Tashlaka Hill drilling does not meet the requirements of NI 43-101 for resource estimation beyond a preliminary assessment."

Quality control procedures for exploration carried out in 2006 by the Asia Gold – Hereward JV were subject to Asia Gold's revised protocols that included an internal QA-QC programme that was independent of the analytical laboratory.

Sampling, Sample Submission & Security Procedures for drill core collected between 2001 and 2005 is reported in Asia Gold press releases. Drill core was carefully arranged in core boxes so that core was cut in two equal parts perpendicular to the dominant geological fabric using a diamond saw. Half of the core was sampled, broken into smaller pieces using a hammer and placed into uniquely numbered plastic bags together with a sample number tag. The sample bag was tightly sealed and placed into 20-sample batches that included 1 field duplicate and 1 blank. Each batch was sealed with a security tag and stored in a secure facility prior to transportation by company personnel to a laboratory in Sofia for sample preparation and analysis. A chain of custody for the samples was maintained at all times and care was taken that the samples were separately stored at the laboratory prior to sample submission and subsequent preparation.

Sampling procedures for drill core collected in 2006 is reported by Asia Gold and are similar to those employed for previous years. Oriented drill core was carefully arranged in core boxes and the upper

surface carefully marked on the drill core. The core was cut in two equal parts perpendicular to the upper surface mark using a diamond saw. Half of the core was sampled, broken into smaller pieces using a hammer and placed into pre-numbered bags together with a unique sample number tag. The sample bag was tightly sealed and placed into 20-sample batches that included 1 field duplicate, 1 blank and 1 independent controlled reference material (standard). Each batch was sealed with a unique numbered security tag and stored in a secure facility prior to transportation by company personnel to Sofia airport. The samples were shipped by a reputable courier service to Vancouver, Canada for sample preparation and analysis. A chain of custody for the samples was maintained at all times with documentation taken at each stage of the process. Care was taken that the samples were separately stored at the Vancouver laboratory prior to sample submission and subsequent preparation.

Sample Preparation and analysis for rock grab, rock chip channel, trench chip channel, soil and stream sediment sampling are not reported in detail.

Drill core samples were prepared and analysed by Eurotest Control AD. in Sofia, Bulgaria, an ISO 9001 certified laboratory. The samples were crushed to 90% passing 2mm and a 400g split was pulverized to 85% passing 75 microns. Gold less than 2.5 g/t were determined by AAS following an aqua regia digest, whereas gold more than 2.5 g/t was also assayed using normal fire assay procedures. The laboratory's internal QC meets industry accepted practice.

Exploration drill core managed by Asia Gold on behalf of the JV, and the associated sample preparation procedures are reported in detail. Half core splits of the drill core were prepared and analysed by ACME Analytical Laboratories in Vancouver, Canada, an ISO 9001 and ISO 17025: 1999 certified laboratory. The samples were crushed to 90% passing 2mm and a one-kilogram split was pulverized to 95% passing 75 microns. All preparation equipment was flushed by barren material after each sample was processed. Gold was initially determined by 50 gram fire assay fusion for total decomposition, followed by digestion of the silver dore bead and ICP-ES analysis (Group 3B). Gold between 1.0 and 5.0 g/t was also assayed using classical fire assay on a one assay-tonne sample (29.2 gram, Group 6), whereas gold more than 5.0 g/t was also assayed by gravimetric finish (Group 6, Gravimetric). The laboratory's internal QC meets industry accepted practice.

11.1 Comment on Sampling and Analytical procedures

The Author has been unable to directly determine the QAQC of sampling procedures. However, in early 2005 Asia Gold procured Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person, to audit Hereward's drill core sampling and assaying and considered the results to be of sufficient trustworthiness for use in preliminary resource estimation. Both sets of drill core samples were

prepared and analysed in accredited laboratories and Asia Gold also carried out independent QC checks with the systematic use of independent standards.

AMS are satisfied with the quality of data collection and QAQC procedures for the purpose of this technical report as they are not at this stage being relied upon for precision of gold content or to quantify gold content in any compliant mineral modelling and resource estimation work. The reliability of results is considered satisfactory for the disclosure of exploration results, definition of gold anomalism and of exploration targets.

12 Data Verification

Velocity has not completed any exploration activities on the Property, other than activities related to due diligence and site visits. All the results described in this report result from work completed by previous operators. The Author has completed site visit including check sample collection; desktop report, news releases, hardcopy and digital data review; database cross-reference and validation as part of the data verification exercise.

12.1 Site Visit

Mr. James Hogg, AMS Principal Geologist and QP completed a site visit between the 1st and 4th September 2016. The visit included field checks of the Rozino Project and Tashlaka South, which included discussions with the project personnel, review of the geological settings, observation of surface sampling techniques, examination of the mapping and trench logging, review of Caracal's sampling procedures, and a visit to The Geofond to independently review previous government submissions made for the Rozino Project. The site visit also included the collection of verification check surface rock 'float' and 'grab' samples, drill hole collar, trench and outcrop GPS pick up co-ordinate checks, geological and structural verification checks.

The Author was accompanied by Mr Stuart Mills (Vice President Exploration) and Mr. Ivo Stalev (GIS Geologist) for Velocity as well as Ivan Ivanov (Senior Geologist), Tencho Dimitrov (Geologist) and Tony Georgiev (Geologist) for Gorubso.

In total, 19 field locations were visited, to include three GPS pick-up drill collar co-ordinate checks, three GPS pick-up trench location checks, the collection of seven verification check samples, and collection of nine surface/trench structural orientation check measurements.

Field locations were recorded by the Author using a Garmin Dakota 20 hand held GPS device. Field locations, GPS collar check, verification check structural measurement locations are presented in Figure 12.1 and Table 12.1 below.

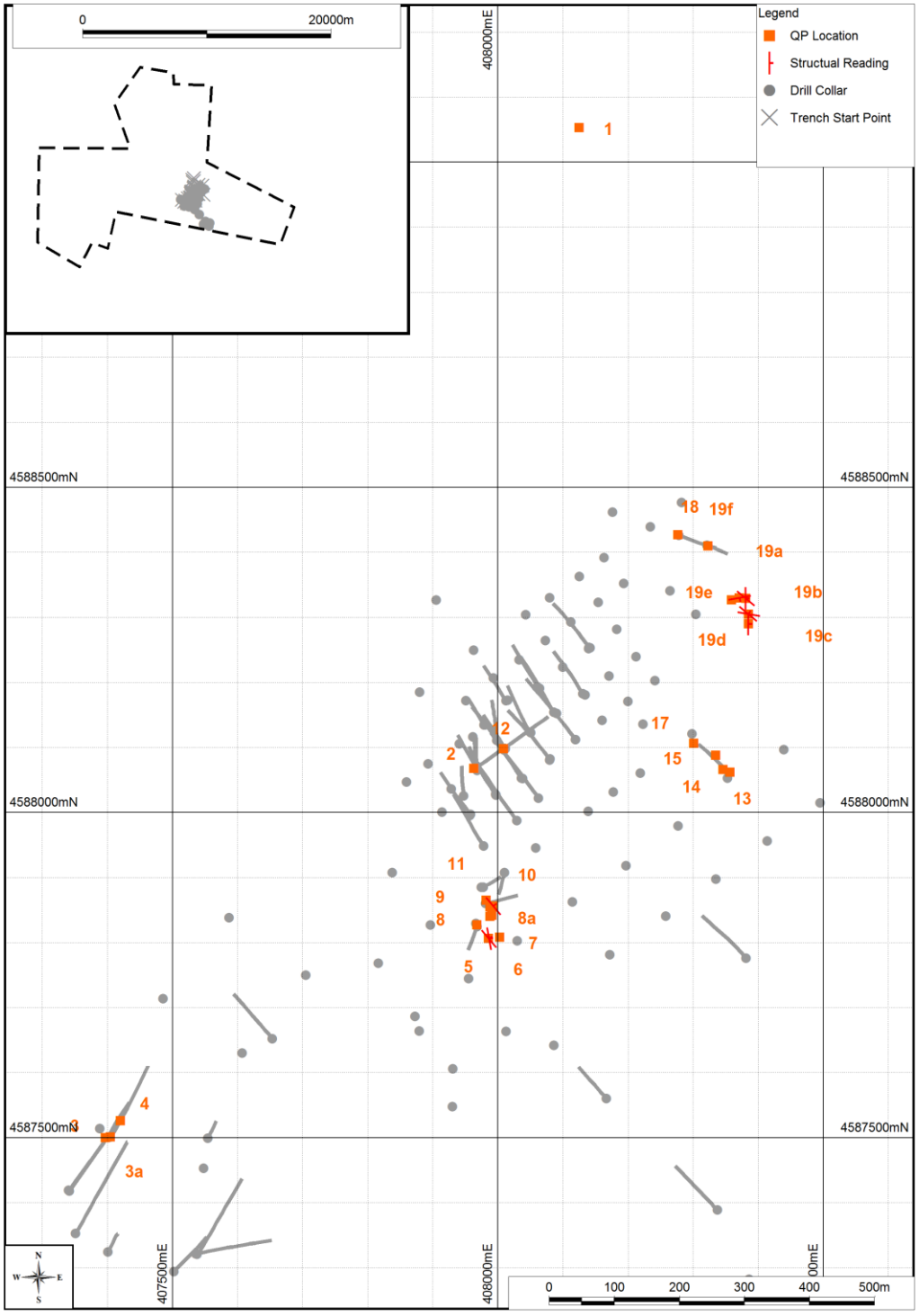

Figure 12.1: Site visit field locations map.

Table 12.1: Site visit field locations

Rozino QP Site Visit Locations		Garmin Dakota 20 Coordinates		MM Rozino Collar File Coordinates			Check Samples	Structural Measurement
Location	**Description**	**Easting**	**Northing**	**Location**	**Easting**	**Northing**	**Sample ID**	**Feature**
1	Rozino 'Granite'	408125	4589053					
2	R 245	407963	4588068	R 245	407967	4588069		
3	Tashlaka South Ledge	407397	4587500					
3a	R 236	407405	4587501	R 236	407405	4587501		
4	Tashlaka South Ledge	407420	4587526					
5	C10x/R 208	407968	4587827	R 208	407968	4587825		
6	Rosina South Flank	407986	4587806					Conjugate Vein
7	Rozino South Ledge	408003	4587808					
8	Trench?	407988	4587840					
8a	Field Sample 1	407991	4587842				AMSR01	
9	Trench K-108	407988	4587855					
10	NW Oriented Vein Zone K-108 ~10.03-10.98m	407993	4587856	K 108 10.03-10.98	407994	4587856	AMSR02	Stockwork vein zone
11	R 246	407982	4587865	R 246	407981	4587860		
12	R 225	408009	4588098	R 225	408011	4588099		
13	R 227 + K18	408357	4588062	R 227	408356	4588060		
14	K18 spoil	408346	4588066	K 18			AMSR03/04	
15	K18 spoil	408335	4588088	K 18			AMSRO5	
17	Trench spoil/float?	408301	4588106				AMSRO6	
18	R 212	408277	4588427	R 212	408278	4588426		
19a	Rozino East Outcrop Area	408371	4588330					Joint/vein/fabric
19b	Rozino East Outcrop Area	408381	4588329					Vein/joint
19c	Rozino East Outcrop Area	408385	4588305					Joint set
19d	Rozino East Outcrop Area	408385	4588290					Structure
19e	Rozino East Outcrop Area	408359	4588327				AMSRO7	
19f	Rozino East Outcrop Area	408323	4588410	R 211	408321	4588411		

The site visit geological observations confirmed the geology and styles and orientation of mineralisation as described within this report. Collar and trench location check GPS pick-ups are considered satisfactory. Selected lithological and structural site observations are presented in Figure 12.2 to Figure 12.4 below.

Figure 12.2: Location 8a: NW trending silicified conglomerate with Fe-Cb veining (Sample AMSR01)

Figure 12.3: Location 10: NW trending silicified stockwork vein zone (Sample AMSR02)

Figure 12.4: Sample AMSR01 (Left) 0.61g/t Au; Sample AMSR02 (Right) 2.02g/t Au

Qualified Persons structural readings plotted on Stereonet graph are presented in Figure 12.5 below. In spite of the small sample size being inconclusive, plots clearly demonstrate a dominant steep NW orientation and sub-ordinate moderately dipping EW component.

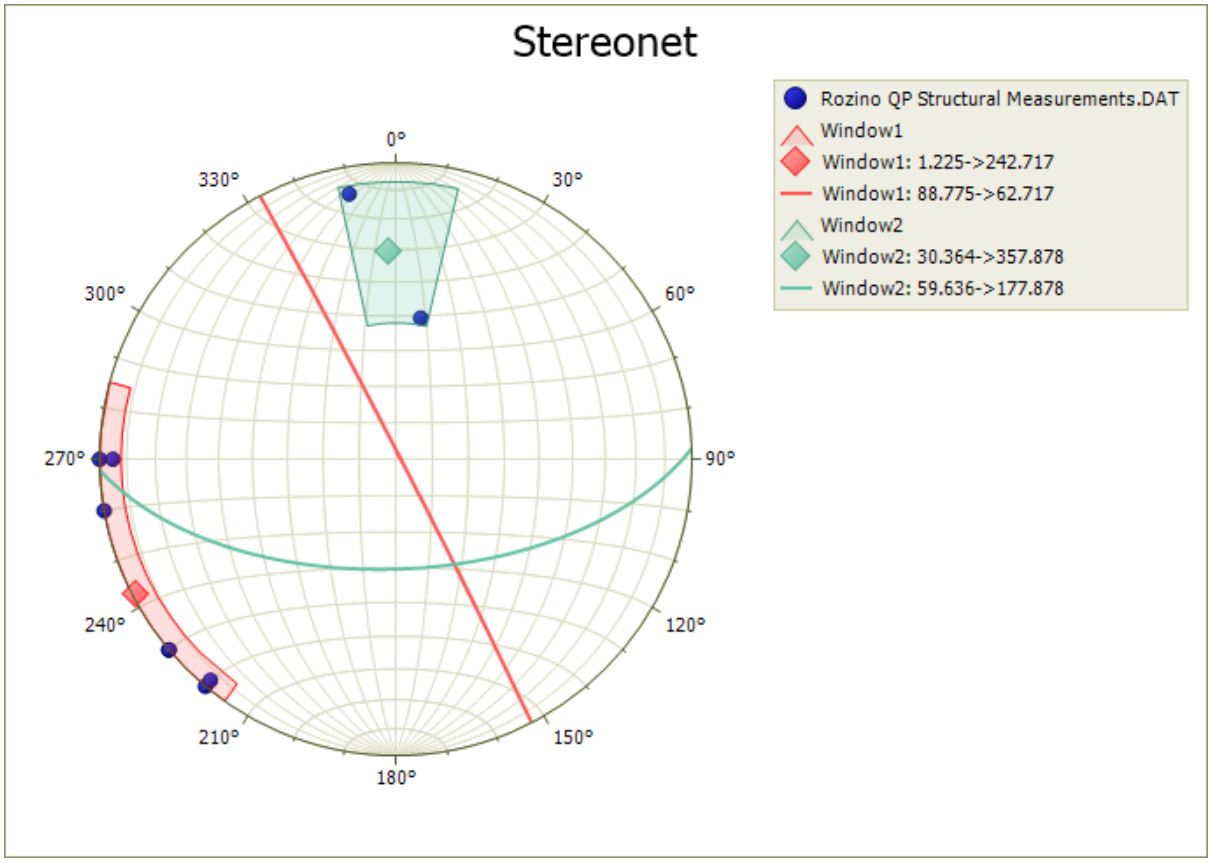

Figure 12.5: Stereonet of structural reading.

The Author was unable to inspect or duplicate sample drill core or trenches for logging and assay verification purposes. However, verification check sampling was completed to verify the occurrence, location and association of mineralisation, as opposed to comparison and verification of previous sample interval assay grades. Check sample analysis confirms the presence, style and association of gold mineralisation. Descriptions and results of check sample collection and analysis are presented in Figure 12.6 and Table 12.2 below.

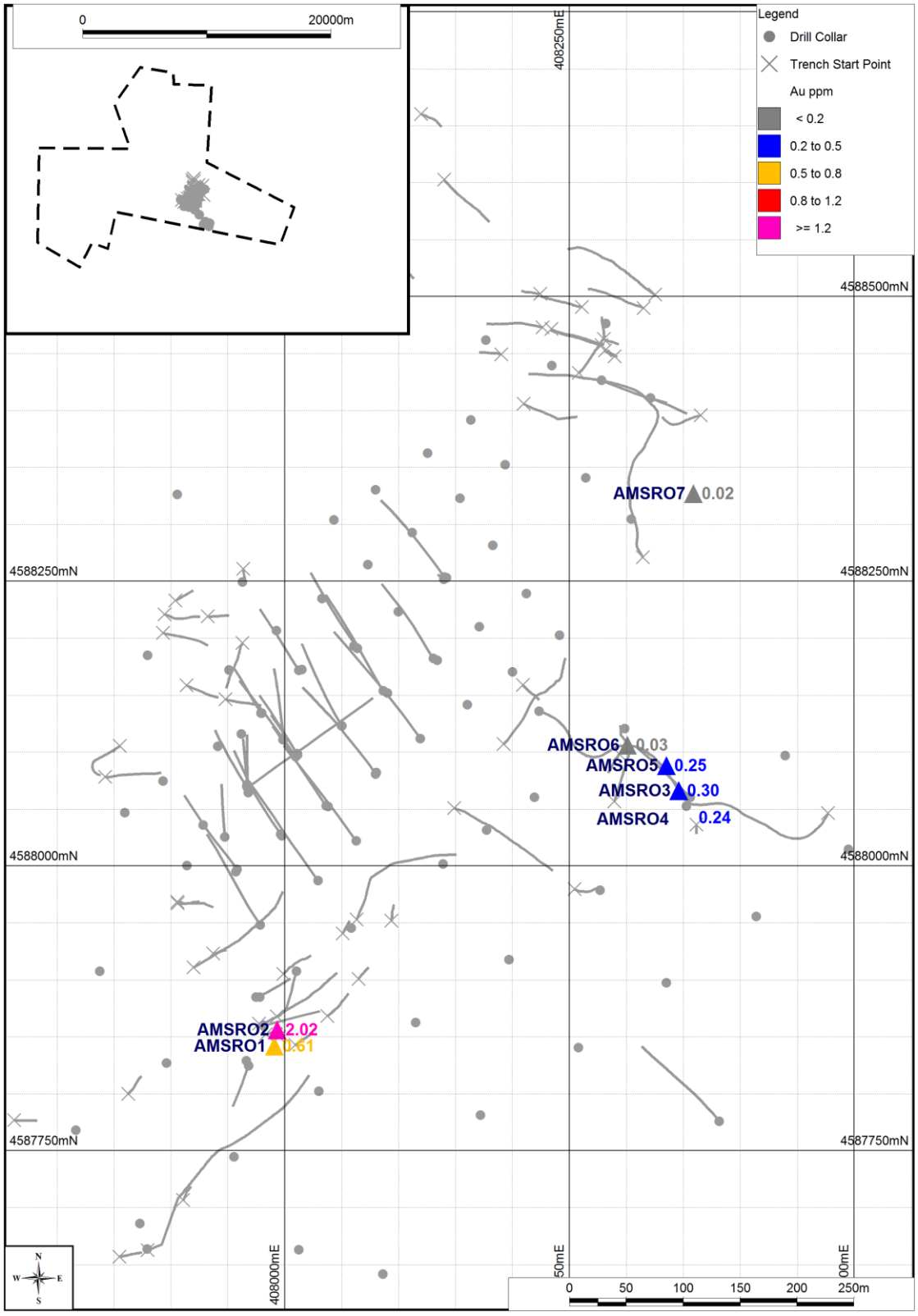

Figure 12.6: Check sample locations.

Table 12.2: Check sample results.

Rozino QP Check Samples						
Sample ID	**Location**	**Easting**	**Northing**	**Elevation**	**Au-AA25**	**Description**
AMSRO1	8a	407991	4587842	402	0.61	Conglomerate. Mod Oxidised. Mod Clay + silica altered. Occ. mm-cm scale. Qtz - Fe Carb Veins. Vuggy. Open cavity qtz growth. 5-10cm bleached selvage.
AMSRO2	10	407993	4587856	408	2.02	Conglomerate. Mod Oxidised. Mod Clay + silica altered NW trending vein zone. mm-cm scale anastomosing stockwork Qtz - Fe oxide + Fe Carb Veinlets. Vuggy. Open cavity qtz growth. Silica pseudomorphs replacement of carbs. Field samples 2 and 3 combined
AMSRO3	14	408346	4588066	436	0.3	Sandstone. Mod oxidised and silicified. Disseminated oxides after Fe carb or pyrite? Occ oxide veinlet. Field sample 4.
AMSRO4	14	408346	4588066	436	0.24	Conglomerate. Mod oxidised, strongly silicified breccia stockwork qtz-Fe oxide-Fe carb veining. Field sample 5.
AMSRO5	15	408335	4588088	442	0.25	Grit-Conglomerate. Weak oxide, mod silica flooded, qtz veinlets. Some stockwork textures. Diss. Oxides after carb/sulphides? Field sample 6.
AMSRO6	17	408301	4588106	445	0.03	Quartz vein. Banded crack seal, grey white, likely fine dusty sulphides. Cross cutting open veinlets microfractures. Field sample 7.
AMSRO7	19e	408359	4588327	445	0.02	Float. Grit-conglomerate. Weak oxidised. Mod. Siliceous and clay altered. Patchy diss. Oxidised Cubic pyrite approx. 2-3%. Field sample 8.

The Author was unable to inspect or duplicate sample historical drill core or trenches for verification purposes. However, as part of the verification site visit the Author spent time in the Geofond repository, Sofia for the purpose of data review and verification cross-checks. Here, the digital database used for reporting of results, geological interpretation and historical resource modelling was cross checked against the logging information contained within hardcopy logs, laboratory assay certificates and core photographs (where available) held in storage. AMS completed checks on six diamond drill holes and six trenches.

The Author is satisfied with the level of detail and accuracy between the geological logs, digital geological database and core photographs. The assay database and certificates correlate for all holes and trenches, apart from drill hole R225 where three analytical determinations have been averaged to provide a single result in the digital database. AMS would recommend for consistency and to eliminate bias that the primary analytical determination is used only.

As a general note, there is a level of detail which could be added to improve the quality of the core logging. AMS would recommend the re-logging of core when and if access to the core is possible.

The logs also show that there has been some rounding during the logging process with most geological intersections being rounded to the nearest 10 cm.

In addition to cross-check of digital data against hardcopy, core photographs and original assay certificates AMS completed drill hole and trench database validation within Micromine 3d exploration data modelling software. This exercise is designed to check for any inconsistencies and errors within the database used for the generation of exploration results for reporting and display. AMS found no significant errors within the project digital database.

The Author believes that the data quality is adequate for the purpose of exploration stage assessment, interpretation, and definition of exploration targets. However, use of historical data as input to CIM/NI 43-101 compliant resource estimations will require further verification work including first hand review of drill core, duplicate check sampling and/or twin verification drilling.

13 Mineral Processing and Metallurgical Testing

Velocity has not completed any metallurgical testing on samples from the Tintyava Property.

All the results described in this report result from work completed by previous operators.

Epithermal precious metal mineralisation falls within a spectrum of epithermal deposits from low through intermediate to high sulphidation. LSE mineralisation is characterised by low sulphide contents, simple metallurgical properties, low deleterious element associations and good recoveries.

XRD analysis has identified Rozino to have an end member LSE mineral assemblage that is corroborated by field evidence where the mineralisation has a low sulphide contents, subtle weak alteration clays plus pervasive silicification.

Metallurgical test work was initially carried out by Geoengineering, in which flotation, gravity and cyanidation test work returned favourable results. The systematic research methodologies are not reported in detail. Flotation test work returned gold recoveries of 93.6% and agitated cyanide leach recoveries returned 89.8% of the gold.

In 2003 Lakefield Research (Johannesburg) were contracted to study core samples and this work drew the following conclusions:

- The mineralisation is confirmed to be of a LSE style
- Sulphide and gangue mineralogy is very simple and base metal concentrations are low
- Gravity separation is unlikely to be successful on all but the highest grade ores
- Static cyanide leach test work showed good recoveries and low cyanide consumption

Caracal conducted agitated cyanide leach test work on 4 potential ore types:

- Oxide
- Sulphide
- Low pyrite

Results for the 3 ore types are given in Table 13.1.

Table 13.1: Agitated cyanide leach results for 3 different size fraction of Rozino mineralisation (Andrew C, 2009)

Ore Type	***Recovery Percentages at various crush sizes***		
	½ inch	***1.7 mm***	***200 # (0.106mm)***
Oxide	50.7	77.0	94.7
Sulphide	29.0	65.5	93.0
Low Pyrite	35.0	54.5	74.5
Average	**38.2**	**65.7**	**87.4**

Caracal applied their internal economic constraints to each processing option and came to the following conclusions:

- Primary crushed oxide material (½ inch) has the potential to be exploited by conventional heap leach technology but that the volumes of oxide material at the Rozino Project are insignificant.
- Milling of ores to -200 mesh increases recoveries, but does not overcome the additional cost of milling and tank cyanidation (assuming a $900/Oz gold price).
- A crush size of 1.7mm appears to show the most effective results with average recoveries capable of sustaining agglomerated heap leach processing.

Wardell Armstrong were contracted to carry out a single series of agitated cyanide extraction tests and the results are given in Table 13.2. The average recoveries from the 3 samples based on cyanide in pulp and cyanide in leach extraction were 94.7% and 97.7% respectively.

Table 13.2: Agitated cyanide leach results for cyanide in leach (CN) and cyanide in pulp (CIL) extraction, conducted by Wardell Armstrong (Andrew C, 2009)

Sample	Consumption		Extraction (%)
	NaCN (kg/t)	Cao (kg/t)	
A-CN	9.85	-0.07	95.18
A-CIL	9.38	-0.17	98.62
B-CN	8.98	-1.12	93.59
B-CIL	9.56	-0.10	96.79
C-CN	9.09	0.00	95.38
C-CIL	9.03	0.03	97.69

Preliminary metallurgical test work carried out by Geoengineering, Lakefields, Caracal and Wardell Armstrong suggests that recoveries by cyanide leaching are above 90%, with no deleterious elements and amenable to simple low cost processing. This is consistent with LSE deposits elsewhere in the world, where similar grade mineralisation is mined.

14 Mineral Resource Estimates

Historical resources referenced in this section are not considered current and are not consistent with the standards of disclosure defined by National Instrument 43-101 and may not necessarily be consistent with CIM best practice with respect to reporting mineral resources and reserves. Historical resources are included because they are considered relevant by the Author as they form the additional support for the acquisition of the Option by Velocity.

The Author has been unable to verify the historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

The inclusion, review and discussion of historical resource estimations provide information as to the size and nature of the immediate exploration target within the Rozino Deposit area.

A number of historical resource estimates have been carried out at the Rozino Project, however none of them have been completed to standards consistent with CIM best practice or compliant with NI 43-101.

14.1 Geoengineering - 1992

The first resource estimation completed for the project was carried out by Geoengineering in 1992 using the Russian classification scheme and a simple polygonal resource estimate was calculated at 2 cut-off grades (Table 14.1). The reliance on vertical holes to assess vertical mineralisation is the main limitation on the resource estimate and although Russian resource categories C1 + C2 are broadly comparable to the NI 43-101 Inferred Resource category, this parallel should not be drawn at the Project based on this historical estimate.

Table 14.1: Historical Russian resource estimate carried out Geoengineering in 1992 (Andrew C, 2009)*

Cut-off grade	Resource Category	Tonnes	Gold Grade (g/t)	Contained Ounces Gold
0.2 g/t Au	$C_1 + C_2$	24,830,000	0.54 g/t Au	430,400
0.5 g/t Au	$C_1 + C_2$	2,600,100	1.49 g/t Au	124,370
0.5 g/t Au	$C_1 + C_2 + P_1$	4,800,000	1.49 g/t Au	229,600

***The Author cautions that the resource estimate is historical in nature and the Author is not treating such resources as a current resource as defined by NI 43-101. Investors are further cautioned that a**

qualified person has not yet completed sufficient work to be able to verify the historical resources, and therefore they should not be relied upon.

14.2 Hereward - Wardell Armstrong International 2005

In 2005 Hereward Resources carried out a resource estimation using all of the available drill data. The resource estimation used an Inverse Distance Weighted (IDW^2) interpolation method, with a 2-D omnidirectional, 100m horizontal search ellipse and a 25m vertical search. Estimation was constrained to the basement palaeosurface. Estimation was based on 2m composites and, although reported in summary form the methodology is considered to be broadly in-line with industry standards. Top cuts of 10g/t Au were applied, however these are considered to be conservative. Wardell Armstrong International (UK) reviewed the resource estimation and questioned the use of 10 x 10 x 10m block modelling as it tended to blur or over-smooth the resource estimate; but in general they agreed with the model. The results of the model are given in Table 14.2.

The reader is cautioned that although the resource estimation methodology is reported to be reasonably consistent with modern standards, the estimate does not take into account geological control or gold grade domaining for constraining input data and block model grade interpolation. It is likely the model has overstated the high grades, typically occurring as discreet zones and requiring tight control via domain generation or geostatistical search ellipsoid generation and indicator kriging method of interpolation. In addition no geochemical standards were submitted to the laboratory with the drill samples and therefore the reliability of the input data is unknown. Investors are further cautioned that a qualified person has not yet completed sufficient work to be able to verify the historical resources, and therefore they should not be relied upon.

Table 14.2: Historical resource estimate carried out by Hereward Ventures in 2005 (Andrew C, 2009)

Cut-off grade	Tonnes	Average Grade	Total Oz
1.8 g/t	776 450	4.44 g/t	110 606
1.6 g/t	940 750	3.95 g/t	119 412
1.4 g/t	1 245 500	3.35 g/t	133 983
1.2 g/t	1 709 250	2.79 g/t	153 130
1.0 g/t	2 589 050	2.21 g/t	183 776
0.8 g/t	4 361 900	1.67 g/t	234 314
0.6 g/t	7 724 750	1.24 g/t	307 711
0.4 g/t	15 799 300	0.85 g/t	431 910
0.2 g/t	41 342 650	0.49 g/t	655 526

The Author has been unable to verify the above historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI

43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

14.3 Asia Gold – Snowden Group (UK) 2006

The Snowdon Group (UK) carried out an independent resource estimate on behalf of Asia Gold and the study, results and variography ranges were reported by Caracal in the Caracal Report (Andrew C, 2009). Table 14.3 shows the results of the Snowden omni-directional variography, which indicate two sets of ranges that relate to two possible data populations. These data populations probably relate to a narrow, laterally discontinuous population, e.g. veins and discreet hydrothermal breccia zones, and a broader population, e.g. disseminations. The Snowden's directional variography suggests gold distribution to be isotropic, however AMS believes this to be inconclusive as the data set is biased by a dominant drill direction towards northwest and semi-variogram curves for the north east axis are poorly constrained.

Using a $^2/_3$ rule of thumb suggests an effective data spacing for an indicated resource could be in the region of approximately 50m along strike and approximately 25m across strike/down-dip.

Table 14.3: Semi-Variogram results from an independent variography study by Snowdon Group (UK) (Andrew C, 2009)

Data Population	Semi-Variogram Range		Minimum number of Pairs	Minimum number of drill holes
	Main	Minor		
Narrow	20m	10m	6	3
Broad	80m	40m	6	2
$^2/_3$ rule data spacing for indicated resource	50m	25m	-	-

The Author has been unable to verify the above historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

14.4 Caracal – Maine Reserves Associates (USA) 2007-2008

Subsequent to the Snowden's study, a resource estimate was carried out by Maine Reserves Associates (USA) ("MRA") on behalf of Caracal in order to check the resource estimate prepared by the Snowden Group. The parameters used in the estimate are not reported and the methodology has not been verified. In Table 14.4 the resource categories are given but the cut-off grades are not

reported. It is clear that the resource is much reduced from Hereward's estimation and it appears that Caracal used this reduced estimation in their underground mine design.

Table 14.4: Comparison table of historical mineral resource estimates (cut-off grade not given) calculated by the Snowdon Group (UK) and MRA (USA). (Andrew C, 2009).*

	Consulting Company	
"indicated resource"	**Snowden**	**MRA**
Mt	6,40	6,03
Grade (g/t Au)	0,80	0,78
Ounces (Au)	165 000	150 000
"inferred resource"		
Mt	3,70	4,41
Grade (g/t Au)	0,74	0,62
Ounces (Au)	73 000	99 000

The Author has been unable to verify the above historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Caracal 2008

A final resource model was compiled by Caracal using the variography results to constrain a tri-axial search ellipse. The block model Kriging search ellipse parameters are given in Table 14.5. The maximum search ellipse (90m) was oriented NW (150°) so that interpolation was carried out parallel to the grid drilling direction with the maximum NE search limited to 40m which limited interpolation between drill fences (50m).

Table 14.5: Indicator kriging search parameters for the Rozino Project resource estimate prepared by Caracal for submission to the Bulgarian government (Andrew c, 2009).

Search ellipse (X)	90 m
Search ellipse (Y)	40 m
Search ellipse (Z)	40 m
Top-cut	25 g/t Au
Search ellipse long axis	150°
Search ellipse tilt	-65° SE

This resulted in blocks being constrained by data along the drill fences (Figure 14.1) and it is unclear why Caracal used this resource estimation for their mine design. Block modelling was carried out using 5 x 5 x 10m blocks with the long axis oriented to 150° and this was considered to be acceptable for use as a selective stope mining block for the purposes of underground mine design.

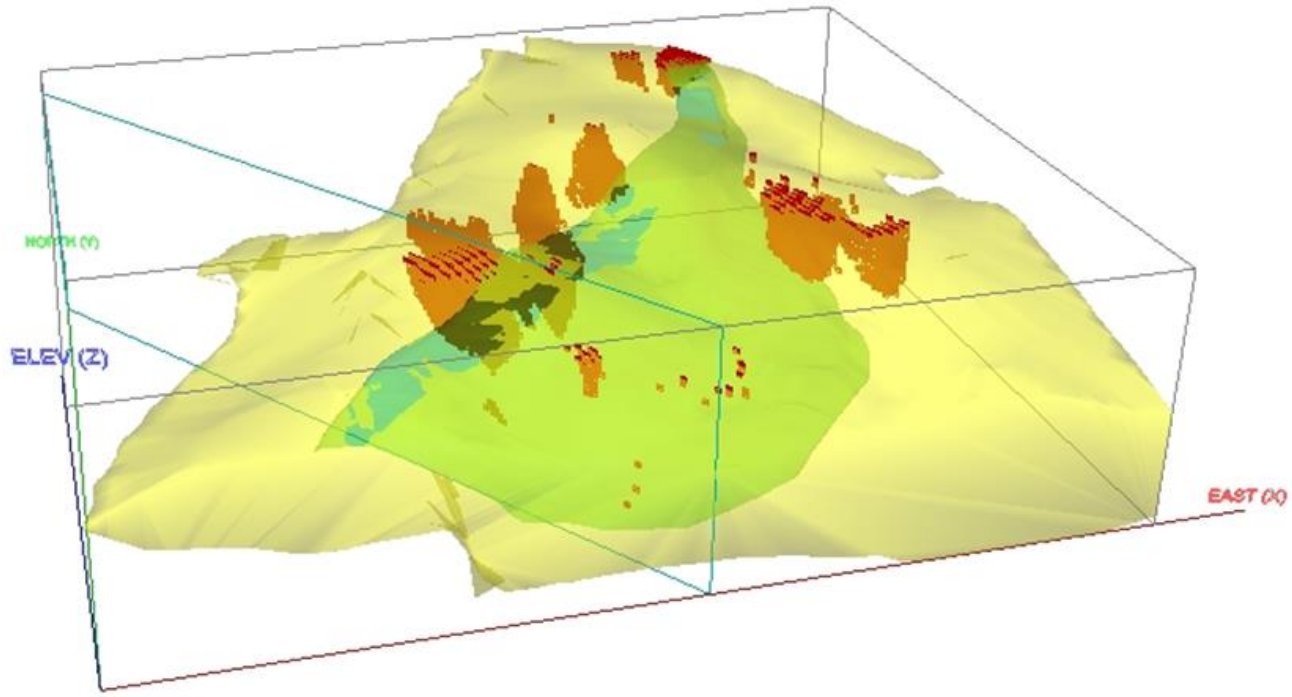

Figure 14.1: Three dimensional view of the Rozino block model using a 1.2 g/t Au cut-off grade. Initial search ellipsoid secondary axis range (40m) is less that the drill fence separation (50m). The contact between the Palaeogene and basement is shown as a green plane.

Specific Gravity (SG) measurements were conducted on 12 samples from the host sediments and basement with the average densities of 2.599 g/cm^3 and 2.548 g/cm^3 respectively. The results are similar to those recorded by the state funded exploration where 43 samples returned an average SG of 2.583 g/cm^3.

The final Caracal resource is reported at varying cut-off grades (Table 14.6) but was not assigned a CIM resource classification.

Further discussion on the resource modelling based on independent preliminary studies carried out by the Author in discussion with Velocity is given in section 25 of this report.

Table 14.6: Caracal's last Mineral Resource Estimate for the Rozino Deposit (5m x 5m x 10m Block Model, July 2008 (Andrew C, 2008)

Cut-off grade	***Tonnes***	***Au g/t***	***Ag g/t***	***Total Oz Au***
2.0 g/t Au	572 000	2.53	4.26	46 458
1.8 g/t Au	880 100	2.32	3.78	65 548
1.6 g/t Au	1 342 250	2.09	3.28	90 058
1.4 g/t Au	2 251 600	1.85	2.9	133 723
1.2 g/t Au	3 066 050	1.70	2.76	167 329
1.0 g/t Au	4 241 900	1.54	2.67	209 712
0.8 g/t Au	6 036 550	1.34	2.48	259 678

The Author has been unable to verify the above historic resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

Comment on Historical Resources

All previous resource estimations have been limited by the lack of suitably targeted drilling and the final resource reported to the Bulgarian government was severely restricted to the available drill information with no resource blocks generated between drill fences.

Previous historical resource estimates were biased by a lack of data support because the deposit was drilled in the wrong orientation and grade was interpolated outside the limits of the data set. However, the final resource estimation carried out on behalf of Caracal that was used for commercial modelling is severely restricted because the search ellipse was focused in the plane of the drill fences and did not reach between drill fences. This resulted in a block model akin to a narrow vein type mineralisation oriented in the same direction as the drill fences with a false plunge aligned along the dip of the drill holes. Caracal were unable to generate any other resource estimation that conformed with the data and as a consequence the mine planning was forced into a to a small underground mine design.

It is clear from the work carried out by Caracal that the restrictions placed upon the resource estimation were well understood and despite the reluctance to generate an unconstrained resource estimate such as those generated by Hereward previously, Caracal did report a last estimation that better represented the low grade bulk tonnage nature of the deposit.

Infill potential around the main deposit exists between drill fences and the mineralisation remains open to the southeast and northwest. Lateral to the main deposit high grade surface (trench) sampling returned best intercepts of 17m @ 3.39 g/t Au, 4.53 g/t Ag in the northeast and 14m @ 4.29 g/t Au, 2.58 g/t Ag in the southwest. The potential for additional sub-parallel vein zones to the main deposit is very good and the targets are essentially untested by drilling.

15 Mineral Reserve Estimates

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

16 Mining Methods

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

17 Recovery Methods

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

18 Project Infrastructure

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

19 Market Studies and Contracts

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

20 Environmental Studies, Permitting and Social or Community Impact

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

21 Capital and Operating Costs

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

22 Economic Analysis

This Section of the NI 43-101 technical report is not applicable to the level of study and has been omitted by the Author.

23 Adjacent Properties

The Rozino deposit is situated within the Eastern Rhodopian 'Ore Field' that was exploited during the communist era for lead and zinc. The gold potential of the region was recognised during the 1990's and most of the gold deposits were discovered during this period. Gorubso were the first company to develop a gold mine at Chala, but the base metal mines at Lozen, Madzharovo and Zvezdel are reported to have all contained appreciable amounts of gold. The deposits can be classified as Intermediate Sulphidation Epithermal vein deposits and at Chala and Madzharovo they are adjacent to Porphyry molybdenum deposit occurrences (Figure 23.1).

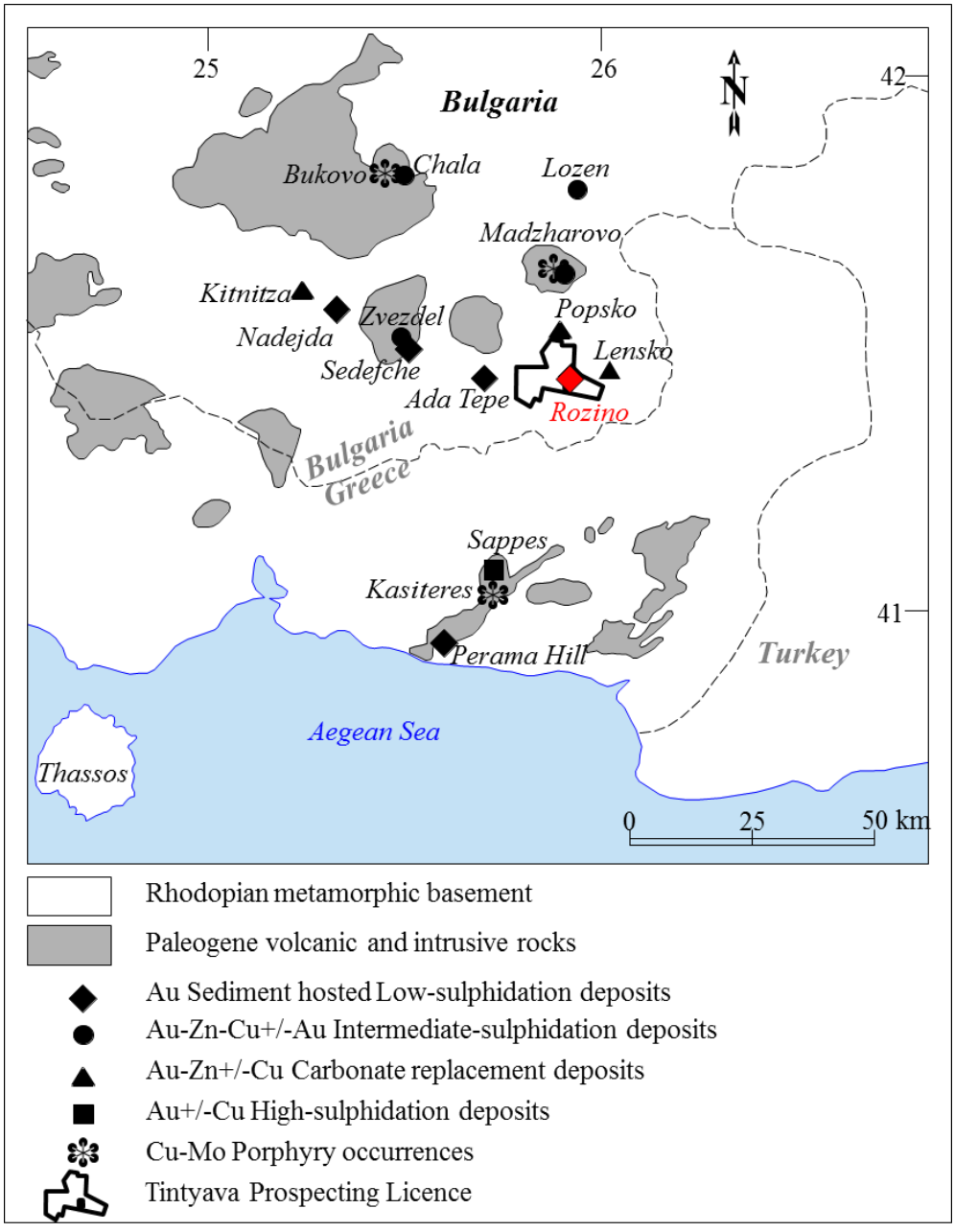

Figure 23.1: Significant mineralisation within the Eastern Rhodopian 'Ore Field' (modified from Mutafchiev, 2005). Adjacent properties to the Tintyava Property are Ada Tepe, Popsko and Lensko.

Carbonate replacement deposits within the region are hosted within Palaeogene limestones (Sedefce) and basement marbles (Kitnitsa, Popsko & Lensko). The Popsko and Lensko occurrences are adjacent to the Tintyava Property.

At Popsko, shallow exploration has identified sphalerite – galena – pyrite ± chalcopyrite within marbles and Tertiary volcanics. Gold-silver-polymetallic mineralisation occurs as veins or linear stockworks (vein swarms), elongated in NNE, WNW and NW directions that range from 100 to 1,600 metres in length and from 0.6 to several metres in thickness. Gold content ranges from 0.98 to 1.31 g/t and silver grades 60-62 g/t.

To the east of Rozino adjacent to the Tintyava Property the Lensko gold occurrence is hosted in brecciated marbles. Soil sampling within the Tintyava Property adjacent to the Lensko deposit contains gold anomalism above Palaeogene breccia conglomerates and basement marbles.

The Ada Tepe deposit is the most significant gold mineralisation within the region. The property is owned by DPM who recently were awarded the final construction permit for their Krumovgrad Project to exploit the Ada Tepe and Surnak deposits (6.2Mt @ 4.0 g/t Au for 807Koz Au).

Ada Tepe is located on the periphery of the Momchilgrad volcanic depression and the deposit is described as a stratabound LSE vein and disseminated Au (Ag) deposit, adjacent to a detachment fault or linear stockworks in and around listric faults within Paleogene molasse sediments. At Surnak the Au (Ag) ore bodies are also hosted by Palaeogene breccias, sandstones and limestones.

The Author has been unable to verify the above resource estimates and production data and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

24 Other Relevant Data and Information

There is no other relevant data or information required for disclosure in this NI 43-101 technical report.

25 Interpretation and Conclusions

The Rozino Project is prospective for LSE gold mineralisation within the Tintyava Property. The Rozino Deposit has been extensively explored since the 1980's and yet potential exists to significantly expand the known mineralisation. A series of genetic model - driven exploration programmes have failed to identify the likely controls on mineralisation evidenced and identified in the field and project exploration datasets.

In 2006 Previous operators Asia Gold developed a unified exploration approach that correctly identified a northwest structural control, however drilled only one diamond drill hole to test this orientation in the main deposit before relinquishing the Project. Caracal took over from Asia Gold as operator of the Project but instead of continuing exploration to properly test the northwest control model, opted to fast-track conversion of the PL to a ML. Caracal re-modelled the resource using the existing information, but the drill data was unable to support a rational resource estimate.

The flawed methodology of Caracal failed to get state approval for a Commercial Discovery and the company was unwilling to fund the additional drilling necessary to adequately define the deposit. In 2013 the PL was cancelled by the Bulgarian state and because no Geological Discovery or Commercial Discovery had been reported on the Rozino Project the tenement was returned to exploration status despite having had such a large amount of work completed.

The Rozino Deposit is composed of low to moderate grade, epithermal, gold vein, localised stockwork and dissemination mineralisation that is characterised by quartz, carbonate, adularia and pyrite with trace amounts of base-metals. Mineralisation appears controlled by northwest trending steep structures, cross-cutting a north east trending pull-apart sedimentary basin. Mineralisation is present at the contact between tight metamorphic basement and porous basal breccia conglomerates where throttle decompression causes gold precipitation. The highest grade mineralisation is present as northwest trending veins and veinlets within the sediments, above the basal unconformity contact.

Several occurrences of gold mineralisation are currently identified by historic drill, trench and surface sampling within the licence area, with the main focus of historic exploration and current main area of interest being the Rozino Deposit.

Angled, historical resource drilling at the Rozino Deposit was directed to the northwest, sub-parallel to the mineralised trend and as a consequence the resource estimations lacked adequate sample support. The mistake was identified by Asia Gold, however the company chose to focus on the adjacent Tashlaka South occurrence situated to the southwest of the main Rozino Deposit and as a consequence currently only one diamond drill hole directed northeast, perpendicular to the

controlling structural orientation was completed within the main Rozino Deposit (R-245). This angled, oriented drill hole returned a best intercept of 68m @ 3.15 g/t Au (uncut) and an intercept using a 20 g/t Au top-cut of 68m @ 2.79 g/t Au. Assuming steep mineralisation striking 145°, i.e. perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be 43.5m.

During the period 2005-2007 Hereward Ventures commissioned various independent resource estimations using both old fashioned vertical State drilling and their own modern angled drilling. As part of their due diligence and property review Velocity used the existing drill data to check the integrity of the data set and found that both compositing of the assays and block modelling of the data set using inverse distance weighted (IDW^2), unconstrained interpolation generated very similar results to the work carried out on behalf of Hereward. The purpose of this exercise was to verify the input data integrity and ability to replicate the historical resource figures. However it was also recognised that an unconstrained IDW^2 interpolation was not appropriate for the style of mineralisation and density of the drill information collected to date.

Velocity have carried out further in house block model evaluations by restricting the input drill hole database to the areas where Hereward and Asia Gold had carried out closest spaced angled drilling within the main Rozino deposit area (Figure 25.1 and Figure 25.2). A review of this work, and independent review of historical models has been completed by the Author. The results from this area constrained inverse distance weighted modelling are rudimentary and in no way can be used in resource estimation and resource reporting. However, investigations established the grade and tonnage results concur closely with the historic Hereward and final resource estimations carried out by Caracal in 2008 and reported in their Commercial Discovery Report (Andrew, C. 2009), and shown in Table 25.1 below.

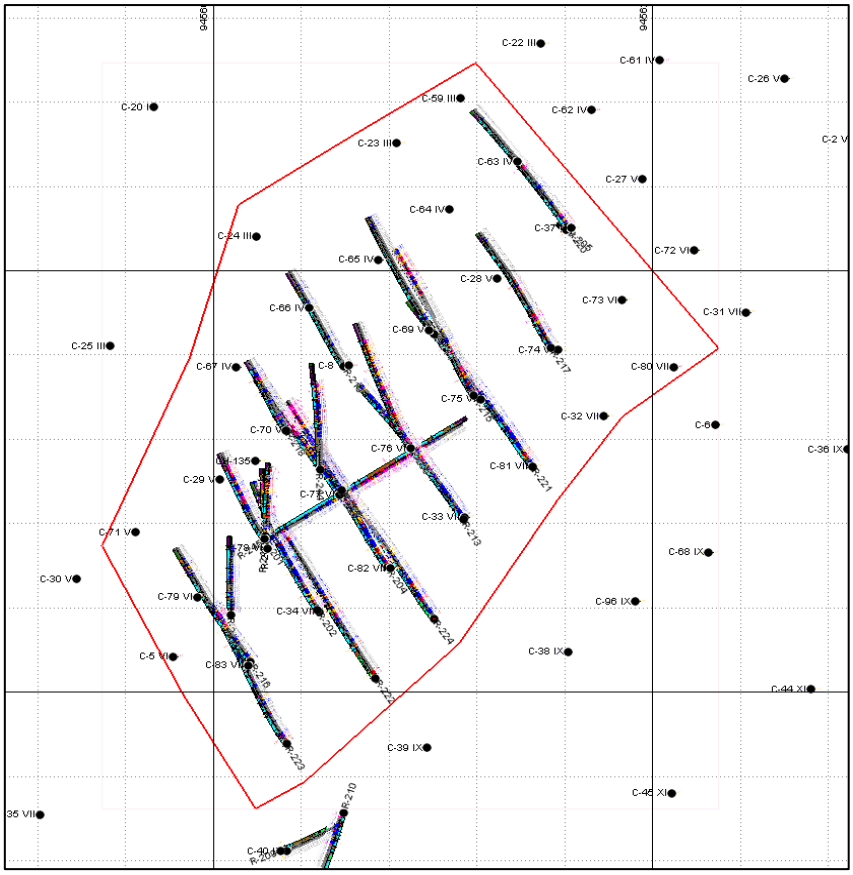

Figure 25.1: Main Rozino deposit area.

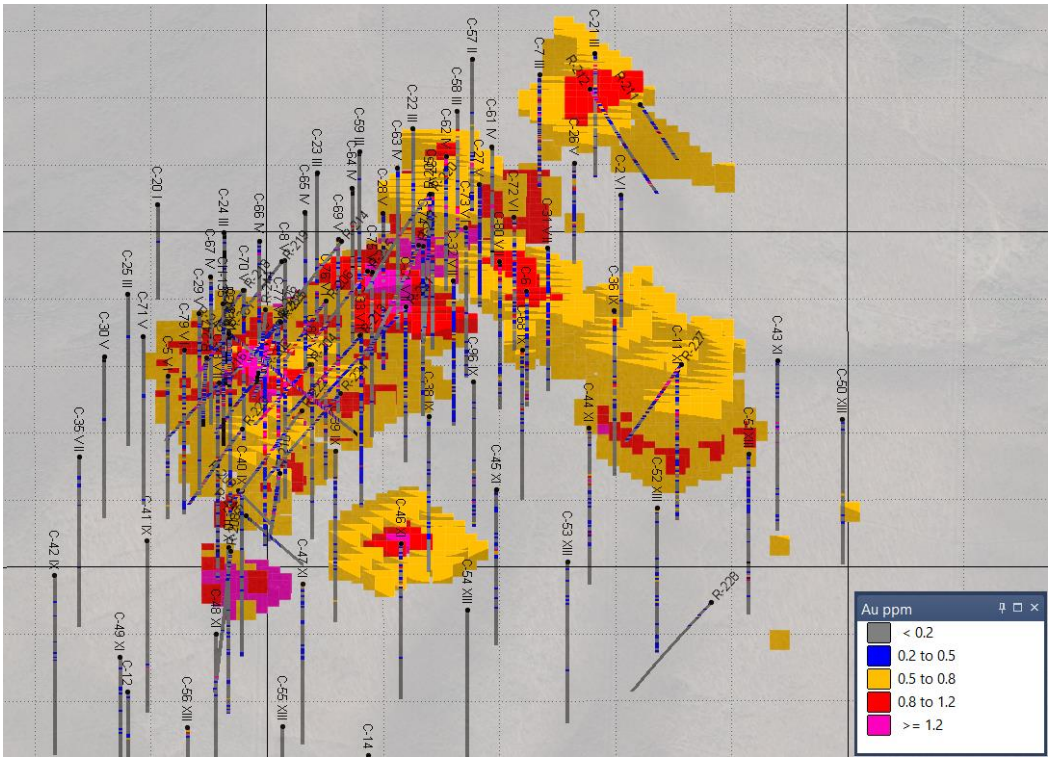

Figure 25.2: 3d view of Main Rozino deposit area and Hereward block model looking North (grid square 100m).

Table 25.1: Block Model Comparison Table

	Hereward 2005			Caracal 2008			AMS/Velocity re-estimation of Hereward 2005 data set			AMS/Velocity re-estimation of Hereward 2005 clipped 'Central Area' data set		
Cut-off grade	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**	**Tonnes**	**Au**	**Au Oz**
Au g/t	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**	**(t)**	**(g/t)**	**(ounces)**
2	N/R	N/R	N/R	572,000	2.53	46,458	N/R	N/R	N/R	N/R	N/R	N/R
1.8	776,450	4.44	110,606	880,100	2.32	65,548	N/R	N/R	N/R	N/R	N/R	N/R
1.6	940,750	3.95	119,412	1,342,250	2.09	90,058	N/R	N/R	N/R	N/R	N/R	N/R
1.4	1,245,500	3.35	133,983	2,251,600	1.85	133,723	N/R	N/R	N/R	N/R	N/R	N/R
1.2	1,709,250	2.79	153,130	3,066,050	1.7	167,329	N/R	N/R	N/R	N/R	N/R	N/R
1	**2,589,050**	**2.21**	**183,776**	4,241,900	1.54	209,712	**2,482,045**	**2.24**	**178,758**	1,878,850	2.55	154,002
0.8	4,361,900	1.67	234,314	6,036,550	1.34	259,678	4,197,385	1.69	228,270	2,750,700	2.03	179,401
0.6	7,724,750	1.24	307,711	N/R	N/R	N/R	7,326,581	1.26	297,716	4,581,850	1.50	220,233
0.5	**10,819,950**	**1.04**	**361,440**	N/R	N/R	N/R	**10,234,862**	**1.06**	**349,157**	5,724,000	1.31	240,488
0.4	15,799,300	0.85	431,910	N/R	N/R	N/R	14,988,433	0.87	417,960	7,414,700	1.11	264,922
0.2	41,342,650	0.49	655,526	N/R	N/R	N/R	40,591,182	0.49	644,301	16,549,250	0.65	347,550

The Author has been unable to verify the above resource estimates and as such for the purpose of this technical report these are not treated as current resources compliant with CIM and NI 43-101 reporting standards. The Author also cautions that this information is not necessarily indicative of the mineralisation on the property that is subject of the technical report.

A great deal of high quality work has been carried out within the Rozino Project Area and the cumulative knowledge of previous workers has led to a better understanding of the mineralising system. Asia Gold's drill hole R245 was drilled perpendicular to the previous historical resource drilling and showed the potential for significant exploration upside at the Rozino Deposit.

On the basis of current geological understanding for the project, the quantity and quality of exploration data, field observations, data verification checks and historical model review it is the Author's opinion that the main Rozino Deposit area represents an immediate Exploration Target for the project, with conservative near surface exploration potential of 5 to 10 million tonnes, at average grades ranging between 0.5 to 1.5 g/t Au*.

In addition, mineralisation at the main Rozino Deposit area is interpreted to remain largely open along strike particularly to the southeast and offers further exploration potential for the deposit, as demonstrated in the gold grade shell implicit models shown in Figure 25.3 below.

The potential quantity and grade of material is conceptual in nature as there is insufficient quality and quantity of exploration to define a mineral resource on the property and it is uncertain if further exploration will result in the discovery of a mineral resource on the property.

Outside of the main deposit area, currently three other sub-parallel zones / trends, adjacent to and in close proximity to the main mineralisation are identified which returned high-grade trench and rock chip results and the targets remain largely undrilled.

The potential to find strike extensions and adjacent, sub-parallel gold mineralised zones is considered good. In addition, a number of gold-in-soil anomalies to the east, south east and west of the main deposit remain untested.

Preliminary metallurgical test work carried out by Geoengineering, Lakefields, Caracal and Wardell Armstrong suggests that recoveries by cyanide leaching are above 90%, with no deleterious elements and the deposit should be amenable to simple low cost processing. This is consistent with LSE deposits elsewhere in the world, where similar grade mineralisation is mined.

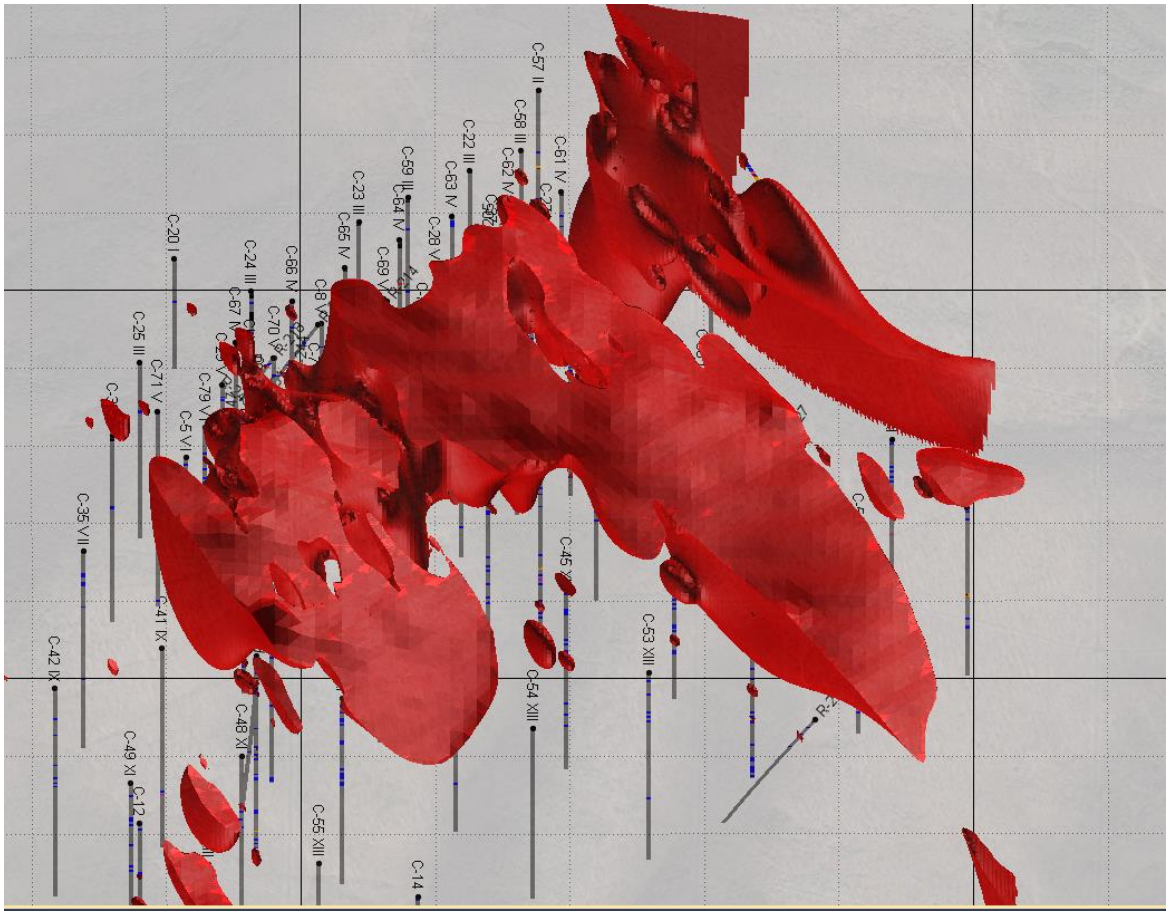

Figure 25.3: 3d view of Main Rozino deposit area and 0.5 g/t Au Implicit grade shells looking North (grid square 100m).

A discussion of significant risks and uncertainties that could reasonably be expected to affect the reliability and confidence in the exploration information are summarised below.

Due to the planned further exploration and verification work to be undertaken by the issuer using CIM guidelines and industry accepted best practice methodologies, the Author does not foresee any significant impact of the current risks and uncertainties of the exploration data on the projects potential economic viability or continued viability.

All of the targeting is based on the digital capture of comprehensive historic exploration and although the quality of the historical work done is very good, there are survey control variation, and errors introduced during the scanning, referencing and digitising of paper copy results. Limited field studies and ground truthing of the different generations / eras of exploration using hand held GPS indicate a location error in the region of ± 10m. Analytical results are non-verifiable and as such, used to indicate the presence of mineralisation of potentially significant grades and target identificaton for further testing. The Author considers this satisfactory for the purpose of exploration target zone development. However, further work to improve survey control on historical data, interpreted models and mine workings are recommended going forward.

26 Recommendations

On the basis of this technical report and in consideration of Velocity's operating strategy, the Author makes the following exploration recommendations for the first year of exploration:

1. Purchase of high resolution satellite imagery over the Rozino Project in order to document the effects of previous exploration and aid geological re-mapping of the Project area together with the design of further drilling.
2. Obtain high resolution topographic survey data for the project area.
3. Complete DGPS pick up of features and historic exploration drill collars and trenches.
4. Further systematic trenching and controlled sampling upon the position of untested Au mineralised trenches to the north east and south west of the main deposit is required prior to drill testing.
5. For future sampling programmes, a regular QA/QC program using independent standards and independent umpire laboratory analysis of mineralised drill intercepts is to be implemented as a routine check on the precision of the primary laboratory.
6. Twin drill R-245 for verification purposes.
7. Based on the significant mineralised intercepts at Rozino and the fact that previous resource drilling was done in the wrong direction, step out drilling from R-245 is warranted.
8. Heel to Toe drill fences facing north east should be completed in order to delimit the extents of the main deposit.
9. Instigate additional metallurgical test work in preparation for further resource drilling and a Preliminary Economic Assessment in the 2nd year of work.
10. Confirmation of soil anomalies and subsequent trenching over large untested soil anomalies to the south and east of the main deposit is required for drill targeting.
11. Collation and interpretation of the Tashlaka South deposit is required in order to assess the potential for bonanza grade LSE gold mineralisation beneath the high level silica ledges.
12. Ground truthing of regional gold in soil anomalies within the Palaeogene sediments to the south east of Rozino is required.
13. Re-processing of project airborne and ground geophysics to better define basement and structural architecture.

14. Where possible and practical, locate and re-sample useful significant historic drillholes.

15. Palaeogene rhyolitic intrusives and purported Cretaceous 'granitoids' have been mapped throughout the Tintyava Property and represent high priority grass roots exploration plays.

16. Secure, where possible additional prospecting and exploration licences that cover prospective LSE gold terrain elsewhere within the Eastern Rhodopes.

17. Set up well documented project specific Standard Operating Procedures to ensure compliance with CIM Best Practice, maximise information captured and value from exploration works.

To accomplish the above objectives, a comprehensive exploration programme has been proposed by Velocity primarily focused on the Rozino Deposit. The intent of the proposed exploration activities is to build on previous programmes, using the knowledge to advance the project as quickly as possible to a Preliminary Economic Assessment (PEA). Additional work to assess the regional potential of the Tintyava Property will be carried out in parallel with the detailed works at Rozino and various existing targets that have already been identified within the Rozino environs.

The proposed budget and exploration drilling program detailed in Table 26.1 covers a nominal 12 month period (ending July 2018) during which the phase-based activities over the Tintyava Property are expected to have been completed.

Table 26.1: Summary Exploration Budget for Velocity's Tintyava Exploration 2016 – 2017 work programme

Description	Canadian Dollar
CAPITAL	76,802
PERSONNEL	91,541
DRILLING	420,224
GEOCHEMISTRY	47,296
GEOPHYSICS/REMOTE SENSING	8,915
GEOLOGY	48,679
VEHICLES/GENSETS	8,604
FIELD & OFFICE COSTS	133,032
TENEMENTS	384,908
TOTAL	**1,220,000**
Drilling Physicals	
Diamond Drilling	3,000m
RC Drilling	0m

27 References

Andrew, C. 2009, Technical and Economical Assessment of the Tashlaka Deposit, Rozino Prospecting Licence, Bulgaria (Commercial Discovery Report) *submitted to* the Ministry of Energy *by* Caracal Cambridge Bulgaria EAD., *in* National Geological Fund, Department of National Geological Services, Directorate for Natural Resources – Concessions & Control, Ministry of Energy, Bulgaria (Geofond).

Armstong R, Kozelj D and Herrington R, 2005. The Majdanpek Cu-Au Porphyry Deposit of Eastern Serbia: A Review, *in* Porter T M, (Ed), Super Porphyry Copper and Gold Deposits: A Global Perspective, v2 pp 453-466.

Bonev, N, J.-P. Burg, Z. Ivanov. 2005. Mesozoic-Tertiary structural evolution of an extensional gneiss dome -m the Kesebir-Kardamos dome, Eastern Rhodope, (Bulgaria-Greecs). Int. J. Earth Sci. (Geol. Rundsch.), 94,6.

CSA Global, 2014. NI 43-101 Technical Report – Krumovgrad Project. Report written on behalf of Dundee Precious Metals Inc.

Goranov, A., D. Kozhuharov, Eve. Boianov E. Kojuharova, 1995. Explanatory notes to geological map of Bulgaria, 1: 100 000 map sheets Krumovgrad and Ivaylovgrad.

Hart, C., 2005. Classifying, Distinguishing and Exploring for Intrusion-Related Gold Systems. The Gangue newsletter, Canadian Institute of Mining Geological Society, 87, 1-9.

Lang, J. R., Baker, T., 2001, Intrusion-related gold systems: the present level of understanding: Mineralium Deposita, 36, 477-489.

Marchev P, Singer B, Jelev D, Hasson S, Moritz R and Bonev N, 2004, The Ada Tepe deposit: a sediment-hosted, detachment fault- controlled, low-sulfidation gold deposit in the Eastern Rhodopes, SE Bulgaria, Schweizerische Mineralogische und Petrographische Mitteilungen 84, 59–78.

Moritz R, Chambefort I, Georgieva S, Jacquata S and Petrunov R, 2005. The Chelopech high-sulphidation epithermal Cu-Au deposit. Ore Geology Reviews, v27, pp 130-131.

Mutafchiev I and Skenderov G, 2005, Morphogenic types of mineralization in Bulgaria, in Gold Potential of Bulgaria: Status and Prospectivity, Ed. Mutafchiev I, Skenderov G and Damianov O, pp 141.

Asia Gold Press Release, 2006a. Asia Gold Updates Gold Exploration Programs at Tashlaka Hill and Vladimirovo, Bulgaria, January 18, 2006.

Asia Gold Press Release, 2006b. Asia Gold Intersects 68 Metres Grading 3.2 g/t Gold at Tashlaka Hill, Bulgaria, November 09, 2006

Ricou L E, 1994. Tethys reconstructed: plates, continental fragments and their boundaries since 260 Ma from Central America to Southeastern Asia. Geodinamica Acta, 1, 169-218.

Sarov, St.., D. Tsvetanov, M. Ovcharov J. Gergelchev N. Markov, Mikov E., L. Nikova A. Tsvetkov, V. Valkov Kalinova, I. 1994. Report on the results of the geological task: "Geological mapping at 1:25 000 and comprehensive evaluation of mineral resources in central Belorechkoto swelling near the villages Tintiava, Jelezino, Chernichevo and Boturche an area of 430 square km., Geofund KG, IV-0415.

Sillitoe, R., 1973, Tops and Bottoms of Porphyry Copper Deposits, Economic Geology 68(6):799-815

Strashimirov S, Petrunov R, Kanazirski M, 2002. Porphyry-copper mineralisation in the central Srednogorie zone, Bulgaria. Mineralium Deposita 37: 587-598

Yordanov, B. et al, 1995. Report on the results of the geological task: "Geological mapping in scale 1: 25000 and comprehensive evaluation of mineral resources in the Eastern periphery of Belorechkoto swelling and Mandrishkiya segment of the Lower Maritsa fall between the villages Kamilski Dol, Pelevun, Lower Lukovo and the town. Ivaylovgrad an area of 460 square kilometers." 1995, IV-431.

28 Certificate of Author

J. N. HOGG
Addison Mining Services Ltd
64 Addison Road
Wanstead
London
E11 2RG

CERTIFICATE of AUTHOR

I, J. N. Hogg, MSc., BSc., MAIG do hereby certify that:

1. I am employed as a principal consulting geologist by, and carried out this assignment for, Addison Mining Services Ltd., 13-17 High Beech Road, Loughton, London, 1G10 4BN.

2. I graduated with a Bachelor of Science degree (Hons) in Geology from Kingston University, Surrey, UK, in 1993. In addition, I obtained a Master's of Science (merit) in Mineral Exploration in 1996 from the University of Leicester, Leicestershire, UK.

3. I am a member of the Australian Institute of Geoscientists, Prospectors and Developers Association of Canada and Society of Economic Geologists.

4. I have worked as a geologist for a total of 19 years since graduation from university. Relevant experience includes 8 years exploration, resource and reserve development of lode gold, silver and base metal deposits in Western Australia with Delta Gold NL, Sons of Gwalia Ltd and Newmont Australia and 8 years as consultant resource geologist with ACA Howe International Limited and Micromine Consulting Services and two years as Principal Consultant Geologist at Addison Mining Services.

5. I have read the CIM definitions, JORC code, and definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for sections 1 to 27 of the Addison Mining Services technical report "National Instrument 43-101 Technical Report for the Rozino Project, Republic of Bulgaria", dated Wednesday 26th July 2017, with an effective date of Monday 3rd October 2016.

7. I have conducted a site visit on the Property between 1st and 4th of September 2016, to assess geological setting and mineralisation, data collection methodologies, geological models, auditing and data verification exercises for the purpose of this technical report.

8. As of Monday 3rd October 2016, the effective date of this technical report, to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information that is required to be disclosed to make this technical report not misleading.

9. I have read this technical report and am familiar with the CIM definitions, JORC2012 code and NI 43-101 and Form 43-101F1. This technical report has been prepared in accordance with NI 43-101.

10. I am independent of Velocity Minerals, the Vendor and of the Property, applying all of the tests in section 1.4 of NI 43-101.

11. I have no prior involvement with the Rozino Project apart from the provision of independent professional consulting services and undertaking of studies as described in this report.

Dated this 26th day of July, 2017 with an effective date of 3rd October, 2016.

"J. N. Hogg"

29 Consent of Author

James Hogg, MSc, BSc, MAIG
Principal Consulting Geologist
Addison Mining Services Ltd
13-17 High Beech Road
Loughton
London
IG10 4BN
Company No. 08883789

Consent of Qualified Person

To: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

I, James Hogg, do hereby consent to the public filing of the technical report titled “National Instrument 43-101 Technical Report for the Rozino Project, Republic of Bulgaria” dated Wednesday 26th July 2017 with an effective date of Monday 3rd October 2016 (the "Technical Report) by Velocity Minerals Ltd., with the TSX Venture Exchange under its applicable policies and forms in connection with the Share Purchase and Sale Agreement with 1077076 B.C. Ltd. dated 24th January 2017, which was subject to a news release on 6th February 2017.

I acknowledge that the Technical Report will become part of Velocity Minerals Ltd.'s public record.

Dated this 26th day of July, 2017 with an effective date of October 3rd 2016.

James Hogg MAIG