

NR-21-08

April 28, 2021

## Velocity Files NI 43-101 Technical Report on SEDAR for Initial Mineral Resource Estimate at Obichnik Gold Project, Southeast Bulgaria

**Inferred Resource at 0.3g/t gold cut-off grade  
4.4Mt @ 1.1 g/t gold for 156,000 ounces**

**Vancouver, British Columbia** – Velocity Minerals Ltd. (TSXV: VLC) (“**Velocity**” or the “**Company**”) announces that it has filed a NI 43-101 Technical Report on SEDAR (the “**Report**”) entitled “NI 43-101 Technical Report Exploration and Mineral Resource Estimation for the Obichnik Property, Republic of Bulgaria,” dated March 20, 2021 (effective date February 11, 2021). The Technical Report was written by Jonathon Abbott an independent Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure*. The Report is available on SEDAR under the Company’s profile and on the Company’s web site.

The Mineral Resource Estimates were previously disclosed in the Company’s news release dated March 16 2021. The initial Inferred Mineral Resource estimates for the Obichnik gold Project (“**Obichnik**” or the “**Project**”) were reported for a range of cut-off grades (Table 1). Highlights include:

- **Initial Resource;** 4.4 Mt @ 1.1 g/t gold for 156,000 ounces, at 0.3 g/t gold cut-off grade
- **Near-surface;** 80% of estimated resources are located within 120m of surface
- **Open;** The mineralized system at Obichnik remains open for expansion

**Table 1: Obichnik Inferred Mineral Resource Estimate, effective date February 11<sup>th</sup>, 2021<sup>(1)</sup>**

Cut-Off Grade (gold g/t)	Tonnage (million tonnes)	Grade (gold g/t)	Ounces (gold x 1,000)
0.2	5.9	0.9	171
<b>0.3</b>	<b>4.4</b>	<b>1.1</b>	<b>156</b>
0.4	3.5	1.3	146
0.5	2.8	1.5	135
0.6	2.3	1.6	118
0.7	2.0	1.8	116
0.8	1.7	2.0	109

(1) Mineral resources were estimated by Jonathon Abbott, a member of the Australian Institute of Geoscientists and employee of MPR Geological Consultants Pty Ltd of Perth, Australia. Mr. Abbott is a Qualified Person, as defined by National Instrument 43-101.

### **Resource Estimate Methodology and Assumptions**

Recoverable resources were estimated for the Durusu Zone at Obichnik using Multiple Indicator Kriging (“MIK”) with block support adjustment, a method that has been demonstrated to provide reliable estimates of recoverable open pit resources in gold deposits of diverse geological styles. The resource estimates include a variance adjustment to give estimates of recoverable resources above gold cut off

grades for selective mining unit (“SMU”) dimensions of 5m east by 2m north by 2m in elevation. The variance adjustments were applied using the direct log-normal method.

The estimates are based on data from diamond drilling undertaken by Velocity and includes drilling information available on the 10<sup>th</sup> of February 2021 comprising 37 holes for 6,820m. Velocity’s diamond holes are inclined to the southwest at generally 50° at generally around 25m spacing along generally 50 m spaced traverses with rare closer spaced holes.

Resource modelling incorporated two steeply northwest dipping mineralized domains interpreted from 2m down-hole composited gold grades and capturing intervals of greater than 0.1 g/t. The main, northern domain extends over approximately 380m of strike with an average width of around 80m. The subsidiary southern domain averages around 40m wide over 320m of strike. Mineralization is characterized as structurally controlled steep epithermal replacement of the volcanic host with a large envelope of alteration that forms part of a 2.5km by 1km wide intrusive related hydrothermal mineralizing system.

Mineral Resources are truncated at a maximum vertical depth 180m around 30m above the base of mineralized drilling, with around 80% of estimates from depths of less than 120m and less than 5% from below 160m.

Model blocks are categorized by oxidation zone from triangulated surfaces representing the base of complete oxidation and top of fresh rock interpreted from geological logging of Velocity’s diamond holes. Within the resource area the depth to the base of complete oxidation averages around 55m, with fresh rock occurring at an average depth of around 68m.

Bulk densities of 2.30, 2.50 and 2.55 tonnes per cubic metre were assigned to completely oxidized, transitional and fresh material respectively on the basis of 30 immersion density measurements performed by Velocity on diamond drill core samples.

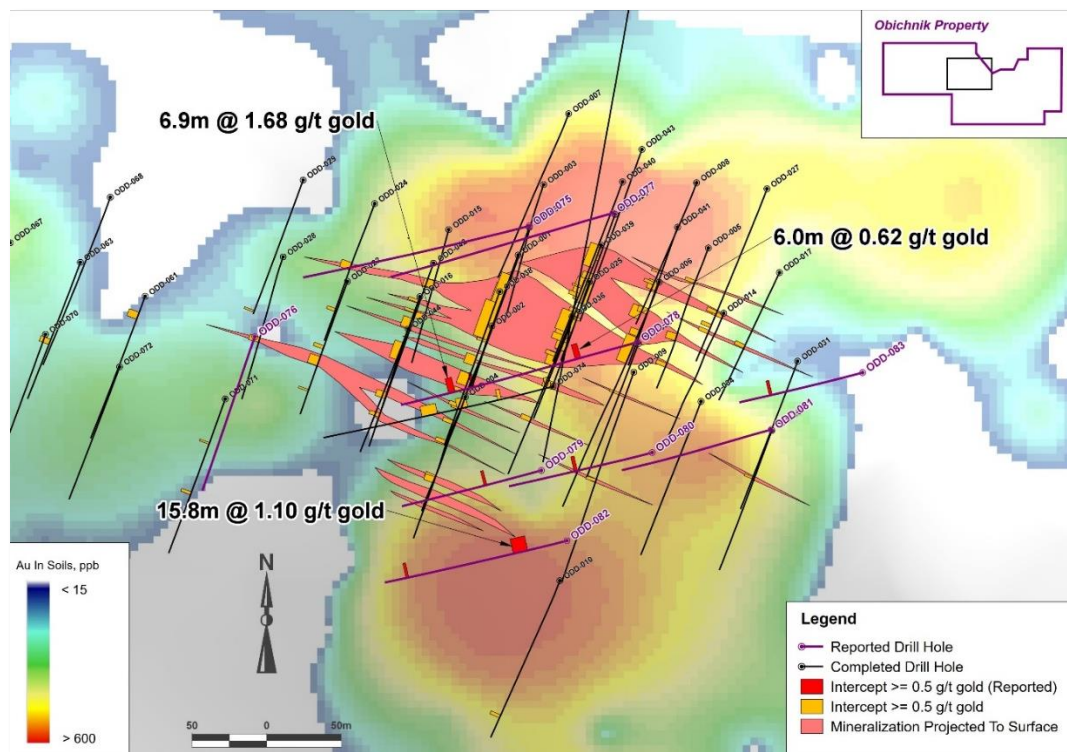
All class grades were for MIK modelling determined from bin mean grades with the exception of the upper bins, which were reviewed on a case by case basis for each mineralized domain/oxidation zone subset and bin grades selected on the basis of bin mean, or median with or without exclusion of high grade composites. This approach was adopted to reduce the impact of a small number of outlier composites.

### **Obichnik Project Drilling**

Following release of the initial Mineral Resource estimate for the Obichnik gold project (see news release NR-21-04, March 16, 2021), drilling has continued to the south. Recent results have returned a best intercept from drill hole ODD-082; 15.8m grading 1.06 g/t gold from 42.6m (**Figure 1**).

### **Makedontsi Project Drilling**

Recent drilling at the Makedontsi gold project included 6 exploration diamond drill holes at the Kalina target together with diamond and reverse circulation (RC) drilling at the Makedontsi deposit. Drilling at the Makedontsi deposit aims to test the grade and extents of historical drilling, as testing for blind targets under the post-mineral limestone cover to the east. A total of 8 diamond drill holes for 273m, plus 14 RC drill holes for 528m have been completed. Highlights include MRC-012; 34m grading 0.94g/t gold and MRC-009; 16m grading 0.99g/t gold.



**Figure 1: Map showing Durusu drilling, Obichnik gold project, southeast Bulgaria with gold in soil geochemical anomaly and locations of Velocity's drilling to date.**

### Quality Assurance / Quality Control

The work program at Obichnik was designed and is supervised by Stuart A. Mills, CGeol, the Company's Vice-President Exploration, who is responsible for all aspects of the work, including the quality control/quality assurance program. On-site personnel at the project rigorously collect and track samples which are then security sealed and shipped to ALS Global laboratory in Romania. Samples were prepared and analyzed by fire assay using a 30-gram charge in compliance with industry standards. Field duplicate samples, blanks and independent controlled reference material (standards) are included in every batch. An additional sample taken from each pulverized sample is shipped to ALS Global laboratory in Ireland for aqua regia digest and silver plus multi-element analysis by Inductively Coupled Mass Spectrometry (ICPMS).

### General Notes with Respect to Technical Information

The mineral resource disclosed herein has been estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum "CIM Definition Standards for Mineral Resources and Mineral Reserves" (CIM, 2014).

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Any known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves are detailed below in the section entitled "Cautionary Statement Regarding Forward-Looking Information".

### Qualified Persons

The technical content of this news release that relates to Mineral Resource Estimates has been approved for disclosure by Jonathon Abbott, a member of the Australian Institute of Geoscientists and employee of

MPR Geological Consultants Pty Ltd. Mr. Abbott is a Qualified Person, as defined by National Instrument 43-101. Mr. Abbott is independent of the Company.

The technical content of this release has been approved for disclosure by Stuart A. Mills, BSc, MSc, CGeol, a Qualified Person as defined by NI 43-101 and the Company's Vice President Exploration. Mr. Mills is not independent of the Company.

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

Velocity is a gold exploration and development company focused on southeastern Bulgaria. Velocity's strategy is to develop a low cost centralized "Hub and Spoke" operation whereby multiple projects within this emerging gold district produce gold concentrates for trucking to a central processing plant for production of doré. The Company envisions staged open pit mining of satellite deposits and processing in a currently operating carbon-in-leach (CIL) plant. Velocity has a 70% interest in the Tintyava prospecting licence, which includes the Rozino gold project, and has entered into option agreements to earn a 70% interest in the Obichnik and Makedontsi gold projects and holds a 100% interest in the Igljika project. Velocity's management and board includes mining industry professionals with combined experience spanning Europe, Asia, and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies. 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.

On Behalf of the Board of Directors

*"Keith Henderson"*  
President & CEO

For further information, please contact: Keith Henderson  
Phone: +1-604-484-1233  
Web: [www.velocityminerals.com](http://www.velocityminerals.com)

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### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: future exploration and testing carried out on the Project; use of funds; and the future business and operations of the Company. Often, but not always, forward looking statements can be identified by words such as "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, operating and technical difficulties in connection with mineral exploration and development and mine development activities for the Project, including the geological mapping, prospecting and sampling programs for the Project, actual results of exploration activities, estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital to fund the Company's business plan, future prices of precious metals, changes in general economic conditions,

changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on the Company's business, financial condition and results of operations, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under the heading. "Risk Factors" in the Company's annual management's discussion and analysis and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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.