



NR-21-07

April 27, 2021

## **Velocity Provides an Update on the Tintyava License and Rozino Exploration Drilling, Southeast Bulgaria.**

**Vancouver, British Columbia** – Velocity Minerals Ltd. (TSX.V: VLC) (“**Velocity**” or the “**Company**”) provides an update on the Tintyava prospecting and exploration license permit no. 467, issued on February 28, 2017 (the “**Tintyava License**”) and exploration drilling at the Rozino Project (“**Rozino**”) and Kazak East (“**Kazak**”), located within the Tintyava License area. Velocity holds a 70% interest in the Tintyava License and Rozino, through its subsidiary, Kibela Minerals AD pursuant to a 70/30 joint venture with its Bulgarian partner Gorubso Kardzhali AD (“**Gorubso**”) in Tintyava Exploration AD (“**Tintyava Exploration**”), which is the holder of the Tintyava License.

### **Tintyava Prospecting License Appeal**

Velocity reports that the Association for Agrarian and Ecological Projects – GEO, a Bulgarian-based NGO (the “**NGO**”), has filed an appeal against the Bulgarian government’s Ministry of Energy (the “**Ministry**”) seeking to nullify the Tintyava License (the “**License Appeal**”). The NGO alleges that the issuance of the Tintyava License by the Ministry was inconsistent with the Bulgarian *Ores and Minerals Act* and the *Constitution of the Republic of Bulgaria*, and was not coordinated under the Bulgarian *Carbon Dioxide Sequestration Act* and the Bulgarian *Biodiversity Act*. On March 10, 2021, the Sofia City Administrative Court (the “**Administrative Court**”) made a preliminary ruling on the License Appeal, naming the Ministry as the defendant and Gorubso as an interested party to the proceedings.

In its capacity as an interested party, Gorubso submitted a written response to the Administrative Court on April 16, 2021, arguing that the NGO lacks legal standing to bring the License Appeal, no evidence has been provided to support the allegations made, and the facts known to Gorubso contradict the allegations made. Gorubso’s response further argues that even if there was evidence to support the allegations made it would not result in a nullity of the Tintyava License, the Ministry satisfied all procedural requirements in the issuance of the Tintyava License, and there were no flaws in the administrative acts of the Ministry that could result in a nullification of the Tintyava License. Additionally, Gorubso requested that the Administrative Court add Tintyava Exploration as an interested party to the License Appeal, on the basis that Tintyava Exploration is the current holder of the Tintyava License.

Velocity expects that Tintyava Exploration will be named as an interested party in due course after which time Tintyava Exploration will have the opportunity to defend the validity of the Tintyava License. To date, neither Velocity nor Tintyava Exploration has received any communication or notification from the Administrative Court or the NGO regarding the License Appeal.

Published news articles regarding the NGO suggest that its principal is an activist who regularly files appeals against projects and initiatives across government, municipalities, and a range of industries, including the mining industry. The NGO has been largely unsuccessful in its attempts to obstruct a number of projects over the past several years. While there can be no guarantee that a favourable outcome will be reached, the Company believes that the License Appeal will not be successful based on, among other things, the reasons set out above and the delay in bringing the License Appeal. The License Appeal does not currently

prevent Tintyava Exploration from proceeding with its exploration activities, however, the potential impact from the License Appeal is unknown and indeterminable at this time. There is a hearing currently scheduled on the License Appeal for May 19, 2021.

### Rozino Drill Results

In 2020 Velocity published a prefeasibility study (“PFS”) in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) for Rozino. The NI 43-101 included an updated Mineral Resource estimate, which was restricted to sediment-hosted, disseminated gold mineralization (“Existing Resource”). The Rozino deposit is underlain by metamorphic basement rocks (“Basement”), which have historically not been a focus of exploration drilling. Minor basement-hosted gold mineralization was excluded from the PFS Mineral Resource estimates.

The Company has reviewed the potential for basement mineralization, through sampling of previously unsampled drill core, and through targeted drilling to test the refined exploration model. The work has returned significant gold mineralization hosted in the Basement, immediately underlying the Existing Resource.

**Drilling to Test Basement** – Results have been received for the first 6 drill holes, testing basement underlying the Existing Resource (Table 1, Figures 1, 2 and 3). Highlights include drill hole RDD-214; 11.0m grading 3.77 g/t gold, including 4.0m grading 9.76 g/t gold.

**Previously Unsampled Basement Drill Core** – Results have been received from 323 samples of previously unsampled Basement material and are included in Table 2. Results include drill hole RDD-035; 5.0m grading 4.30 g/t gold, and drill hole RDD-160; 10.7m grading 0.89 g/t gold.

**Next Steps** – Results received to date identify gold mineralization, locally high-grade, some of which is located within the PFS design pit (but excluded from the Existing Resource) and some of which underlies the pit. Both categories of mineralization have potential to be included in a future Mineral Resource estimate and ultimately in a production scenario (Figures 2 and 3).

Basement mineralization is open to the north and east and drilling continues to define further mineralization with assay results pending. A further 7 drill holes have been completed to date and additional drill holes are planned to the north and east.

Drill hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
RDD-211	42.10	58.90	16.80	0.79
RDD-212	17.70	25.70	8.00	0.97
RDD-212	31.40	50.80	19.40	0.56
RDD-213	60.80	74.80	14.00	0.91
RDD-214	71.00	82.00	11.00	3.77
RDD-216	18.10	26.10	8.00	0.65
RDD-216	119.40	122.40	3.00	1.76

**Table 1: Significant intercepts of Basement mineralization from new drill holes at the Rozino deposit.**

The drill intersections disclosed have not been included in a resource model and true thickness of mineralization has not been determined. Drill holes are designed to intersect mineralization perpendicular or close to perpendicular. Drill intersections in Table 1 are calculated using a 0.2 g/t gold trigger, a minimum 0.5 g/t gold composite, and a maximum of 3 metres consecutive waste. Drill intercepts that do not meet these criteria are excluded from the table. Complete lists of consecutive drill intercepts are listed on the Company’s web site.

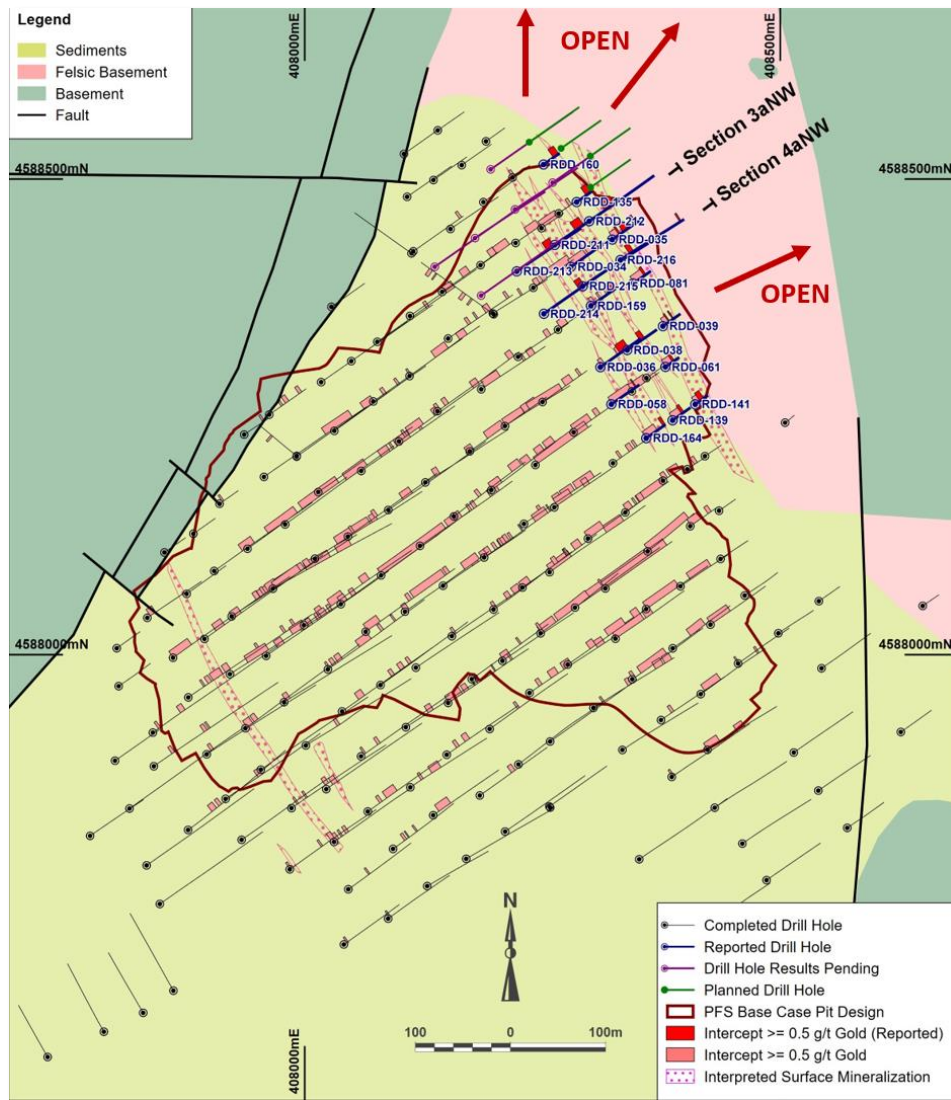


Figure 1: Rozino map showing the location of drill holes targeting Basement, planned drill holes, and highlighting open areas where potential for additional mineralization has not been tested by previous drilling.

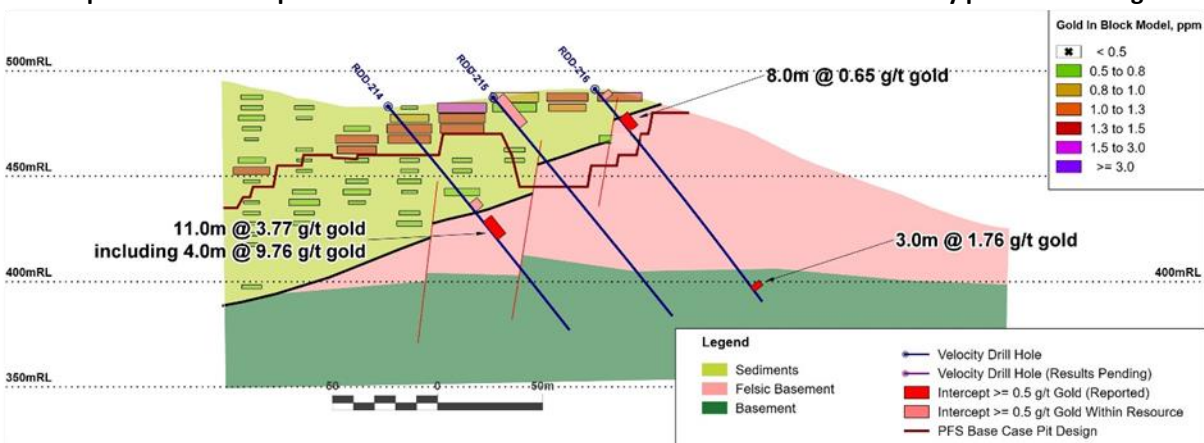
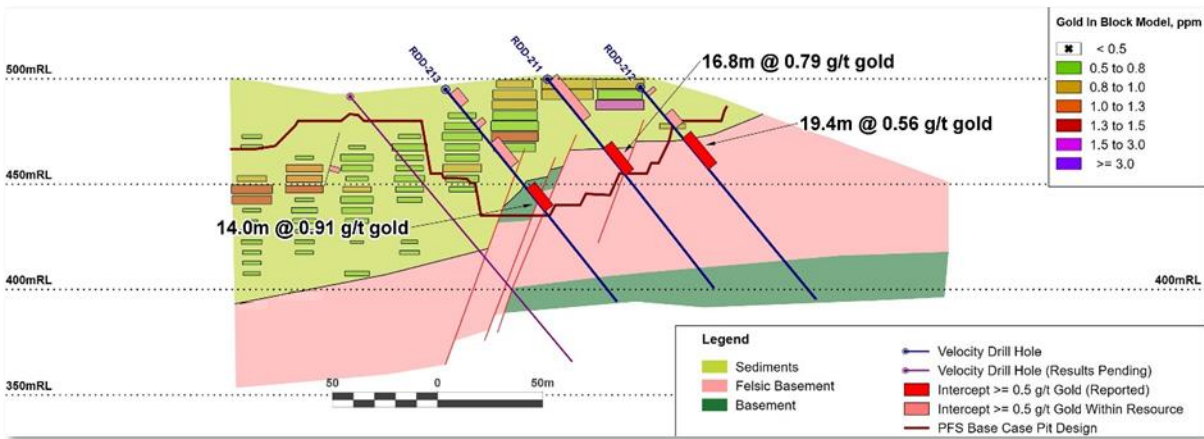


Figure 2: Drill section 3aNW showing significant Basement intersections at the Rozino deposit. Drill results are pending for additional holes. Drilling is ongoing.



**Figure 3: Drill section 4aNW showing significant Basement intersections at the Rozino deposit. Drill results are pending for additional holes. Drilling is ongoing.**

Drill hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
RDD-034	49.40	59.40	10.00	0.55
RDD-035	13.80	16.80	3.00	1.54
RDD-035	22.30	32.30	10.00	0.87
RDD-035	44.10	49.10	5.00	4.30
RDD-036	39.30	55.80	16.50	1.02
RDD-038	26.50	34.60	8.10	0.58
RDD-039	11.80	13.80	2.00	1.20
RDD-039	19.80	21.80	2.00	1.11
RDD-058	48.00	50.00	2.00	0.54
RDD-061	14.20	18.10	3.90	0.52
RDD-081	21.70	25.70	4.00	0.60
RDD-135	19.00	29.80	10.80	0.54
RDD-139	18.20	23.20	5.00	0.54
RDD-141	9.30	17.40	8.10	0.57
RDD-159	35.20	48.60	13.40	1.05
RDD-160	19.80	30.50	10.70	0.89
RDD-164	44.10	50.10	6.00	0.71

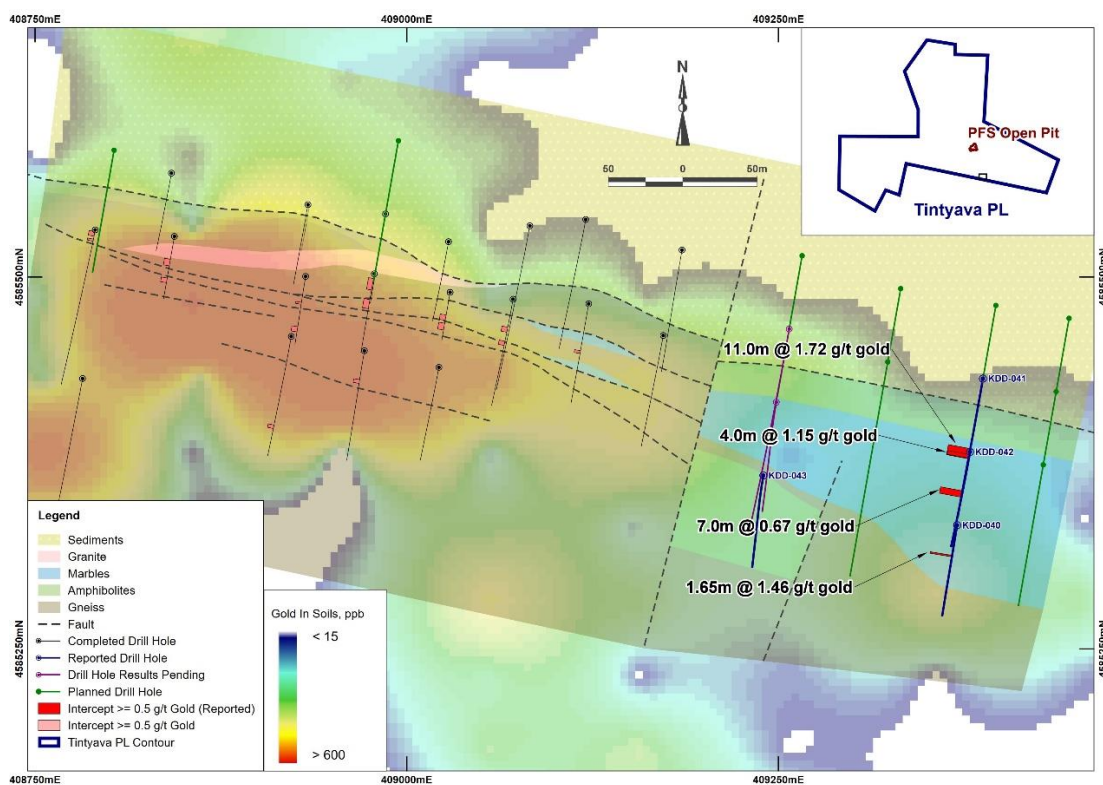
**Table 2: Significant intercepts from sampling of Basement drill core at the Rozino deposit.**

The drill intersections disclosed have not been included in a resource model and true thickness of mineralization has not been determined. Drill holes are designed to intersect mineralization perpendicular or close to perpendicular. Drill intersections in Table 2 are calculated using a 0.2 g/t gold trigger, a minimum 0.5 g/t gold composite, and a maximum of 3 metres consecutive waste. Drill intercepts that do not meet these criteria are excluded from the table. Complete lists of consecutive drill intercepts are listed on the Company’s web site.



## Kazak Drill Results

Step out drilling from newly discovered mineralization at Kazak East gold target aimed to extend mineralization to the east. Two drill fences 300m and 100m on-strike from previous drilling have been completed. Results from the drill section 300m on-strike returned significant mineralization with a best intercept from drill hole KDD-041; 11.0m grading 1.72g/t gold from a depth of 75.3m. Additional drill results are pending and drilling is ongoing (**Figure 4**).



**Figure 4: Map showing drill holes at the Kazak East target and highlights of drill results recently received. Drill results are pending for additional drill holes and drilling is ongoing.**

## Quality Assurance / Quality Control

The work programs were designed and 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 projects rigorously collect and track samples which are then security sealed and shipped to ALS Global laboratory in Romania. Samples used for the results described herein are prepared and analyzed by fire assay using a 30-gram charge in compliance with industry standards at ALS' Romanian laboratory. A sample split of the milled material is prepared and analyzed by Aqua Regia digest and Atomic Emission Spectrometry for silver and arsenic. A sample split of the milled material from the Rozino Basement-hosted drill program is shipped to ALS' Irish laboratory for multi-element analysis using an inductively coupled mass spectrometer. Field duplicate samples, blanks and independent controlled reference material (standards) are added to each batch of samples. All drill intersections in this news release are calculated using a 0.2 g/t gold trigger, a minimum 0.5 g/t gold composite, and a maximum of 3 metres consecutive waste. Complete lists of consecutive drill intercepts are listed on the Company's website.

**Qualified Person**

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 license, 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

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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, the outcome of the License Appeal, 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. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that market fundamentals will result in sustained gold and precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company's projects in a timely manner, the Company obtaining a favourable outcome in the License Appeal, the availability of financing on suitable terms for the development, construction and continued operation of the Company's projects and the Company's ability to comply with environmental, health and safety laws.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. 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 litigation affecting the Company's permits or licenses (including the License Appeal), administrative, legal or procedural errors made by governmental authorities in granting permits or licenses, 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 statements. The Company undertakes no obligation to update any of the forward-looking statements in this news release or incorporated by reference herein, except as otherwise required by law.