



NR18-15

August 29, 2018

## **Velocity Receives Positive Metallurgical Results at Rozino Gold Project, Southeast Bulgaria**

### **Comprehensive Test Work Supports Low Cost Metrics for Input into Upcoming Preliminary Economic Assessment**

**Vancouver, British Columbia** – Velocity Minerals Ltd. (TSXV: VLC) (“**Velocity**” or the “**Company**”) announces that it has received positive results from comminution, flotation & gravity recovery, and leach test work on a bulk sample representative of the entire Rozino gold project (“**Rozino**” or the “**Project**”), located in southeast Bulgaria.

Results of this work will be incorporated into the Rozino NI 43-101 Preliminary Economic Assessment (“**PEA**”), which is in progress with results expected to be released in September 2018. Delivery of the PEA is the mechanism by which Velocity will earn a 70% interest in the Rozino gold deposit.

“Comprehensive metallurgical test work has provided us with positive results for inclusion into the Rozino PEA. The results included here provide Velocity with a mechanism to produce a 30 g/t gold concentrate, which is amenable to processing at the nearby Gorubso carbon-in-leach plant,” stated Keith Henderson, Velocity’s President & CEO. “The flotation test work has demonstrated that the process delivers a high-quality concentrate for input to the existing CIL plant. With extremely low sulphide contents, low carbon contents and negligible deleterious elements, this low-volume, high-grade concentrate should complement the development options being considered in the PEA.”

#### **Highlights of Results**

- >98% of sulphide recoverable to produce a gold concentrate using standard flotation
- Low-volume, high-grade concentrate complements PEA project development options
- Concentrate produced typically averages 30 g/t gold
- Flotation gold recoveries of approximately 91%
- Extremely simple mineralogy with negligible deleterious elements
- Low sulphide content (<1%) and low mass pull (<5%)
- Low carbon content (1.2%) minimizes pregnant solution robbing during leaching
- Environmentally benign waste tailings product
- Results based on representative bulk sample comprised of 1,600 core samples

#### **Simple Mineralogy at Rozino**

The uncomplicated nature of mineralogy at Rozino is one of the attractive features of the gold deposit. The mineralization is very simple with gold associated with pyrite, which is the only significant sulphide mineral in the deposit.

### Flotation Test Work

The test work shows that more than 98% of the sulphide is recoverable to produce a basic gold concentrate using standard flotation techniques, conventional flotation reagents and a grind size of 70% passing 200 mesh. The test work concentrate typically averages 30 g/t gold with recoveries of approximately 91%. The economics of the grind sizing and the reagent scheme used in the test work have not yet been optimized, but these results indicate that a simple metallurgical flowsheet is required, which may be refined in the next phase of test work to further enhance the operating cost inputs.

One of the scenarios being considered in the PEA will be trucking of this concentrate to Gorubso's CIL facility in Kardzhali. The cost of trucking this concentrate to Velocity's partner is not expected to be material to the economics of the project.

### Leach Test Work

Cyanidation tests were carried out on whole-rock mineralized material, at differing grind sizes, and on the flotation concentrate described above, via 48-hour bottle roll test work. The whole rock tests were conducted at 60% and 80% passing 200 mesh with recoveries of 70% and 83% respectively and moderate cyanide consumptions of 2.14 and 2.23 kg/t respectively. Leach kinetics are good with leaching effectively complete within 24 hours.

Best leach results were gained from leach tests on flotation concentrates returning optimum leach times of 24 hours and recoveries of 87% extraction (Table 1). Finer grinding of the concentrate does not appreciably increase the leach recovery.

**Table 1 Leach results of gold concentrates from the Rozino deposit**

Extraction	87.48%
Consumption of Na CN	3.1 kg/t
Added NaCN	7.3 kg/t
Consumption of NaOH	5.0 kg/t

### Bulk Sample Composition

Head grade analyses of the bulk sample concurs with previous gold assay results:

**Table 2 Feed analysis of the 130kg bulk sample used for metallurgical test work**

Bulk Sample Average Head Grade	Gold (g/t)	Sulphur (%)	Carbon (%)	Silver (g/t)	Copper (ppm)	Arsenic (ppm)	Lead (ppm)	Antimony (ppm)	Zinc (ppm)
	1.28	0.42	1.20	2.0	48	125	28	<5	74

Mineralogical analysis of the bulk sample using X-Ray Diffraction (XRD) confirmed a very straightforward Low Sulphidation Epithermal style of mineralization as outlined in Table 3. Positive aspects include extremely low sulphide contents, low carbon contents and negligible deleterious elements. The very low carbon content will avoid any negative impact on gold recoveries through pregnant solution robbing during cyanide leaching. The very low sulphide content together with very high recoveries of the sulphides (>98%) results in a low mass pull concentrate (<5%) and leaves a waste tailings product that is environmentally benign.

**Table 3 Mineralogical composition determined by XRD**

Mineralogy	Weight %
Quartz	61
Mica	18
Potassium Feldspar	11
Carbonate	9
Pyrite	<1

All of the gravity and flotation test work was carried out on a 130kg bulk sample assembled from all of the significant drill intercepts from the 2107 and 2018 drill programs. The sample was carefully prepared with material from more than 1,600 core samples.

Velocity has greatly improved on the results of historical metallurgical test work carried out by previous operators at Rozino. In part this improvement can be attributed to the quality of the bulk sample assembled by Velocity and the extent to which it is representative of the deposit.

### Gravity Test Work

Gravity test work demonstrated that no significant free gold is being lost and the test work did not improve upon the overall results, even when integrated with the flotation test work. As a result, the gravity option will most likely not be considered in the upcoming PEA.

### Ball Mill Work Index

Initial Bond Ball Mill Work Index (“BWI”) determination was carried out on whole drill core and returned a calculated value of 14.52. This work is preliminary in nature and further work including SAG mill test work is required, but the results are sufficient for the initial ball mill design to be incorporated in the PEA. The BWI results are included in Table 4. Preliminary BWI test work was carried out on whole core taken from representative intercepts.

**Table 4 Initial Bond Work Index results for the Rozino mineralization**

D <sub>80</sub> particle size of the feed	d <sub>80</sub> particle size of the end product	End product specific mass	W <sub>G</sub> *	W <sub>I</sub> **
(mm)	(mm)	(g/rev)	(kWh/g)	(kWh/t)
1.80	0.095	1.87	5.72 x 10 <sup>-3</sup>	14.52

\* W<sub>G</sub> – Energy consumption per g end product

\*\* W<sub>I</sub> – Bond Work Index

### Details of Flotation Test Work Results

Fifteen variations of flotation test work were carried out, including two lock cycle tests using a variety of differing grind sizes and reagents and the results are included in Table 5.

The locked cycle test work was carried out on a coarser grind fraction than most of the other tests and returned an average recovery of 91% within a concentrate grading 30 g/t using standard flotation methodology and relatively low-cost reagents. Finer secondary grinding of the concentrate did not result in significant improvement in recoveries indicating that there is no cost benefit to producing higher grade concentrates using finer grind processes.

Owing to the efficient recovery and low starting concentrations of pyrite the mass pull is less than 5% resulting in a low-volume concentrate with high gold recoveries.

**Table 5 Summary of flotation test work on the Rozino bulk metallurgical sample**

Test	Grind % -75 micron	Reagents				Recoveries	
		Na <sub>2</sub> CO <sub>3</sub> (g/t)	KIBK (g/t)	Aero 242 (g/t)	BM (g/t)	Au (g/t)	Au (%)
1	80	850	25	25	100	23.35	89.17
2	50/80	850	50	*	10	27.71	85.10
3	90	850	25	25	50	17.0	88.19
4	50	850	25	25	25	19.80	60.65
5	Ex grav 2	850	25	25	25	37.50	53.75
6	80	850	25	25	50	16.37	87.67
7	70	850	25	25	50	21.93	87.81
8	80	850	75	0	50	35.49	86.24
9	80	850	25	25	50	22.20	85.98
10	80	850	KXK 100	0	25	21.96	80.37
11 LCT#	70	850	25	25	25	36.40	90.66
12 LCT#	70	850	75	0	50	24.10	91.45
13	60	850	50	50	50	24.15	82.84
14	70	250	50	50	75	18.96	88.03
15	70	0	0	50	75	24.49	86.14

\*NaHS and CuSO<sub>4</sub> to mill.

# LCT Locked Cycle Tests

### **Quality Assurance / Quality Control**

The metallurgical work program at Rozino was designed and is supervised by Len Holland B.Sc., C.Eng., FIMMM., FMES, an independent consulting metallurgist who is responsible for all aspects of the metallurgical test work, including the quality control/quality assurance program.

The flotation, gravity and leach test work, together with gold department, mineralogical and laser sizing studies were carried out by Eurotest Control EAD, Bulgaria on a homogenized bulk sample that was assembled through splitting of 1,632 coarse reject samples. The sample splitting was carried out by Velocity's staff using Jones splitters in accordance with best international practice. The bulk sample was subsequently homogenized by Eurotest according to the Australian Standard – AS 3988-91 - Sample Preparation for the Determination of Gold, before being divided into 1kg aliquots using a rotary splitter. Eurotest conducted homogenization tests including Fischer dispersion analysis and 50 chemical analyses

in order to ensure that each metallurgical sample was representative of the combined mineralized intervals from Rozino.

The Eurotest Control laboratory is certified by LRQA to ISO 9001. The company also holds a certificate of accreditation as a testing laboratory pursuant to BDS EN ISO 17025. Analyses of materials less than 5g/t gold were carried out by ICP-OES on Aqua Regia digest. Samples containing more than 5 g/t were analyzed by 30g Fire Assay using an AAS finish. Specialist determinations were carried out in accordance with best international practice, e.g. Sulphur was determined by the LECO technique. Comminution studies were carried out by Eurotest and the University of Mining and Geology in Sofia. The preliminary BWI determination was carried out on a 22.5kg sample of whole drill core selected to be representative of typical mineralization from the Rozino deposit.

### ***Qualified Person***

The technical content of this release has been approved for disclosure by Len Holland, a Qualified Person as defined by National Instrument 43-101. Mr. Holland is independent of the Company.

### ***About the Rozino Gold Project***

Velocity has been exploring and drilling at Rozino since August 2017, publishing a maiden Inferred Mineral Resource Estimate in Q1 2018; 17Mt @ 1.15g/t gold for 629,000 ounces at 0.5g/t cut-off grade with 8.2Mt @ 1.68g/t gold for 443,000 ounces at 0.8g/t cut-off grade. Approximately 90% of estimated resources at depths of less than 110m from surface and less than 1% below 150m from surface. Mineralization remains open for expansion. The Company has completed the 2018 drill program with a view to publishing an updated mineral resource estimate and PEA before year end. On completion of the PEA, the Company will exercise its option for a 70% interest in the project and will move forward in joint venture with its Bulgarian partner.

### ***About Velocity Minerals Ltd.***

Velocity is a gold exploration and development company focused on eastern Europe. The Company's management and board includes mining industry professionals with combined experience spanning Europe, Asia, and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies. The team's experience includes all aspects of mineral exploration, resource definition, feasibility, finance, mine construction and mine operation as well as a track record in managing publicly listed companies.

### ***About Bulgaria***

Bulgaria is a member of NATO (2004) and a member of the European Union (2007). The local currency (BGN) has been tied to the Euro since 1999 (1.956 BGN/EUR). The country is served by modern European infrastructure including an extensive network of paved roads. Bulgaria boasts an exceptionally low corporate tax rate of only 10%. The country's education system is excellent with good availability of experienced mining professionals in a favourable cost environment. Foreign mining companies are successfully operating in Bulgaria. The country's mining law was established in 1999 and updated in 2011. Mining royalties are low and compare favourably with more established mining countries.

On Behalf of the Board of Directors  
"Keith Henderson"  
President & CEO

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Readers are cautioned not to place undue reliance on forward looking information. The Company undertakes no obligation to update any of the forward-looking information in this news release or incorporated by reference herein, except as otherwise required by law.