MPR Geological Consultants Pty Ltd

NI 43-101 Technical Report Mineral Resource Estimation for the Rozino Gold Deposit, Republic of Bulgaria

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Prepared for

Velocity Minerals Limited by

MPR Geological Consultants Pty Ltd

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Table of Contents

List of Figures

List of Tables

1. Summary

1.1. Introduction

This Technical Report has been prepared for Velocity Minerals Ltd. ("Velocity") to describe Mineral Resource estimates for the Rozino Gold Project ("Rozino" or the "Project") as announced by a news release disseminated on the 5th of March 2018.

1.2. Property description

The Rozino deposit forms part of the Tintyava Property, which lies within the municipalities of Ivaylovgrad and Krumovgrad in southeast Bulgaria around 350 kilometres by road east-southeast of the capital, Sofia. The property is held by Tintyava Exploration EAD, a wholly owned subsidiary of Gorubso Kardzhali AD ("Gorubso"). Velocity has an exclusive option to acquire a 70% interest in the Project through delivery of a preliminary economic assessment.

1.3. Resource sampling and assaying

The estimates described in this report are based on drilling information available on the 26th of February 2018. The sampling database includes 186 diamond holes completed by Velocity, Hereward Ventures Ltd ("Hereward"), and a Joint Venture between Hereward and Asia Gold Corp ("Asia Gold") during the mid-2000's, and Bulgarian state company Geoengineering EAD ("Geoengineering") in the 1980's.

Few details of sampling and assaying are available for the Geoengineering drilling. Although data from these holes were used to aid mineralized domain interpretation they were excluded from the estimation dataset. The estimation dataset includes diamond holes drilled by Hereward, Asia Gold and Velocity and comprises 78 holes for 12,009 metres. Samples from Velocity's diamond drilling provide 63% of the estimation dataset, with Hereward and Asia Gold drilling contributing 32% and 5%, respectively.

Hole spacing varies from around 50 by 50 metres and locally closer in central portions of the deposit, to around 100 by 100 metres in peripheral areas. Exploratory drilling outside the current resource area is generally very broadly spaced.

For Velocity's diamond drilling all on-site core handling and sampling was supervised by Velocity geologists. The core was sampled over generally one metre down-hole intervals and generally halved for assaying with a diamond saw. The core samples were collected in sealed plastic bags and placed in plastic drums with tamper-evident seals for transport to ALS Minerals laboratory in Romania by an individual directly employed by Velocity for analysis by thirty-gram fire assay.

Information available to demonstrate sample representivity and the reliability of sampling and assaying for Velocity's diamond drilling includes core recovery measurements, and assay results for field duplicates, coarse blanks and certified reference standards. These data have established that the assaying is representative and free of any biases or other factors that may materially impact the reliability of the analytical results

Hereward and Asia Gold's monitoring of sampling and assay reliability included duplicates and blanks for both data sets and certified reference standards for Asia Gold's drill results. These data are not available for the current review. An independent Qualified Person employed by Asia Gold in 2005 audited Hereward's sampling and assaying and considered the results to be sufficiently reliable for use in preliminary resource estimation.

Comparison of gold grades from the combined dataset of Hereward and Asia Gold drilling with nearby data from Velocity drilling shows similar average grades and supporting the general reliability of drilling, sampling and assaying for the Hereward and Asia Gold drilling.

1.4. Mineralization and Mineral Resource estimation

Rozino is a low sulphidation epithermal gold deposit hosted by Palaeogene breccia and conglomerate sedimentary rocks. Mineralization includes disseminations, replacement and veins, with mineralogy consisting of mainly pyrite with traces of base metals and arsenopyrite, with gold present at sulphide mineral boundaries and to a lesser degree as free grains or encapsulated inclusions. The dominant mineralization trend is northwest parallel to the regional extensional fault regime, with local mineralization development controlled by the intersection of steep structures sub-parallel to the extensional faults and gently dipping bedding.

Drilling has intersected mineralization over an area around 1,000 metres by 700 metres to a vertical depth of around 190 metres. The mineralization is interpreted to be completely oxidized to average depth of around 7 metres, with fresh rock occurring at an average depth of around 18 metres.

Mineral Resources were estimated by Multiple Indicator Kriging of two metre down-hole composited gold grades from diamond drilling by Hereward, Asia Gold and Velocity. Estimated resources include a variance adjustment to give estimates of recoverable resources above gold cut-off grades for selective mining unit (SMU) dimensions of 4 metres east by 6 metres north by 2.5 metres in elevation.

Estimated resources are constrained within a mineralized envelope interpreted from composited gold grades and geological logging from diamond drilling and surface trenches. The envelope captures intervals of greater than 0.1 g/t, with the lower boundary reflecting the contact between variably mineralized sedimentary rocks and un-mineralized basement. It covers an area of approximately 780 by 600 metres. Estimated resources extend to the base of mineralized drilling at around 190 metres depth, with around 90% of estimates from depths of less than 110 metres and less than 1% from below 150 metres.

The Mineral Resource estimates have been classified and reported in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the classifications adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) in May 2014. The estimates are classified as Inferred, primarily reflecting the drill hole spacing and uncertainty over the reliability of sampling data collected prior to Velocity’s involvement.

1.5. Conclusions

The author considers that quality control measures adopted for Velocity’s Rozino diamond drilling have established that the sampling and assaying is representative and free of any biases or other factors that may materially impact the reliability of this data. Reliability of the Hereward and Asia Gold data has not been established with the same degree of rigour. This does not significantly affect confidence in the current Inferred Mineral Resource estimates.

The author considers that the sample preparation, security and analytical procedures adopted for the Rozino drilling provide an adequate basis for the current Mineral Resource estimates.

Metallurgical test-work suggests the Rozino mineralization is amenable to treatment by industry standard methods, yielding comparatively high gold recoveries.

Table 1 presents Mineral Resources estimated for Rozino for selected cut off grades. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

Table 1: Rozino Inferred Mineral Resource estimates at selected cut offs

Effective date of estimates: 1st March 2018			
Cut-off (Au g/t)	**Tonnes (Mt)**	**Grade (Au g/t)**	**Metal (Au koz)**
0.2	45	0.62	897
0.5	**17**	**1.15**	**629**
0.8	8.2	1.68	443
1.0	**5.7**	**2.03**	**372**
1.2	4.2	2.37	320

1.6. Recommendations

In developing his recommendations for future work programs at Rozino, the author has considered the available information and Velocity's 2018 work plan for Rozino, which has commenced and is on-going. The work program includes a substantial program of diamond drilling which aims to expand the current Inferred Resource prior to a PEA due in late 2018.

The budget for Velocity's 2018 work plan is CAD $2,300,000. The author has reviewed and concurs with Velocity's proposed work programs for updating Mineral Resources.

The author recommends that planning of additional drilling and sampling for the Rozino project be based on the results of the planned PEA. The author's recommendations relating to the 2018 work plan are outlined below. Costs of these recommendations are included in the 2018 work plan budget.

- Rather than isolated intervals, check sampling of Hereward and Asia Gold drilling should comprise continuous representative down-hole mineralized intervals and include comprehensive QAQC monitoring such as routine submission of certified reference standards.

- The planned inter-laboratory check assays of samples from Velocity's 2017 and 2018 drilling should include samples of the same reference standards included in original assay batches.

- The planned density measurements should comprise immersion measurements of representative samples of each mineralization style and include oven-drying and wax coating to prevent water absorption during measurement.

- If possible, original down-hole survey records from Hereward and Asia Gold drill holes should be obtained and the database updated accordingly.

2. Introduction

This Technical Report has been prepared for Velocity to describe Mineral Resource estimates for the Rozino deposit and associated exploration, drilling, sampling and analyses.

This report is based on the references listed in Section 27, the author's site visit observations and information provided by Velocity personnel including Mr Stuart Mills (Vice President Exploration). This report relies on other experts for the description of project tenure and ownership.

The work reported herein was undertaken by Jonathon Abbott, MAIG, who is a full-time employee of MPR Geological Consultants Pty Ltd. Mr Abbott has more than five years' experience in the field of mineral resource estimation and is a Qualified Person as defined by NI 43-101.

Mr Abbott is responsible for all sections of this Technical Report. Mr Abbott visited Velocity's operations in the Ivaylovgrad area from the 24th to the 26th of February 2018, including a field visit to the Rozino deposit on the 25th of February 2018, and inspecting original sample records and diamond drill core at the Velocity's Ivaylovgrad offices on the 24th, 25th and 26th of February.

3. Reliance on Other Experts

This report is based on the references listed in Section 27, the author's observations and information in sampling and assay data files supplied by Velocity. The report relies on other experts for the description of project tenure and ownership. These aspects are detailed and referenced in relevant sections of the report, and listed below:

- Section 4: The description of mineral tenure and project ownership relies upon Tabakov, Tabakova & Partners, 2017 and Gorubso-Kardzhali and Kibela Minerals, 2017.

- Section 6: The description of mineral tenure and project ownership relies upon Tabakov, Tabakova & Partners, 2017 and Gorubso-Kardzhali and Kibela Minerals, 2017.

The report author is not qualified to comment on any environmental or legal considerations relating to the status of the Tintyava Property. and expresses no opinion as to the ownership status of the property.

The Author has not independently verified the status of Velocity's agreements with Gorubso. Velocity's option to earn 70% interest in the Tintyava Property as described in an "Option Agreement between Gorubso Kardzhali A.D. and Kibela Minerals A.D.", dated July 19, 2017 (Gorubso-Kardzhali and Kibela Minerals, 2017).

4. Property Description and Location

4.1. Property location and mineral tenure

The Rozino deposit forms part of the Tintyava Property which lies within the municipalities of Ivaylovgrad and Krumovgrad in southeast Bulgaria around 350 kilometres by road east-southeast of the capital, Sofia. The Rozino deposit lies around 2 kilometres south of the village of Rozino 25 kilometres west-southwest of Ivaylovgrad where Velocity's field office is located. The Project lies around 50 km southeast of the city of Kardzhali where Gorubso operates gold processing facilities. (Figure 1).

Gorubso and the Bulgarian Minister of Energy entered into a prospecting and exploration licence agreement dated May 2, 2017, pursuant to which the Tintyava Prospecting Licence (PL) (No. 467) 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. On the 1st of February 2018, the prospecting and exploration licence agreement was transferred to Tintyava Exploration E.A.D. ("Tintyava Exploration"), a wholly-owned subsidiary of Gorubso.

Figure 2 shows the extents of the current resource estimates relative to the tenement boundaries. The coordinate system used in this figure and throughout this report is World Geodetic System (WGS84) Zone 35 N coordinates. The Tintyava Property has an area of approximately 163 square kilometres and is centred at around 404,800 mE, 4,589,400 mN.

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, which is currently a wholly-owned subsidiary of Gorubso. 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 the cost of completing 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.

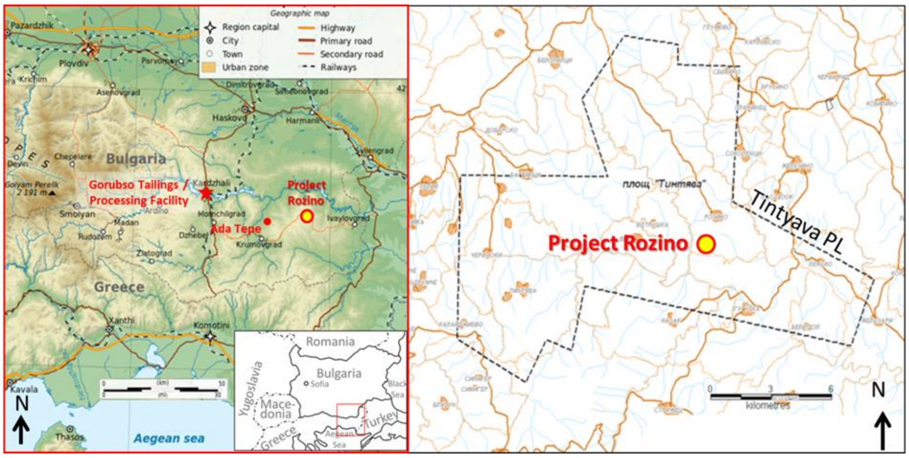
In February 2018, Velocity signed a letter agreement with Gorubso expanding the scope of the relationship between the two parties. The Option at Rozino was not impacted or amended as a result of the letter agreement. The letter agreement includes the securing of exclusive access to Gorubso's central CIL plant and use of the CIL plant is being considered as one option for potential future development of the Rozino Project. Velocity intends to complete a preliminary economic assessment of the Rozino Project, which will include an assessment of producing a low-volume concentrate on site and transporting it to the CIL plant for vat leaching and gold recovery. There are no assurances that such an assessment will produce a positive economic result or that such results will be included in the preliminary economic assessment.

4.2. Environmental liabilities and cultural heritage

The Author is not aware, nor has he been made aware, of any environmental liability associated with the Rozino Deposit.

The Ministry of Culture identified 33 potentially significant archaeological sites within the Tintyava Property. None of these sites are within or adjacent the current resource area. Velocity excluded areas covering each site from the permit to carry out detailed exploration (breaking ground, e.g. drilling) within the Tintyava Property for which they applied. Of the 33 identified sites 27, are defined by 100 square metre exclusion zones and the remaining 6 sites are defined by exclusion zones less than 200 square metres. The closest polygon to the Rozino Deposit is at Tashlaka South and has no material impact on current exploration permitting at the Project (Figure 2).

It is possible that other sites will be discovered during future exploration activities, and these will be appropriately dealt with in full consultation with the authorities and their officers.



Courtesy Velocity

Figure 1: Location diagram

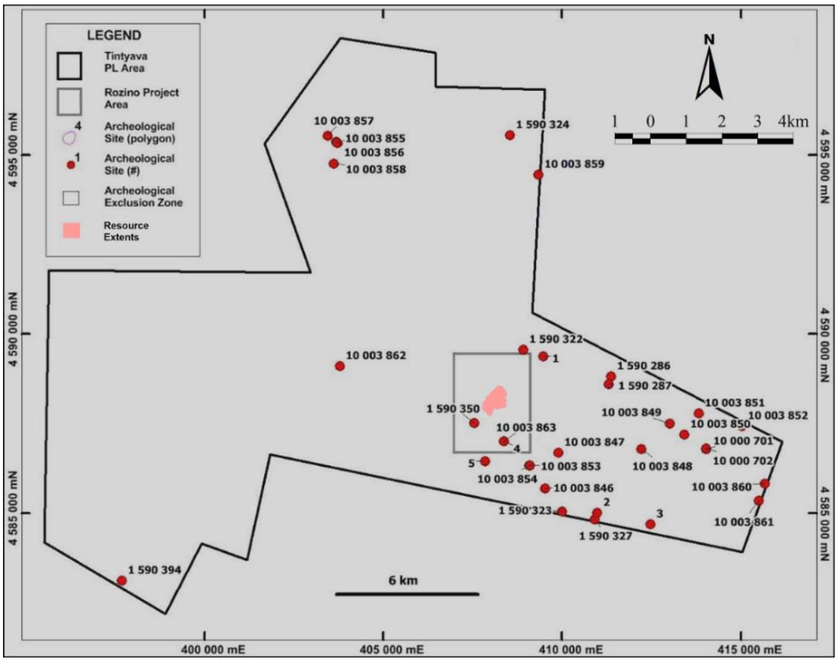


Figure Courtesy Velocity

Figure 2: Tintyava Property with archaeological sites and resource extents

4.3. Exploration permitting, surface rights and royalties

Gorubso submitted a detailed first year work program and holistic three-year work program to the Ministry of Energy and the Ministry of the Environment on May 2, 2017. The Ministry of Environment granted approval of the work program on July 3, 2017 allowing Velocity to commence the first year detailed work program.

Velocity has received an additional permit from the local municipality and forestry departments. An extensive network of drill roads is already present and most drilling activities will not require new drill road access.

Velocity received approval for its first year Work Program and three-year Exploration Project to complete a minimum of 7,000 metres of diamond drilling (July 3, 2017) as defined in the prospecting licence agreement signed with the Minister of Energy on May 2, 2017. Mineral exploration activities have been reported to the Bulgarian Ministry of Energy for 2017 and duly accepted. The program for the following second calendar year of exploration (2018) was approved by the Ministry of Energy December 8, 2017.

The Bulgarian state forestry currently controls the vast majority of the surface rights 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 Project is 100% owned by Tintyava Exploration and only royalties payable to the Bulgarian state are applicable. Such royalties are determined at the time of granting of a mining licence based upon projected profitability of the operation in line with the mining plan submitted to the government. Royalties are generally between 0.5 and 2.5% net smelter return.

As far as the Author can ascertain, all necessary permits to conduct the work proposed for the property have been obtained and there are no known significant factors or risks that may affect access, title or the right or ability to perform work on the Property.

5. Accessibility, Climate, Local Resources and Physiography

The Tintyava Property is around 350 kilometres by road east-southeast Sofia. It is accessible year-round by sealed roads with forestry roads and historical drill tracks providing year-round access within the property by four-wheel drive vehicle.

For exploration and resource definition activities to date, personnel have commuted daily from Ivaylovgrad where Velocity has a field office approximately fifty kilometres by paved road from Rozino village (Figure 3). Evaluation of the Project is at an early stage and details of labour sources and infrastructure, power and water for future potential mining have not yet been established.

The Project area's average annual temperature is around 12°C, ranging from around 2°C in January to 24°C in July. Maximum rainfall occurs during November and December, with rainfall of up to 100 millimetres per day. Snow cover is sporadic usually lasting generally only 5 to10 days per year. Exploration activities can be undertaken throughout the year.

Small villages are dispersed widely throughout the licence area and the inhabitants are primarily involved in subsistence farming, particularly livestock and the growing of tobacco. 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.

The local terrain is characterized by low mountains and predominantly levelled hills and is cut by steep valleys with an altitude ranging from 70 to 700 metres and averaging around 320 metres. The Rozino Project area is bounded to the south by steep cliffs at Tashlaka and is segmented by the White River and its tributaries. Figure 4 shows a typical view from the licence area looking southeast.

In the deposit area, elevation averages around 470 mRL in the north, reducing to approximately 300 mRL in the south, where the topography falls away towards the White River (Figure 12).

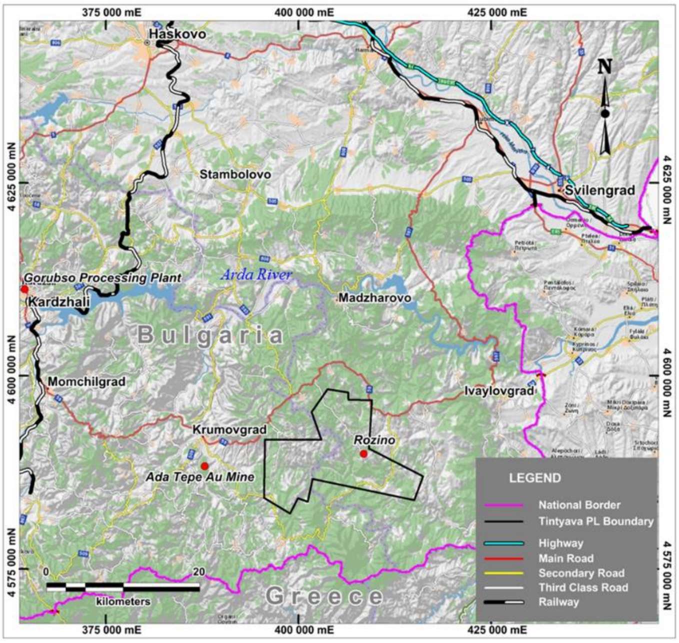


Figure courtesy Velocity

Figure 3: Regional location diagram

Photograph courtesy Velocity. From Tashlaka South Ridge looking South-East.

Figure 4: View of terrain from licence area

6. History

6.1. Exploration, drilling and tenement status

The following summary of the Project's exploration history is derived from the cited references, Hogg, 2017 and notes supplied by Velocity.

Modern exploration of the Tintyava property commenced in the 1980's with work first being completed by Geoengineering who drilled 86 vertical diamond drill holes for 14,289 metres. Geoengineering did not document drilling, sampling and assaying protocols.

Hereward began exploration in 2001 and completed three phases of drilling between 2004 and 2007 totalling 7,995 metres of which 2,733 metres was completed in joint venture with Asia Gold. Additional work completed during this time included surface mapping, trenching and metallurgical test-work.

In 2009, the original PL containing the Rozino deposit was due for expiry and Hereward in joint venture with Caracal Gold LLC, through a local company Cambridge Caracal Bulgaria EAD ("Caracal") submitted an application for Commercial Discovery in order to maintain their rights for the deposit. Caracal submitted a small underground mine design in order to minimise environmental permitting. The application was rejected by the Bulgarian government, who considered that an open pit mine design was required and despite extensive dialogue between the parties, in 2013 the original Prospecting Licence was cancelled.

In 2016 Velocity's partner Gorubso won a competitive tender for rights to the Project and Velocity began exploration in July 2017. On the 1st of February 2018 the Tintyava PL was formally transferred from Gorubso to Tintyava Exploration, a company set up to become the Joint Venture vehicle for Velocity. Velocity has acquired the Option to acquire a 70% indirect legal and beneficial interest in Tintyava Exploration, which is currently a wholly-owned subsidiary of Gorubso.

6.2. Historic resource estimates

Hogg, 2017 and Andrew, 2009 describe resource estimates for the Project performed by, or on behalf of previous tenement holders prior to Velocity's involvement in the Project. These estimates are of uncertain reliability and selected estimates are presented in Table 2 to provide an historic context for assessment of the Project.

The estimates in Table 2 have been not completed to standards consistent with CIM best practice or compliant with NI 43-101. It is also noteworthy that the spatial extents covered by previous estimates are inconsistent with the current estimates.

A Qualified Person has not done sufficient work to classify the historical estimates as current mineral resources and Velocity is not treating the historic estimates as current mineral resources. Current mineral resources are described in Section 14 of this report.

Table 2: Selected historic Rozino resource estimates

Estimate	Description	Cut off Au g/t	Tonnes	Au (g/t)	Contained Au Koz
Geoengineering 1992	Polygonal	0.5	4.80	1.49	230
Hereward 2005	Inverse distance squared weighted	0.5	10.8	1.04	361
		0.8	4.36	1.67	234
Caracal 2008	Ordinary Kriging	0.8	6.04	1.34	260

7. Geological Setting and Mineralization

7.1. Regional geological setting

The following summary of the Project's regional geological setting is derived from the cited references, Hogg 2017 and notes supplied by Velocity.

Tintyava lies within the Eastern Rhodope mineralization district of south eastern Bulgaria which is located within an Eocene-Oligocene continental magmatic belt extending around 500 kilometres from Serbia and Macedonia to northwest Turkey (Figure 5). The eastern part of this belt is occupied by the Rhodope Massif, which comprises Precambrian to Mesozoic metamorphic rocks and Palaeogene magmatic rocks.

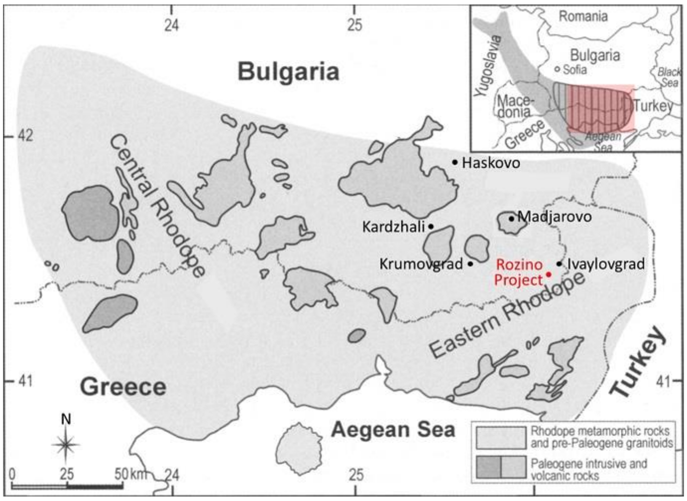
Metamorphic rocks of the Rhodope basement comprise interlocking core complexes, such as the Kessebir and Biala Reka domes that are made up of two major tectonostratigraphic complexes; a gneiss-migmatite complex and a variegated complex.

The structurally lower gneiss-migmatite complex which 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. The variegated complex is intruded by volumetrically minor Upper Cretaceous plutonic bodies.

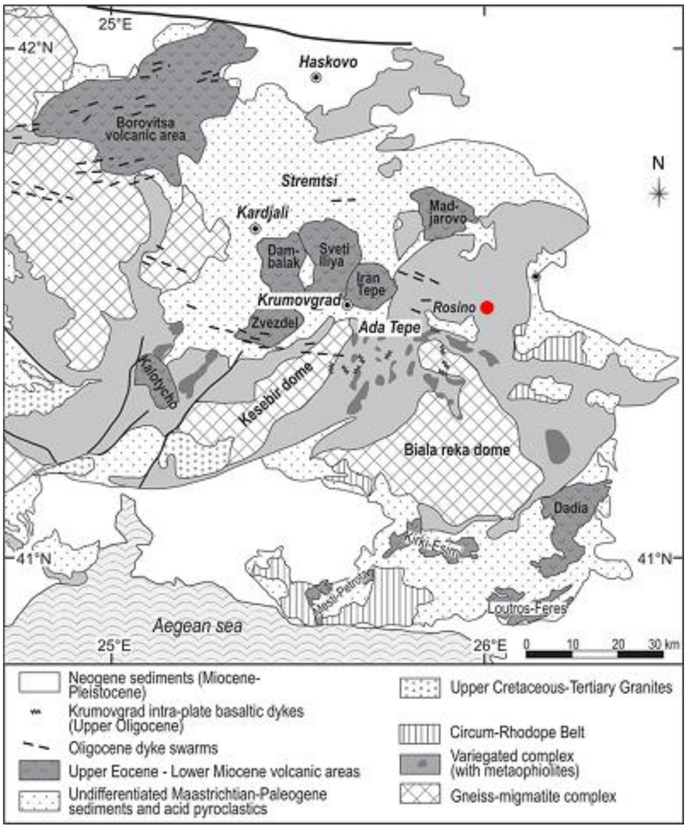
Palaeogene magmatic rocks of the Rhodope basement consist of calc-alkaline to shoshonitic intermediate, acid and subordinate basic volcanic rocks and their intrusive equivalents. The Palaeogene magmatism was accompanied by the formation of small copper-molybdenum porphyry deposits and abundant epithermal deposits (Mutafchiev and Skenderov, 2005).

Lava flows and domes of the ~35Ma andesites of the Iran Tepe volcano are exposed northeast of Krumovgrad. This magmatic activity was followed by scarce latitic to rhyolitic dykes in the northern part of the Kessebir dome, and finally by intra-plate basaltic magmatism in the southern part of the dome (Marchev et al, 2004).

Rocks of the variegated complex are locally overlain by the Maastrichtian to Palaeocene 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.



Eocene volcanic complexes within the Palaeogene intrusive and volcanic belt, Rhodope Mountains. Inset shows the Palaeogene Macedonian-Rhodope-North-Aegean Volcanic Belt. After Marchev, 2004



Schematic geological map of the Eastern Rhodope showing metamorphic dome structures, major volcanic areas and dyke swarms. After Marchev et al, 2004

Figure 5: Regional geological setting

7.2. Rozino geological setting and mineralization

The following summary of the Tintyava property's geological setting is derived from the cited references, Hogg 2017 and notes supplied by Velocity.

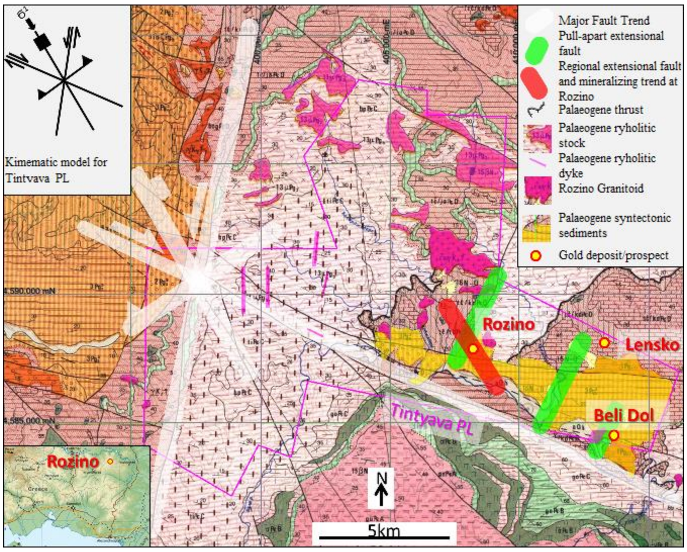
Geology of the Rozino area is interpreted to comprise a series of discrete Palaeogene syn-tectonic sedimentary basins within metamorphic basement. The basements are controlled by northeast trending extensional faults shown as thick green lines in Figure 6 and a major west – northwest trending dextral strike slip fault. Palaeogene rhyolite dykes subparallel these major shear zones suggesting that igneous activity was contemporaneous with basin development.

Rozino is a Low Sulphidation Epithermal ("LSE") gold deposit hosted within generally brecciated and conglomeratic Palaeogene sedimentary rocks as disseminations, replacement and vein mineralization. The mineralogy consists mainly of pyrite with traces of base metals and rare arsenopyrite, with gold present at sulphide mineral boundaries and to a lesser degree as free grains or encapsulated inclusions. Gangue minerals consist of silica, iron carbonates and adularia. Alteration is characterized by a quartz, carbonate, chlorite, adularia, pyrite assemblage.

The dominant mineralization trend is northwest parallel to the regional extensional fault regime, with local mineralization development controlled by the intersection of steep structures sub-parallel to the bounding extensional faults and gently dipping bedding.

Drilling has intersected mineralization over an area around 1,000 metres by 700 metres to a vertical depth of around 190 metres. Subset to the resource area, the mineralized domain interpreted for the current estimates covers an area around 780 by 600 metres and extents to a maximum depth of 190 metres.

The mineralization is interpreted to be completely oxidized to average depth of around 7 metres, with fresh rock occurring at an average depth of around 18 metres.



After Goranov et al, 1995. Courtesy Velocity

Figure 6: Local geological setting

8. Deposit Types

Rozino is a LSE gold deposit hosted within breccia and conglomerate Palaeogene sediments as disseminations, replacement and vein mineralization. The dominant mineralization trend is northwest parallel to the regional extensional fault regime, with local mineralization development controlled by the intersection of steep structures sub-parallel to the bounding extensional faults and gently dipping bedding.

Velocity's exploration has focussed on the dominant northwest trend of veins within Palaeogene sediments. The veins appear to be controlled by steep structures interpreted to extend into the basement.

Drilling to date has not intersected significant gold mineralization within the basement. However, recent drilling has intersected crustiform gold and base metal bearing northwest striking LSE veins within the basement. These veins are generally narrow and rarely wider than 10 centimetres. The LSE hydrothermal fluids were confined within the tight basement and these non-reactive fluid pathways have very narrow alteration selvedges that are difficult to detect by drilling.

Upon reaching the basal unconformity the hydrothermal fluids would have de-pressurised and throttled boiling is the interpreted 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 mineralization (Figure 7).

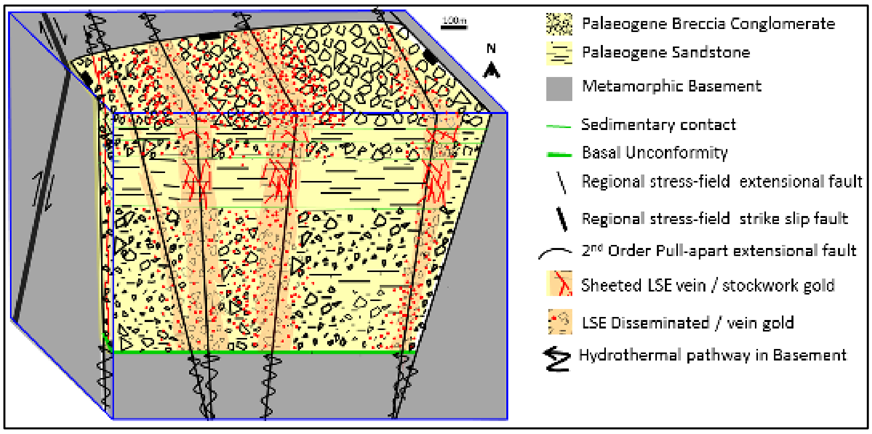


Figure Courtesy Velocity

Figure 7: Schematic model for Rozino mineralization

9. Exploration

Modern exploration of the Tintyava property commenced in the 1980's by Geoengineering. Exploration activities since that time have included diamond core drilling, surface mapping, trenching and rock chip sampling.

Velocity's exploration activities since 2017 include surface mapping, 162 metres of trenching, surface rock sampling and an extensive drilling campaign. Surface sampling comprised grab and float samples collected to verify historical data. The mapping comprised field traverses and observation points. Due to the predominately covered terrain geological contacts are fixed only where they are intersected by trenches.

Trenches were dug by hand to an average with of approximately 0.7 metres and generally penetrated 10 to 20 centimetres of bedrock below surface cover. Trench depth was limited to approximately two metres due to safety concerns. Trench sampling procedures were based on drill hole sampling procedures with continuous one metre channel samples collected from trench bases in half HQ diameter plastic pipe, thereby controlling the volume of the sample material.

Sections 10 and 11 describe drilling, sampling and assaying procedures for drilling included in the current Mineral Resource estimates.

Results of surface trenching were not included in the current Mineral Resource estimates and are not discussed in this report.

10. Drilling

10.1. Summary

The Inferred Mineral Resource estimates described in this report are based on drilling information available for the Tintyava property at the 26th of February 2018. The sampling database (the "Database") includes 186 diamond holes for 29,924 metres of drilling completed by Velocity, along with Hereward and Asia Gold during the mid-2000's and vertical holes completed by Geoengineering in the 1980's.

Few details of sampling and assaying are available for the Geoengineering drilling, and little information is available demonstrate the reliability of data from these holes. Although they were used to aid mineralized domain interpretation, they were excluded from the Inferred Mineral Resource estimation dataset (the "Estimation Dataset"). These holes are of little direct relevance to the current Inferred Mineral Resource estimates and are not detailed in this report.

The Estimation Dataset comprises data from angled diamond holes drilled by Hereward, Asia Gold and Velocity. One Velocity diamond hole for which assay results were pending at the time of resource estimation was excluded from the Estimation Dataset. Surface trench samples were excluded from the resource dataset, along with peripheral drill holes not relevant to the estimates.

Information available to demonstrate the representivity of Velocity's diamond drilling includes core recovery measurements which are available for around 98% of Velocity's diamond drilling. Fresh rock core recoveries average 98.1% with only approximately 3% of intervals showing recoveries of less than 99%. Although lower than for fresh rock, average core recoveries for weathered and transitional intervals are within the range shown by the author's experience of high quality diamond drilling.

No information, such as core recoveries are available to directly indicate the representivity of samples from Hereward and Asia Gold drilling. Hogg, 2017 reports that an independent Qualified Person employed by Asia Gold in 2005 audited Hereward's drill core sampling and assaying and considered the results to be sufficiently reliable for use in preliminary resource estimation.

Two metre down-hole composited gold grades from the combined dataset of Hereward and Asia Gold drilling were compared with the nearest composite from Velocity drilling. The paired comparison shows similar average grades for the two datasets. Although not definitive, this comparison supports the general reliability of drilling, sampling and assaying for the Hereward and Asia Gold drilling.

The author considers that quality control measures adopted for Velocity's Rozino diamond drilling have established that the sampling is representative and free of any biases or other factors that may materially impact the reliability of the sampling. Reliability of the Hereward and Asia Gold data has not been established with the same degree of rigour. Although this does not significantly affect confidence in the current Inferred resource estimate, reliability of the old data warrants further investigation as assessment of the Project continues.

10.2. Compiled drilling database

The sampling database compiled for the current Inferred Mineral Resource estimates includes 186 diamond holes for 29,924 metres of drilling completed by Velocity, along with Hereward and Asia Gold during the mid-2000's and vertical holes completed by Geoengineering in the 1980's.

Table 3 summarizes the Database subdivided by drilling phase and location, with drilling subdivided into holes which lie within the area, and peripheral exploratory holes outside the extents of the current Inferred Mineral Resource estimates. This subdivision provides an indication of the contribution of each drilling group to the Inferred Mineral Resource estimates.

Few details of sampling and assaying are available for the Geoengineering drilling. Although data from these holes were used to aid mineralized domain interpretation they were excluded from the Estimation Dataset. The Estimation Dataset includes diamond holes drilled by Hereward, Asia Gold and Velocity and comprises 78 holes for 12,009 metres. Samples from Velocity's diamond drilling provide 63% of the Estimation Dataset, with Hereward and Asia Gold drilling contributing 32% and 5%, respectively.

Figure 8 shows drill hole traces coloured by sampling phase relative to the extents of the Tintyava licence and Figure 12 shows drill traces relative to the current resource extents.

Hereward and Asia Gold drilling generally tests central portions of the current resource area on an approximately 50 by 50 metre pattern with holes generally inclined to the northwest at around 55°. Velocity's drilling comprises generally approximately 50 metre spaced holes inclined to the northeast at around 50° along northeast-southwest (055) trending traverses.

Hereward and Asia Gold holes are generally aligned sub-parallel with mineralization trends and define mineralized zones less robustly than Velocity's drilling which intersects mineralization trends at a greater angle providing a more reliable basis for resource estimation.

The combined hole spacing varies from around 50 by 50 metres and locally closer in central portions of the deposit, to around 100 by 100 metres in peripheral areas. Exploratory drilling outside the current resource area is generally very broadly spaced.

Table 3: Drilling database by phase and area

	Outside resource area		**Within resource area**		**Total**	
	Holes	**Metres**	**Holes**	**Metres**	**Holes**	**Metres**
Asia Gold	9	1,993	6	740	15	2,733
Hereward	12	1,468	28	3,794	40	5,262
Velocity. Assayed drill holes	-	-	44	7,475	44	7,475
Subtotal	**21**	**3,461**	**78**	**12,009**	**99**	**15,469**
Geoengineering	10	1,849	76	12,441	86	14,289
Velocity. Pending assays	-	-	1	165	1	165
Total drilling	**31**	**5,309**	**155**	**24,615**	**186**	**29,924**

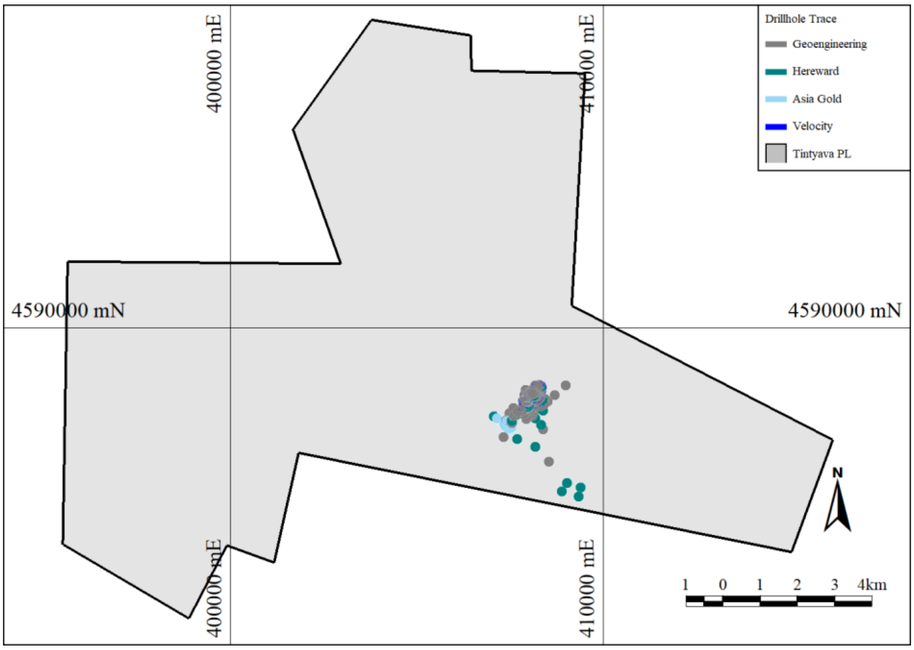


Figure 8: Drill hole traces relative to lease extents

10.3. Velocity drilling

10.3.1. Drilling and sampling procedures

All drilling, on-site core handling and sampling was supervised by Velocity geologists using protocols established by Velocity which are consistent with the author's experience of good quality, industry standard techniques.

All of Velocity's Rozino drilling was undertaken by GEOPS Balkan Drilling Services Ltd using track mounted diamond coring rigs. (Figure 9). The drilling utilized PQ and HQ wireline triple tube core barrels (122.6 and 96 mm hole diameter respectively) with generally three meters drill runs and shorter runs where necessary to maximize core recovery. For the 2017 drilling core was orientated where possible using a DeviCore BBT orientation tool. For 2018 drilling core was not oriented.

Routine core handling procedures comprised the following:

- Core was placed directly in wooden core boxes at the drill site and transported to Velocity's core storage facility in Ivaylovgrad by Velocity personnel at the end of every day shift.
- All drill core was photographed and immediately geotechnically logged including core recovery.
- For oriented core, the orientation marking was checked and core line marked and fabrics measured prior to logging.
- Routine logging employed industry standard methods with rock type, alteration, veining, tectonic structures, bedding and sulphides recorded on standard log sheets. Logged data was later typed into pre-configured logging software which validates during data entry and subsequently imported into Velocity's master Geobank data base.
- Sample intervals were assigned and marked by Velocity geologists, with a nominal length of one metre honouring geological contacts with a minimum length of 0.45 metres.

- Core was generally halved for sampling with a diamond saw and half-core samples collected by Velocity geologists and sealed in heavy duty plastic bags.
- The samples were weighed, packed and sealed in plastic barrels for transport by an individual directly employed by Velocity for the sole delivery of the samples to the ALS Minerals laboratory in Romania.

Photograph courtesy Velocity

Figure 9: Velocity diamond drilling

10.3.2. Collar and down-hole surveying

For each Velocity drill hole, the location was set out using a Trimble R2 GNSS Differential Geographic Positioning System (DGPS). Positioning and alignment of drilling rigs at designed locations and orientations was supervised by Velocity geologists with rigs aligned to design azimuths using compass tacheometry corrected for magnetic declination.

Upon completion of the drilling of each hole, a cement marker, inscribed with the drill hole name, was placed at the collar, and the collar surveyed by DGPS to determine the final surveyed coordinates to a minimum vertical resolution of +/- 0.40 metres.

All Velocity drill holes were down-hole surveyed using a DeviShot magnetic wireless multishot tool at generally twenty metre down-hole intervals.

The author considers that hole paths of Velocity's drilling have been located with sufficient accuracy for the current Inferred Mineral Resource estimates (Section 14).

10.3.3. Core recovery

Core recovery measurements are available for around 98% of Velocity's diamond drilling. Core recoveries were supplied as recovered lengths for core runs which range from 0.1 to 6.0 metres in length and are dominated by three metre intervals. These data were composited to three metre intervals to provide a consistent basis for analysis. Table 4 summarizes core recoveries for the three metre composites by modelling domain.

The combined dataset of fresh rock core recoveries averages 98.1% with only approximately 3% of composites showing recoveries of less than 99%. These recoveries are consistent with the author's experience of high quality diamond drilling. Although lower than for fresh rock, average core recoveries for weathered and transitional intervals are within the range shown by the author's experience of good quality diamond drilling.

Table 4: Diamond core recovery by domain

Weathering	Background		Mineralized		Total	
Domain	**Number**	**Avg. Recov.**	**Number**	**Avg. Recov.**	**Number**	**Avg. Recov.**
Weathered	-	-	369	94.0%	369	94.0%
Transition	-	-	382	93.3%	382	93.3%
Fresh	273	98.5%	2,521	98.1%	2,794	98.1%
Total	**273**	**98.5%**	**3,272**	**97.1%**	**3,545**	**97.2%**

10.4. Hereward and Asia Gold drilling

10.4.1. Drilling and sampling procedures

Diamond holes drilled by Hereward and Asia Gold contribute around 32% and 5% of the Estimation Dataset, respectively.

The following summary of the drilling and sampling procedures for Hereward and Asia Gold's drilling is derived from the cited references, Hogg, 2017 and notes supplied by Velocity.

Velocity have located collars for most of Hereward and Asia Gold's resource area drill holes and accurately surveyed their locations by DGPS consistently with Velocity's holes.

The database supplied by Velocity for the current work does not include any down-hole surveys for Hereward and Asia Gold's drill holes and these holes were assumed to run straight at designed orientations. Velocity geologists report that these holes were surveyed, probably with a Reflex tool, but this information is not available. Due to the relatively wide drill hole spacing, comparatively shallow depths and comparatively broad mineralized zones, the lack of comprehensive accurate down-hole surveys for these holes is of little concern for the current Inferred estimates.

The author considers that hole paths of Hereward and Asia Gold's drill holes have been located with sufficient accuracy for the current Inferred Mineral Resource estimates.

Drill core from Hereward and Asia Gold's drilling was carefully arranged in core boxes and halved with diamond saw perpendicular to the dominant geological fabric. Half core samples collected by diamond saw were collected in uniquely numbered plastic bags together with a sample number tag and stored in a secure facility prior to transportation to an accredited commercial assay laboratory for sample preparation and analysis.

For the 2001 to 2005 drilling, the sample batches were transported by company personnel to Eurotest Control AD in Sofia, for sample preparation and analysis. For 2006 drilling, sample batches were transported by company to personnel to Sofia airport and shipped by a reputable courier service to Vancouver, Canada for sample preparation and analysis.

No information, such as core recoveries or field duplicates are available to directly indicate the representivity of drill samples from Hereward and Asia Gold drilling. Hogg, 2017 reports that in early 2005, Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person commissioned by Asia Gold audited Hereward's drill core sampling and assaying and considered the results to be of sufficient trustworthiness for use in preliminary resource estimation.

10.4.2. Paired comparison of historical drilling with Velocity drilling

No information, such as core recoveries are available to directly indicate the representivity of drill samples from Hereward and Asia Gold drilling.

To provide some indication of the reliability of these data, two metre down-hole composited gold grades from the combined dataset of Hereward and Asia Gold drilling were compared with the nearest composite from Velocity drilling.

The paired comparison used a maximum separation distance of eight metres and yielded 212 pairs with an average separation distance of 5.3 metres. This selection criteria, which in the author's experience is comparatively broad for such comparisons is required to give sufficient pairs for meaningful analysis.

As shown by Table 5, although as expected, the paired comparison shows substantial scatter for individual pairs, average gold grades for the two datasets are similar. Although not definitive, this comparison supports the general reliability of drilling, sampling and assaying for the Hereward and Asia Gold drilling.

Table 5: Paired composites from Velocity and Hereward-Asia Gold drilling

	Hereward-Asia Gold Au g/t	**Velocity Au g/t**
Number	212	
Mean	**0.58**	**0.56**
Mean difference		**-3%**
Minimum	0.030	0.011
1st Quartile	0.10	0.09
Median	0.24	0.23
3rd Quartile	0.47	0.41
Maximum	9.20	17.28

11. Sample Preparation, Analyses and Security

11.1. Summary

Few details of sampling and assaying are available for the Geoengineering drilling, and little information is available to demonstrate the reliability of data from these holes. Although they were used to aid mineralized domain interpretation, they were excluded from the Estimation Dataset, and are of little direct relevance to the current resource estimates and are not detailed in this report.

The Estimation Dataset comprises data from angled diamond holes drilled by Hereward, Asia Gold and Velocity. Surface trench samples were excluded from the resource dataset, along with peripheral drill holes not relevant to the estimates.

Samples from Velocity's diamond drilling provide 63% of the Estimation Dataset, with diamond holes drilled by Hereward and Asia Gold contributing 32% and 5%, respectively. All sample preparation and gold assaying of primary samples from the resource drilling was undertaken by independent commercial laboratories.

Diamond core from Velocity's drill holes was halved with a diamond saw and sampled over generally one metre down-hole intervals. The samples were submitted to ALS in Romania for analysis by thirty-gram fire assay. The reliability of sampling and assaying for these data has been established by duplicates, blanks and certified reference standards.

Hereward and Asia Gold's diamond core was sampled and analysed by industry standard methods. The core was generally halved for analysis with a diamond saw with generally one metre intervals, samples analysed for gold analysis by fire assay by commercial laboratories.

Hereward and Asia Gold's monitoring of sampling and assay reliability included duplicates and blanks for both data sets and certified reference standards for Asia Gold's drill results. These data are not available for the current review. Hogg, 2017 reports that an independent Qualified Person employed by Asia Gold in 2005 audited Hereward's drill core sampling and assaying and considered the results to be sufficiently reliable for use in preliminary resource estimation.

Two metre down-hole composited gold grades from the combined dataset of Hereward and Asia Gold drilling were compared with the nearest composite from Velocity drilling showing similar average grades. Although not definitive, this comparison supports the general reliability of drilling, sampling and assaying for the Hereward and Asia Gold drilling.

The author considers that quality control measures adopted for sampling and assaying of Velocity's drilling have established that the field sub-sampling, and assaying is representative and free of any biases or other factors that may materially impact the reliability of the sampling and analytical results. Reliability of Hereward and Asia Gold data has not been established with the same degree of rigour. This does not significantly affect confidence in the current Inferred Mineral Resource estimate.

The author considers that the sample preparation, security and analytical procedures adopted for the Rozino drilling provide an adequate basis for the current Inferred Mineral Resource estimates.

11.2. Velocity drilling

11.2.1. Sampling procedures and sample security

For Velocity's diamond drilling, all on-site core handling and sampling was supervised by Velocity geologists. Routine core handling and sampling procedures comprised the following:

- Core was placed in directly in wooden core boxes at the drill site and transported to Velocity's core yard in Ivaylovgrad by Velocity personnel at the end of every day shift.
- Sample intervals were assigned and marked by Velocity geologists, with a nominal length of one metre honouring geological contacts with a minimum length of 0.45 metres.
- Core was generally halved for sampling with a diamond saw and half-core samples collected by Velocity geologists and sealed in clear, labelled plastic bags along with a pre-printed sample tag with sample number and barcode.
- The samples inclusive of duplicates, standards and blanks were weighed, and packed in polywoven bags which were sealed in plastic drums for delivery to the ALS Minerals laboratory in Romania by an individual directly employed by Velocity. The drums were sealed with a metal clip ring and plastic seal tag to detect tampering.
- Sample submission forms were included with each assay batch and an electronic copy emailed to ALS. Upon receipt by ALS, the sealed drums are checked for tampering and samples reconciled with sample submission forms.

The upper set of photographs in Figure 10 shows the general lay-out of storage for drill core and returned coarse rejects and sample pulps at Velocity's storage facility in Ivaylovgrad. The lower set of photographs in this figure demonstrate sample packaging for dispatch to ALS.

Prior to delivery to ALS, all sample collection and transportation were undertaken or supervised by Velocity personnel. No other personnel were permitted unsupervised access to samples before delivery to ALS. A chain of custody was maintained at all times, with records taken during sampling, sample dispatch, laboratory arrival and return of the coarse rejects and pulps to Velocity's storage facility in Ivaylovgrad

11.2.2. Sample preparation and analysis

All primary assaying of Velocity's drill samples was undertaken by ALS Minerals laboratory in Romania. ALS is independent of Velocity and provided analytical services on a standard commercial basis. The laboratory is certified to ISO 17025.

Upon receipt by ALS, each sample batch was checked for consistency with the sample submission form and entered into the ALS LIMS system. Sample preparation comprised oven drying and jaw crushing of entire, generally 3 to 3.5-kilogram samples to 70% passing 2 millimetres. A one-kilogram sub-sample of the crushed material collected by rotary splitting was pulverized to 85% passing 75 microns in a ring and puck pulverizer.

Thirty-gram sub-samples of pulverized sample collected by riffle splitting were analysed for gold by fire assay with lead collection, solvent extraction and AAS finish. For samples with initial assays reporting over 10 g/t a second 30-gram sub-sample was analysed by fire assay with gravimetric finish.

Photographs courtesy Velocity. (a) Logging and core storage area, (b) Coarse reject storage in sealed plastic drums, (c) Pulp storage area

Photographs courtesy Velocity. (a) Individual sample bags with sample tags (b) Polywoven bag labelled with sample sequence, (c) Plastic drum with sample and batch sequence and plastic tag seal

Figure 10: Velocity's Ivaylovgrad core storage facility and sample packaging

11.2.3. Monitoring of sampling and assay reliability

Velocity's routine Quality Assurance- Quality Control (QAQC) monitoring of the reliability and accuracy of sampling and assaying are consistent with the author's experience of good quality, industry standard techniques. These protocols include routine submission of field duplicates, coarse blanks and certified reference standards.

As outlined below the QAQC information available for Velocity's drilling support the general reliability of sampling and assaying for Velocity's drilling.

No sample pulps from Velocity's drilling have been submitted for inter-laboratory analysis. The author understands that Velocity plans to submit around 5% of samples from the 2017 and 2018 drilling to a second laboratory and concurs with Velocity geologists that these results should usefully supplement the available QAQC information.

Field duplicates

Duplicate core samples were collected at an average frequency of around one duplicate per 27 primary samples. For the duplicated core intervals, both the original and duplicate sample represent quarter core samples and were collected by quartering the core with a diamond saw.

Table 6 and Figure 11 demonstrate that although there is some scatter for individual pairs the duplicate assay results generally correlate reasonably well with original results demonstrating the adequacy of field sub-sampling procedures.

Table 6: Velocity field duplicate results

	Full Range		0.1 to 8.0 g/t	
	Original (Au g/t)	**Duplicate (Au g/t)**	**Original (Au g/t)**	**Duplicate (Au g/t)**
Number	261		134	
Mean	**0.35**	**0.38**	**0.56**	**0.56**
Mean dif.		**8%**		**0%**
Minimum	0.003	0.003	0.11	0.10
1st Quartile	0.04	0.04	0.17	0.18
Median	0.12	0.12	0.28	0.30
3rd Quartile	0.30	0.31	0.76	0.67
Maximum	6.05	9.73	3.52	5.12
Correl. Coef.	0.88		0.79	

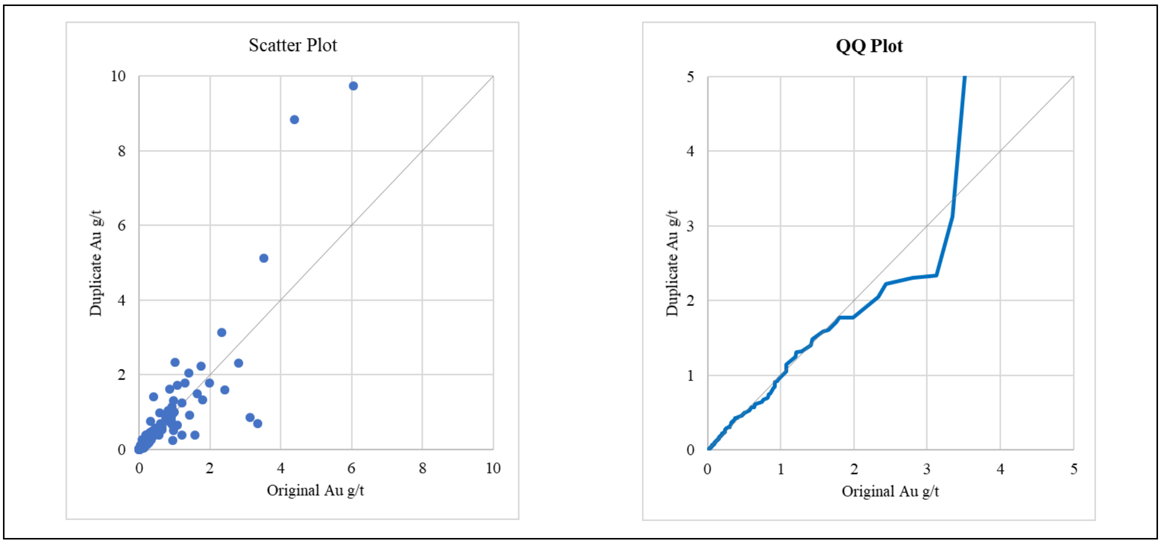


Figure 11: Velocity field duplicate results

Coarse blanks

Velocity routinely included samples of un-mineralized marble collected from well outside the mineralized area in assay batches. These coarse blanks, which were blind to the assay laboratory were submitted at an average frequency of around one blank per 27 primary samples. They test for contamination during sample preparation, and provide a check of sample misallocation by field staff, the laboratory and during database compilation

Table 7 summarizes coarse blank results by assay month. For preparation of this table samples assaying at below the detection limit of 0.005 g/t were assigned values of half the detection limit. Table 7 demonstrates that coarse blank assays show very low gold grades relative to typical Rozino mineralization with no indication of significant contamination or sample misallocation.

Table 7: ALS coarse blank assays

Assay Date	Number Blanks	Assay (Au g/t) Minimum	Average	Maximum	Proportion <Detection
Aug-17	24	0.0025	0.0030	0.007	83%
Sep-17	37	0.0025	0.0031	0.007	81%
Oct-17	40	0.0025	0.0029	0.007	88%
Nov-17	56	0.0025	0.0027	0.006	93%
Dec-17	83	0.0025	0.0026	0.005	98%
Jan-18	34	0.0025	0.0026	0.005	97%
Feb-18	6	0.0025	0.0031	0.006	83%
Total	**280**	**0.0025**	**0.0028**	**0.007**	**91%**

Reference standards

Samples of certified reference standards prepared by Geostats Pty Ltd, Perth, Western Australia were routinely inserted in assay batches at an average rate of around 1 standard per 27 primary samples.

As shown by Table 8, although there is some variability for individual samples, average assay results for standards generally reasonably reflect expected values, with no evidence of material biases.

Table 8: ALS reference standards assays

Standard	Expected Au g/t	Assays Number	Assays (Au g/t) Minimum	Average	Maximum	Average vs Expected
G310-4	0.43	53	0.40	0.42	0.46	-2%
G312-1	0.88	46	0.76	0.87	1.02	-1%
G315-2	0.98	52	0.94	0.99	1.05	1%
G910-8	0.63	62	0.59	0.62	0.67	-1%
G914-6	3.21	53	3.11	3.26	3.60	2%

11.3. Hereward and Asia Gold drilling

Diamond holes drilled by Hereward and Asia Gold contribute around 32% and 5% of the Estimation Dataset respectively. The following description of sample preparation and analyses for this drilling is derived from Hogg, 2017 and notes supplied by Velocity.

- Drill core was carefully arranged in core boxes and halved with diamond saw perpendicular to the dominant geological fabric.
- Half core samples were collected in uniquely numbered plastic bags together with a sample number tag. The sample bag was tightly sealed and placed into 20-sample batches that included one field duplicate and one blank. Asia Gold's samples also included reference standards.
- Each batch was sealed with a security tag and stored in a secure facility prior to transportation to an accredited commercial laboratory for preparation and analysis.
- For the 2001 to 2005 drilling, the sample batches were transported by company personnel to Eurotest Control AD in Sofia, for preparation and analysis.
- For 2006 drilling, sample batches were transported by company to personnel to Sofia airport and shipped by a reputable courier service to Vancouver, Canada for 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 preparation.

Hereward and Asia Gold's QAQC monitoring of sampling and assay reliability included duplicates and blanks for both data sets and certified reference standards for Asia Gold's drilling. These data are not available for the current review. Hogg, 2017 reports that in early 2005, Barry W. Smee, Ph.D., P.Geo., an independent Qualified Person commissioned by Asia Gold audited Hereward's drill core sampling and assaying and considered the results to be of sufficient trustworthiness for use in preliminary resource estimation.

As discussed in Section 10 of this report, a paired comparison of two metre down-hole composited gold grades from the combined dataset of Hereward and Asia Gold drilling with composites from Velocity drilling showed similar average grades. Although not definitive, this comparison supports the general reliability of drilling, sampling and assaying for the Hereward and Asia Gold drilling.

Velocity plans to re-sample and assay selected core intervals from Hereward and Asia Gold drilling. The author concurs with Velocity geologists that this work should usefully supplement the available QAQC information.

11.4. Bulk density measurements

Bulk density measurements available for Rozino comprise 70 immersion measurements performed on samples of diamond core from Hereward's drilling.

Table 9 summarizes the density measurements by modelling domain. For preparation of this table the density samples were coded by the weathering and mineralization wire-frames used for resource estimation.

Table 9 demonstrates that most of the density samples are from fresh mineralization, with very few measurements available for transitional material and no measurements are available for the oxide zone. The available measurements are consistent with the author's experience of comparable mineralization styles.

Velocity intends to undertake additional density measurements of diamond drill core from their drilling. The author concurs with Velocity geologists that results of this work should improve confidence in densities assigned to resource models.

Table 9: Density measurements

		Number Measurements	Density (t/m^3) Minimum	Average	Maximum
Background	Oxide	-	-	-	-
	Transition	-	-	-	-
	Fresh	5	2.47	2.61	2.69
Mineralized Domain	Oxide	-	-	-	-
	Transition	2	2.44	2.47	2.49
	Fresh	63	2.30	2.59	2.74

12. Data Verification

Verification checks undertaken by the author to confirm the validity of the database compiled for the current study include:

- Checking for internal consistency between, and within database tables.
- Spot check comparisons between database entries and original field sampling sheets.
- Comparison of assay entries with laboratory source files.
- Comparison of assay values between nearby holes.
- Comparisons between assay results from different sampling phases.

These checks were undertaken using the working database compiled by the author and check both the validity of Velocity's master database and potential data-transfer errors in compilation of the working database.

The consistency checks showed no significant inconsistencies.

While visiting the Velocity's field office in Ivaylovgrad, the author compared sample identifiers and down-hole depths shown by original field sampling sheets to database entries for 6,328 intervals from 20 Velocity holes. These checks showed no significant inconsistencies.

For 7,002 sample intervals which represent around 98% of assayed intervals available for Velocity's drilling, the author compared database assay entries with laboratory source files supplied by Velocity. These checks showed no inconsistencies

The author considers that the resource data has been sufficiently verified to form the basis of the current Inferred Mineral Resource estimates, and that the database is adequate for the current estimates.

13. Mineral Processing and Metallurgical Testing

The following summary of the metallurgical testing undertaken for Rozino mineralization is derived from the cited references, Hogg 2017 and notes supplied by Velocity.

13.1. Geoengineering

Metallurgical test work carried out by Geoengineering gave reported recoveries of 93.6% and 89.8% from floatation and agitated cyanide leach tests respectively (Hogg, 2017). Details of this test-work are unknown.

13.2. Hereward and Asia Gold

Hereward commissioned metallurgical studies of samples of Rozino diamond drill core and concluded that the sulphide and gangue mineralogy is simple with very low base metal and deleterious element concentrations. Test work showed that gravity separation returned low recoveries, but that static cyanide leach test work showed high recoveries and low cyanide consumption.

Caracal conducted agitated cyanide leach test work on samples representing oxide, sulphide and low pyrite mineralization (Table 10). 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 methods. Caracal considered that the volumes of oxide material at the Rozino Project are insignificant.

Caracal concluded that milling to -200 mesh increases recoveries but does not overcome the additional cost of milling and tank cyanidation at a gold price $US900 per ounce gold price and that a crush size of 1.7 millimetres appeared to show the most effective results with average recoveries capable of sustaining agglomerated heap leach processing.

Table 10: Hereward agitated cyanide leach results

After Andrew C, 2009

Mineralization Type	**Recovery Percentages at various crush sizes**		
	½ inch	**1.7 mm**	**200 # (0.106mm)**
Oxide	50.7	77.0	94.7
Sulphide	29	65.5	93.0
Low Pyrite	35	54.5	74.5
Average	**38.2**	**65.7**	**87.4**

13.3. Velocity Minerals

Velocity Minerals commissioned Wardell Armstrong International Ltd. (“Wardell”) to undertake a scoping level study on three samples of representing high grade, medium grade and low grade fresh mineralization. The three samples, weighing a total of 44.1 kilograms, were submitted for a test program comprising head grade assaying, coarse bottle rolls, cyanidation, and agitated leach cyanidation tests. (Table 11).

The head grade analyses suggest that Rozino mineralization is simple with very low sulphur concentrations consisting almost entirely of iron sulphides (pyrite) with low arsenic and carbon grades. Elevated deleterious elements such as arsenic and organic carbon can cause problems with gold recoveries and penalties related to environmental control and saleable concentrate. These results concur with previous workers’ multielement analyses (described above) that demonstrated the Rozino mineralisation to be clean in comparison to other types of gold mineralization.

Stirred Leach test work on the three samples each milled to 75µm returned gold recoveries of 92.9%, 88.0% and 74.8% respectively. Bottle Roll test work on the same samples crushed to 1.7 millimetres returned gold recoveries of 57.3%, 61.1% and 68.4% respectively. Wardell’s test work also showed low cyanide and lime consumption.

Table 11: Metallurgical analyses of Velocity samples

		High Grade	**Medium Grade**	**Low Grade**
Head Grade analyses	**Au (g/t)**	**5.44**	**1.18**	**0.5**
	Ag (g/t)	5.5	2.7	1.55
	As (%)	0.003	0.004	0.034
	Fe (%)	3.34	2.43	3.47
	S Total (%)	0.69	0.69	0.8
	S Acid Soluble (%)	0.01	0.02	0.02
	S Sulphides (%)	0.67	0.67	0.78
	C Organic (%)	0.08	0.06	0.06
Fine Agitated Leach Test Results	Cyanide Consumption (kg/t)	1.7	1.42	1.99
	Lime Consumption (kg/t)	0.45	0.28	0.35
	Recovery (%)	**92.9**	**88.0**	**74.8**
Coarse Bottle Roll Test Results	Cyanide Consumption (kg/t)	0.23	0.26	0.42
	Lime Consumption (kg/t)	0.23	0.27	0.28
	Recovery (%)	**57.3**	**61.1**	**68.4**

14. Mineral Resource Estimates

14.1. Introduction

The author estimated recoverable resources for Rozino by Multiple Indicator Kriging (MIK) with block support correction, a method that has been demonstrated to provide reliable estimates of resources recoverable by open pit mining for a wide range of mineralization styles.

The estimates are based on diamond drilling data supplied by Velocity in February 2018. Details of this sampling and assay are described in previous sections of this report.

The estimates are reported below a topographic wire-frame produced by Velocity from DGPS surveys.

Micromine software was used for data compilation, domain wire-framing and coding of composite values and GS3M was used for resource estimation. The resulting estimates were imported into Micromine for resource reporting.

The Mineral Resource estimates have been classified and reported in accordance with NI 43-101 and the classifications adopted by CIM Council in May 2014 (CIM, 2014). The estimates are classified as Inferred, primarily reflecting the drill hole spacing and uncertainty over the reliability of sampling data collected prior to Velocity's involvement.

The Qualified Person responsible for the Mineral Resources is Jonathon Abbott who is a full time employee of MPR Geological Consultants Pty Ltd and a member of the Australian Institute of Geoscientists.

14.2. Resource dataset

The compiled sampling database includes 186 diamond holes for 29,924 metres of drilling completed by Velocity, along with Hereward and Asia Gold during the mid-2000's and vertical holes completed by Geoengineering in the 1980's (Table 3).

Although data from surface trenches and Geoengineering drilling were used to aid mineralized domain interpretation, these data were excluded from the estimation dataset, which comprised angled diamond holes drilled by Hereward, Asia Gold and Velocity. One Velocity diamond hole for which assay results were pending at the time of resource estimation was excluded from the estimation dataset.

Surface trench samples were excluded from the resource dataset, along with peripheral drill holes not relevant to the estimates. The Estimation Dataset comprises composited gold grades from 78 diamond holes for 12,009 metres.

The Estimation Dataset comprises 5,146 composites with gold grades ranging from 0.00 to 154.1 g/t and averaging 0.53 g/t. Samples from Velocity's diamond drilling provide 63% of the Estimation Dataset, with angled diamond holes drilled by Hereward and Asia Gold contributing 32% and 5%, respectively.

14.3. Mineralization interpretation and domaining

The Inferred Mineral Resource estimates are constrained within a mineralized domain interpreted from two metre down-hole composited gold grades and geological logging from diamond drilling and surface trenches. The mineralized domain captures intervals of greater than 0.1 g/t with the lower boundary reflecting the contact between variably mineralized sedimentary rocks and un-mineralized basement. Domain boundaries were digitized on cross-sections aligned with Velocity's drilling traverses with snapping to drill hole traces where appropriate, and wire-framed into a three-dimensional solid. Data from the vertical Geoengineering holes and surface trenches were used to aid domain interpretation.

Velocity supplied surfaces representing the base of oxidation and the top of fresh rock interpreted from drill hole logging which were used for density assignment. Within the resource area the depth to the base of complete oxidation averages around 7 metres with fresh rock occurring at an average depth of around 18 metres.

Subset to the resource area, the domain covers an area around 780 by 600 metres and extends to a maximum depth of 190 metres. Figure 12 shows the surface expression of the mineralized domain relative to the resource model extents and drill hole traces coloured by drilling phase. Figure 13 presents an example cross section of the resource domains relative to drill-hole traces coloured by composited gold grade.

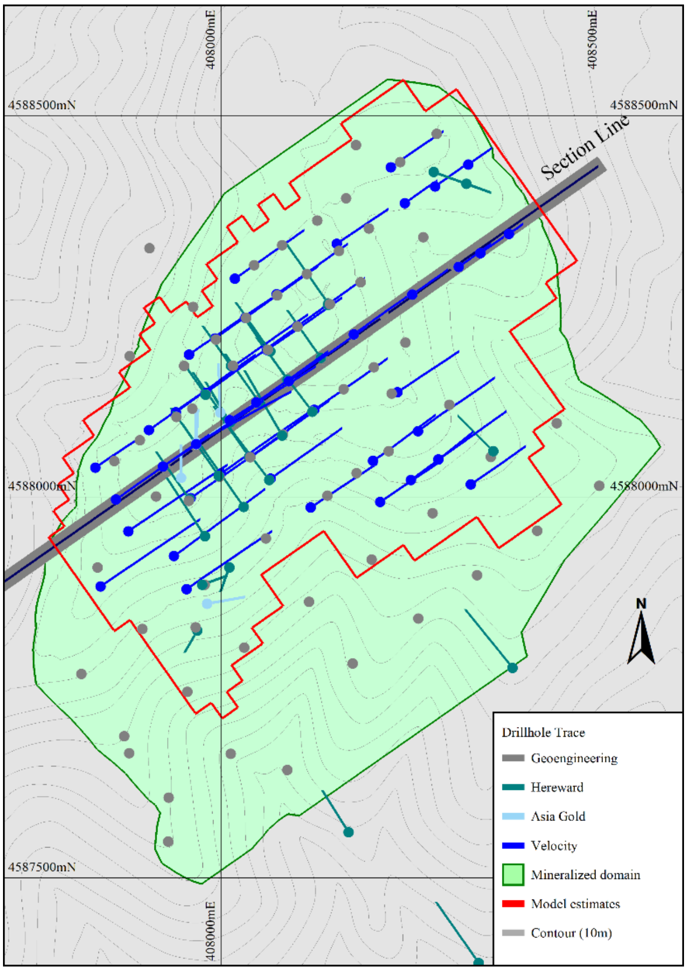
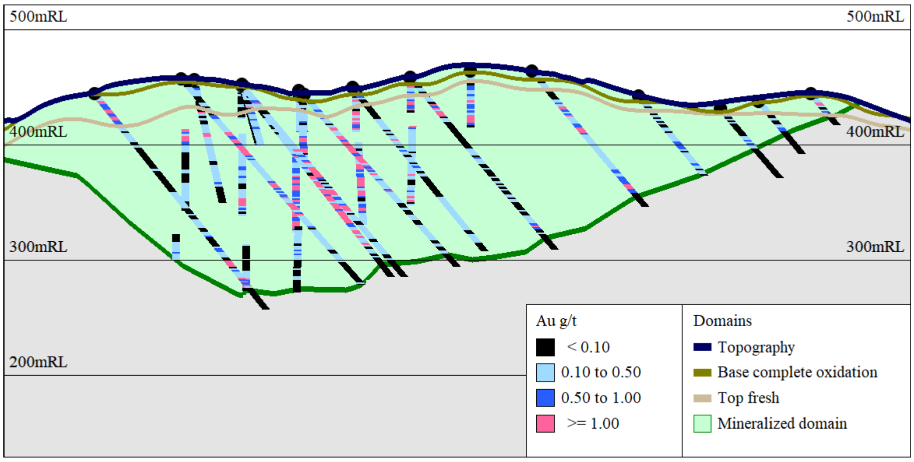


Figure 12: Drill hole traces and surface expression of mineralized domain



Section line shown in Figure 13. Looking northwest

Figure 13: Example cross section of mineralized domain and drill traces

14.4. Estimation parameters

Indicator thresholds and bin mean grades

Indicator thresholds were defined using a consistent set of percentiles representing probability thresholds of 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.75, 0.8, 0.85, 0.9, 0.95, 0.97 and 0.99 for data in each domain (Table 12).

Indicator class grades used for the MIK modelling were determined from the mean gold grade of each indicator class. The impact of extreme grades on estimates was reduced by excluding six outlier composites with gold grades of greater than 60 g/t from the dataset used to determine the mean grade for the highest indicator class. This approach was adopted to reduce the impact of a small number of outlier composites. In the author's experience this approach is appropriate for MIK modelling of highly variable mineralization such as Rozino. No high grade composites were excluded from the Estimation Dataset and the entire composite dataset was used for the MIK modelling.

Table 12: Mineralized Domain indicator thresholds and class grades

Percentile	Threshold (Au g/t)	Mean (Au g/t)	Comment
10%	0.040	0.022	
20%	0.055	0.049	
30%	0.090	0.072	
40%	0.126	0.107	
50%	0.172	0.148	
60%	0.239	0.204	
70%	0.336	0.286	
75%	0.404	0.369	
80%	0.508	0.454	
85%	0.670	0.585	
90%	0.974	0.802	
95%	1.596	1.229	
97%	2.255	1.902	
99%	5.561	3.380	
100%	154.100	20.182	Assigned 12.13 g/t

Variogram models

Indicator variograms were modelled for each indicator threshold from the mineralized domain composites (Table 13). For determination of variance adjustment factors a variogram was modelled for composite gold grades. The spatial continuity observed in the variograms is consistent with geological interpretation and trends shown by resource composite gold grades.

Table 13: Variogram models

Rotation relative to model axes (y-15)							
%ile	Nugget	First Structure (Exponential)		Second Structure (Spherical)		Third Structure (Spherical) (Spherical)	
		Sill	Range (x,y,z)	Sill	Range (x,y,z)	Sill	Range (x,y,z)
10%	0.20	0.40	25,23.5,7.5	0.22	52,48,15	0.18	170,93,110
20%	0.19	0.40	26,45,6.5	0.16	70,53,54	0.25	187,83,170
30%	0.18	0.35	29,35,7	0.21	74,87,33	0.26	178,98,230
40%	0.18	0.35	29,30,7	0.21	68,70,45	0.26	182,133,148
50%	0.19	0.32	26,28,6.5	0.24	67,66,29	0.25	167,147,878
60%	0.20	0.32	25,44,6.5	0.24	66,52,26	0.24	134,150,936
70%	0.21	0.34	27,32,7	0.22	87,53,23	0.23	103,164,204
75%	0.23	0.34	28,20,7	0.22	92,43,25	0.21	101,181,153
80%	0.24	0.34	25,25,7	0.22	81,32,22	0.20	102,126,118
85%	0.26	0.36	23,39,7.5	0.20	77,50,14	0.18	101,92,379
90%	0.27	0.42	25,24,7	0.14	97,45,16	0.17	99,75,489
95%	0.31	0.44	25,23,6.5	0.12	80,48,17	0.13	100,85,374
97%	0.33	0.53	24,25,6	0.05	60,50,83	0.09	90,80,440
99%	0.39	0.57	20,25,6	0.03	30,48,8	0.01	52,75,95
100%	0.30	0.04	16,30,4	0.55	35,41,5	0.11	92,84,34
Au g/t	0.20	0.40	25,23.5,7.5	0.22	52,48,15	0.18	170,93,110

Block model dimensions

The block model frame work used for the MIK modelling covers the full extents of the composite dataset. The model is aligned with the 055 trending Velocity drilling traverses and includes panels with dimensions of 25 metres by 15 metres by 5 metres vertical. The plan-view panel dimensions reflect drill hole spacing in more closely drilled portions of the deposit.

Search criteria

The three progressively more relaxed search criteria used for MIK estimation are presented in Table 14. The search ellipsoids were aligned with dominant domain orientation.

Table 14: Search criteria

Search	Radii (m) (x,y,z)	Minimum Data	Minimum Octants	Maximum Data
1	50,50,8	16	4	48
2	100,100,8	16	4	48
3	100,100,8	8	2	48

Variance adjustment

The resource estimates include a variance adjustment to give estimates of recoverable resources above gold cut-off grades for selective mining (SMU) dimensions of 4 metres east by 6 metres north by 2.5 metres in elevation. The variance adjustments were applied using the direct lognormal method and the adjustment factors listed in Table 15.

Table 15: Variance adjustment factors

Block/ Panel	Information Effect	Total Adjustment
0.293	0.866	0.254

14.5. Bulk density assignment

Estimated resources include densities of 2.2, 2.4 and 2.6 t/bcm for oxide, transitional and fresh material respectively.

The value assigned to fresh material represents the average of measurements available for this zone. No density measurements are available for oxide material, and too few transitional measurements are available for reliable estimation of densities for this zone (Table 9). Densities assigned to assigned to oxide and transitional material reflect the author's experience of comparable mineralization styles.

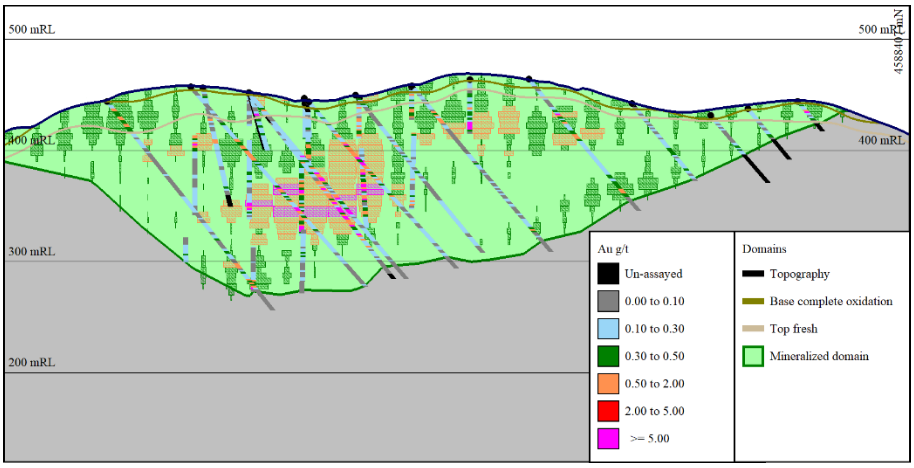
Oxide and transitional material, represent around 8% and 20% of estimated resources respectively and the lack of comprehensive density measurements for these zones does not significantly affect confidence in the current Inferred Mineral Resources. Additional density measurements would be required for estimation of Measured or Indicated Mineral Resource estimates for Rozino.

14.6. Model reviews

Model reviews included comparison of estimated block grades with informing composites. These checks comprised inspection of sectional plots of the model and drill data and review of swath plots and showed no significant issues.

Figure 14 shows a representative cross-section of the Rozino resource model. This plot shows model panels scaled by the estimated proportion above 0.5 g/t cut off and coloured by the estimated gold grade above this cut off relative to the resource domains and drill holes traces coloured by two metre composited gold grades.

It should be noted that when viewing the vertical section through the resource model there are situations where the model blocks appear to be un-correlated to the mineralized intercepts in the neighbouring drill holes. This is occurring because of the way the resource models have been presented. The model blocks plotted are only those that contain an estimated resource above 0.5 g/t gold cut-off and the proportion above cut off has been used to scale the dimensions of the model block for presentation purposes. The scaling occurs about the model block centroid co-ordinate and therefore introduces the apparent miss-match between data and the resource model blocks.



Section line shown in Figure 13. Looking northwest

Figure 14: Example cross section of model estimates at 0.5 g/t cut off

The swath plots in Figure 15 compare average estimated mineralized domain panel grades and average composite grades by model axes. The average composite grades include an upper cut of 20 g/t which represents 99.7th percentile of mineralized domain composites and reduces the impact of a small number of outlier composite gold grades of up to 154.1 g/t.

The plots in Figure 15 show that although, as expected, average block grades are smoothed compared to average composite grades they generally closely follow the trends shown by composite mean grades with the exception of areas of variably spaced or limited sampling. There are minor local deviations between the model and composite trends seen on the plots and these are influenced due to the following features.

- The data used in the estimation of the MIK panel grades are coming from a greater volume than the vertical slices being compared which are consistent with model panel dimensions.
- Areas of variable spacing, with drilling preferentially clustered in higher, or lower grade mineralization causes apparent inconsistencies between average composite and model grades as presented in the swath plots.

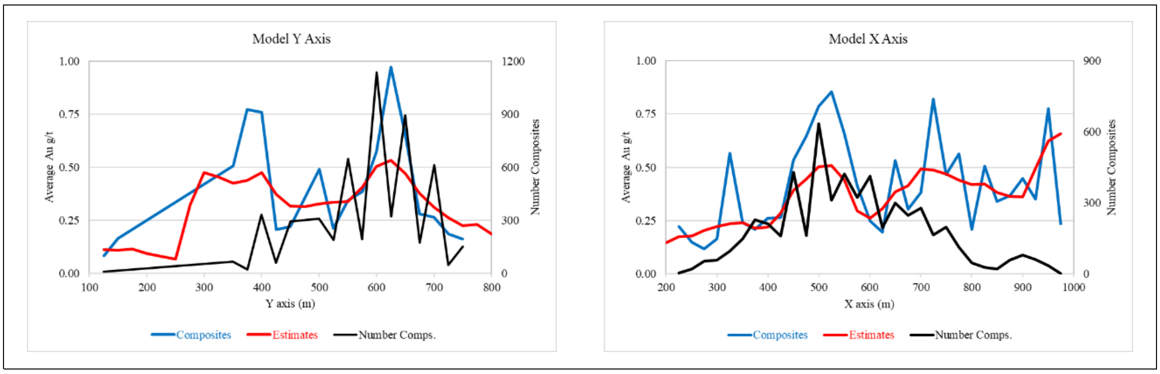


Figure 15: Average panel grades versus composite grades

14.7. Mineral Resource estimates

Table 16 shows the Inferred Mineral Resource Estimates for Rozino for a range of cut off grades. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

Estimated Mineral Resources extend to the base of mineralized drilling at around 190 metres depth, with around 90% of estimates from depths of less than 110 metres and less than 1% from below 150 metres.

Assessment of the economic potential of the Rozino mineralization is at an early stage of evaluation. Mineral Resources that are not Mineral Reserves do not have demonstrated economic validity. The extents to which mining, metallurgical, marketing, infrastructure, permitting, marketing and other financial factors may affect the Mineral Resource estimates are not well defined.

Table 16: Rozino Inferred Mineral Resource estimates

Effective date of estimates: 1st March 2018			
Cut-off (Au g/t)	**Tonnes (Mt)**	**Grade (Au g/t)**	**Metal (Au koz)**
0.2	45	0.62	897
0.3	30	0.81	781
0.4	22	0.98	693
0.5	**17**	**1.15**	**629**
0.6	13	1.32	552
0.7	10	1.50	482
0.8	**8.2**	**1.68**	**443**
0.9	6.8	1.86	407
1.0	5.7	2.03	372
1.2	4.2	2.37	320
1.5	2.9	2.84	265

15. Mineral Reserve Estimates

This section is not applicable to the report.

16. Mining Methods

This section is not applicable to the report.

17. Recovery Methods

This section is not applicable to the report.

18. Project Infrastructure

This section is not applicable to the report.

19. Market Studies and Contracts

This section is not applicable to the report.

20. Environmental Studies, Permitting and Social or Community Impact

This section is not applicable to the report.

21. Capital and Operating Costs

This section is not applicable to the report.

22. Economic Analysis

This section is not applicable to the report.

23. Adjacent Properties

This section is not applicable to the report.

24. Other Relevant Data and Information

This section is not applicable to the report.

25. Interpretation and Conclusions

Rozino is a low sulphidation epithermal gold deposit hosted within Palaeogene sediments as disseminations, replacement and vein mineralization. The dominant mineralization trend is northwest parallel to the regional extensional fault regime, with local mineralization development controlled by the intersection of steep structures sub-parallel to the bounding extensional faults and gently dipping bedding.

The estimates described in this report are based on drilling information available on the 26th of February 2018. The sampling database includes 186 diamond holes completed by Velocity, Hereward and Asia Gold and Geoengineering.

Few details of sampling and assaying are available for the Geoengineering drilling. Although data from these holes were used to aid mineralized domain interpretation they were excluded from the Estimation Dataset. The Estimation Dataset includes diamond holes drilled by Hereward, Asia Gold and Velocity and comprises 78 holes for 12,009 metres. Samples from Velocity's diamond drilling provide 63% of the Estimation Dataset, with Hereward and Asia Gold drilling contributing 32% and 5%, respectively.

Drilling has intersected mineralization over an area around 1,000 metres by 700 metres to a vertical depth of around 190 metres. The mineralization is interpreted to be completely oxidized to average depth of around 7 metres, with fresh rock occurring at an average depth of around 18 metres.

Hereward and Asia Gold holes are generally aligned sub-parallel with mineralization trends and define mineralized zones less robustly than Velocity's drilling which intersects mineralization trends at a greater angle providing a more reliable basis for resource estimation.

The author considers that quality control measures adopted for Velocity's Rozino diamond drilling have established that the sampling and assaying is representative and free of any biases or other factors that may materially impact the reliability of this data. Reliability of Hereward and Asia Gold data has not been established with the same degree of rigour. This does not significantly affect confidence in the current Inferred resource estimate. However, the reliability of the Hereward and Asia Gold data warrants further investigation as assessment of the Project continues.

The author considers that the sample preparation, security and analytical procedures adopted for the Rozino drilling provide an adequate basis for the current Mineral Resource estimates

Metallurgical test-work suggests the Rozino mineralization is amenable to treatment by industry standard methods, yielding comparatively high gold recoveries.

Mineral Resources were estimated by Multiple Kriging of two metre down-hole composited gold grades from diamond drilling by Hereward, Asia Gold and Velocity. Estimated resources include a variance adjustment to give estimates of recoverable resources above gold cut-off grades for selective mining (SMU) dimensions of 4 metres east by 6 metres north by 2.5 metres in elevation.

Estimated resources are constrained within a mineralized envelope interpreted from composited gold grades and geological logging from diamond drilling and surface trenches. The envelope captures intervals of greater than 0.1 g/t, with the lower boundary reflecting the contact between variably mineralized sedimentary rocks and un-mineralized basement. Estimated resources extend to the base of mineralized drilling at around 190 metres depth, with around 90% of estimates from depths of less than 110 metres and less than 1% from below 150 metres.

Table 17 presents Mineral Resources estimated for Rozino for selected cut off grades. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

The Mineral Resource estimates have been classified and reported in accordance with NI 43-101 and the classifications adopted by CIM Council in May 2014 (CIM, 2014) The estimates are classified as Inferred reflecting the drill hole spacing and uncertainty over the reliability of sampling data from pre-Velocity drilling.

Table 17: Rozino Inferred Mineral Resource estimates at selected cut offs

Effective date of estimates: 1st March 2018			
Cut-off (Au g/t)	**Tonnes (Mt)**	**Grade (Au g/t)**	**Metal (Au koz)**
0.2	45	0.62	897
0.5	**17**	**1.15**	**629**
0.8	8.2	1.68	443
1.0	**5.7**	**2.03**	**372**
1.2	4.2	2.37	320

26. Recommendations

26.1. Velocity's 2018 work plan

In developing his recommendations for future work programs at Rozino, the author has considered the information available for the Project as described in this report and Velocity's 2018 work plan, which is outlined below.

Velocity's 2018 work plan for Rozino, which has commenced and is on-going includes a substantial program of diamond drilling and construction of an updated Inferred Mineral Resource, which will form the basis of a PEA that Velocity anticipates completing in late 2018.

The planned drilling includes step-out diamond drilling, focussing in the eastern portion of the deposit. This drilling is of comparable style and spacing to Velocity's drilling completed to date at the Project. Without additional in-fill drilling, which is not currently proposed or planned, the planned drilling is too broadly spaced for estimation of Measured or Indicated Resources.

Additional work planned by Velocity to complete the PEA includes the following:

- Density measurements of diamond drill core from Velocity's drilling to improve confidence in densities assigned to resource models.
- Inter-laboratory check assays of representative pulp samples from Velocity's 2017 and 2018 drilling programs.
- Undertake check sampling and analysis of selected representative samples of Hereward and Asia Gold drill core.
- Further DGPS topographic surveying of the deposit area and surrounding areas.
- Additional metallurgical test-work including gold deportment studies on the residues of the agitated leach test work completed in early 2018.
- Commencing data collection and design of an Environmental & Social Impact Assessment to be run in conjunction with Bulgarian Environmental Social studies

The budget for Velocity's 2018 work plan (Table 18) is CAD $2,300,000.

Table 18: Budget for 2018 work plan

Courtesy Mr. Stuart Mills, Velocity Vice President Exploration, 28th March 2018	
Item	**Cost (Canadian x 1000)**
Capital	$30
Personnel	$270
Drilling	$900
Geochemical analysis	$200
Geophysics/remote sensing	$10
Geology and resource estimation	$100
PEA evaluations	$240
Metallurgical test-work	$100
ESIA design and data collection	$60
Vehicles and generators	$40
Field and office costs	$320
Tenement holding costs	$30
Total	**$2,300**

26.2. Qualified Person’s recommendations

Subject to the author’s recommendations below, the author has reviewed and concurs with Velocity’s proposed work programs for updating Mineral Resources. The author further concurs with the general approach of Velocity’s proposed program of drilling and analysis.

The author’s recommendations for future work at Rozino reflect Velocity’s commitment to the 2018 work plan, which has commenced, and the following points, which are discussed in more detail in relevant sections of this report:

a) The author considers that quality control measures adopted for Velocity’s diamond drilling have established that the sampling and assaying is representative and free of any biases or other factors that may materially impact the reliability of this data. Velocity’s planned inter-laboratory check assays of samples from their 2017 and 2018 drilling programs will usefully supplement the available QAQC data.

b) Reliability of Hereward and Asia Gold data has not been established with the same degree of rigour as data from Velocity’s drilling. Velocity’s 2018 work plan includes check sampling and analysis of selected representative samples of drill core from this drilling.

c) Very few density measurements are available for transitional material and none are available for the oxide zone. Velocity’s 2018 work plan includes density measurements to improve confidence in densities assigned to resource models. This work will investigate the reliability of Hereward’s measurements for fresh mineralization and provide additional information for oxidized and transitional mineralization.

d) The drill hole database supplied by Velocity does not include any down-hole surveys for Hereward and Asia Gold’s drill holes. Velocity geologists report that these holes were surveyed, probably with a Reflex tool, but this information is not available.

The preceding points indicate that commencing further drilling or analyses in addition to the 2018 work plan prior to completion of the proposed PEA risks inefficient use of funds.

The author recommends that that planning of additional drilling and sampling and associated evaluations for the Rozino project be undertaken after evaluation of results from Velocity’s 2018 work program inclusive of the PEA.

The author’s recommendations relating to the 2018 work plan are outlined below. Costs of these recommendations are included in the 2018 work plan budget (Table 18):

a) Rather than isolated intervals, check sampling of Hereward and Asia Gold drilling should comprise continuous representative down-hole mineralized intervals and include comprehensive QAQC monitoring such as routine submission of certified reference standards.

b) The planned inter-laboratory check assays of samples from Velocity's 2017 and 2018 drilling should include samples of the same reference standards included in original assay batches.

c) The planned density measurements should comprise immersion measurements of representative samples of each mineralization style and include oven-drying and wax coating to prevent water absorption during measurement.

d) If possible, original down-hole survey records from Hereward and Asia Gold drill holes should be obtained and the database updated accordingly.

27. References

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Date and Signature Page

The undersigned prepared this technical report titled: " NI 43-101 Technical Report Mineral Resource Estimation for the Rozino Gold Deposit, Republic of Bulgaria ", dated the 5th day of April, 2018, with an effective date of the 21st of March 2018. The format and content of the Technical Report have been prepared in accordance with Form 43-101F1 and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

Dated this 5th day of April, 2018.

Jonathon Abbott, BASc, MAIG

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Australia

CERTIFICATE of QUALIFIED PERSON

As the author of the report titled "NI 43-101 Technical Report Mineral Resource Estimation for the Rozino Gold Deposit, Republic of Bulgaria" prepared for Velocity Minerals Ltd. (the "Issuer") dated the 5th April 2018 with an effective date of the 21st of March 2018 (the "Technical Report"), I, Jonathon Abbott, BASc, MAIG, do hereby certify that:

1. I am a Consulting Geologist with MPR Geological Consultants Pty Ltd, 19/123A Colin Street, West Perth, Western Australia, Australia.

2. I graduated with a Bachelor of Applied Science in Applied Geology from the University of South Australia in 1990.

3. I am a member of the Australian Institute of Geoscientists. I have worked as a geologist for a total of 27 years since my graduation from university. My experience includes mine geology and resource estimation for a range of commodities and mineralization styles. I have been involved in preparation and reporting of resource estimates in accordance with JORC guidelines for 22 years, and National Instrument 43-101 ("NI 43-101") guidelines for approximately 14 years.

4. I have read the definition of "qualified person" set out NI 43-101 and certify that by reason of my education, affiliation with a recognized professional association and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I have been involved with the Rozino Project since December 2017 and visited the project site on the 25th of February 2018.

6. I am responsible for all sections of the Technical Report.

7. I am independent of the Issuer (within the meaning of Section 1.5 of NI 43-101).

8. I have not had prior involvement with the Rozino Project.

9. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

As of the date of this Certificate, 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 the Technical Report not misleading.

Dated this 5th day of April, 2018.

____
Jonathon Abbott, BASc, MAIG