

REVISED ANNUAL INFORMATION FORM



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For the year ended December 31, 2020

Dated February 28, 2022

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PRELIMINARY NOTES

In this Annual Information Form (the “AIF” or “Annual Information Form”), unless the context otherwise dictates, references to the “Company”, “Velocity”, “we” and “our” refer to Velocity Minerals Ltd.

The information contained in this AIF is current as of December 31, 2020 with subsequent events disclosed to February 28, 2022.

Except as otherwise indicated in this AIF, references to “\$” or “CAD\$” are to the currency of Canada and references to “US\$” are to United States dollars.

Financial Statements

This AIF should be read in conjunction with the Company’s consolidated financial statements and management’s discussion and analysis for the years ended December 31, 2020 and 2019 available under the Company’s profile on SEDAR at www.sedar.com. The financial statements and management’s discussion and analysis were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Documents Incorporated by Reference

The information contained in the Rozino Technical Report is incorporated by reference as part of this AIF. The Rozino Technical Report (as filed on December 17, 2021) is available under the Company’s profile on SEDAR at www.sedar.com.

Unless otherwise indicated, the Company has prepared the technical information in this AIF based on information contained in the Rozino Technical Report. For readers to fully understand the technical information in this AIF they should read the Rozino Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this AIF. The Rozino Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Rozino Technical Report is subject to the assumptions and qualifications contained therein.

Qualified Person

All scientific and technical information relating to the Company’s mineral projects contained in this AIF has been reviewed and approved by Keith Henderson, a Qualified Person as defined by NI 43-101 and the Company’s President and Chief Executive Officer. Mr. Henderson is not independent of the Company.

Classification of Mineral Reserves and Mineral Resources

In this AIF and as required by NI 43-101, the definitions, if any, of proven and probable mineral reserves and measured, indicated and inferred mineral resources are those used by Canadian provincial securities regulatory authorities and conform to the definitions set out in the CIM Definition Standards.

Cautionary Statement Regarding Forward-Looking Statements

This AIF contains forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995* concerning the business, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company’s projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources

and/or reserves on the Company's projects and mineral properties, the outcome of legal proceedings and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Often, but not always, forward-looking statements can be identified by words such as "will", "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the ability of the Company to obtain sufficient financing to fund its business activities and plans on an ongoing basis;
- operating and technical difficulties in connection with mineral exploration or development or mine development activities for the Company's projects generally, including the geological mapping, prospecting, drilling and sampling programs for the Company's projects;
- actual results of exploration activities, including exploration results, the estimation or realization of mineral resources and mineral reserves, the timing and amount of estimated future production, costs of production, capital expenditures, and the costs and timing of the development of new deposits;
- possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental and regulatory approvals (including of the TSXV), permits or financing or in the completion of development or construction activities;
- changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions;
- requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities;
- the ability of the Company to successfully respond to any legal challenges to permits or licenses necessary for its mineral exploration or development activities, and the results and impact of any such legal challenges on the Company's exploration timeline and business activities;
- the ability of the Company to continue to operate during the COVID-19 pandemic and that the Company's responses to the COVID-19 pandemic will be effective in continuing operations in the ordinary course; and

- those factors discussed under the headings “Risk Factors” in this AIF and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company’s profile on the SEDAR website at www.sedar.com.

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

Notice to U.S. Investors on Canadian Disclosure Standard

The Company prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. All mineral resource and mineral reserve estimates contained in this presentation or in documents referenced in this presentation have been prepared in accordance with NI 43-101 and CIM Definition Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Definition Standards. The Securities Exchange Commission (“SEC”) has adopted final rules, effective February 25, 2019, to replace the former SEC Industry Guide 7 with new mining disclosure rules under subpart 1300 of Regulation S-K of the U.S. Securities Act (the “**SEC Modernization Rules**”). The SEC Modernization Rules replace the historical property disclosure requirements included in the former SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be substantially similar to international standards. The SEC Modernization Rules will become mandatory for U.S. reporting companies beginning with the first fiscal year commencing on or after January 1, 2021. Investors are specifically cautioned that there are also significant differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” or other measures under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules. For the above reasons, information contained in this presentation containing descriptions of our mineral reserve and mineral resource estimates is not comparable to similar information made public by U.S. companies subject to reporting and disclosure requirements of the SEC under or the SEC Modernization Rules.

GLOSSARY OF TECHNICAL TERMS

Conversion Factors

To Convert From	To	Multiply By
Feet	Metres (m)	0.305
Metres	Feet (ft)	3.281
Miles	Kilometres (km)	1.609
Kilometres	Miles	0.6214
Hectares	Acres (ac)	2.471
Grams	Ounces (Troy) (oz)	0.03215
Grams/Tonnes	Ounces (Troy)/Short Ton (oz/ton)	0.02917
Tonnes (metric)	Pounds (lbs)	2,205
Tonnes (metric)	Short Tons (st)	1.1023

The following is a glossary of certain terms used in this AIF:

“**7076**” means 1077076 B.C. Ltd.

“**Ag**” means silver.

“**Artemis Gold**” means Artemis Gold Inc. (formerly 1193490 B.C. Ltd).

“**Artemis Investment**” means a \$9 million strategic investment in the Company by Artemis Gold pursuant to an investment agreement between the Company, Artemis Gold and Atlantic Gold Corporation dated January 16, 2019.

“**Assay**” means, in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

“**Au**” means gold.

“**Board**” means the board of directors of the Company.

“**Chala** or “**Chala Mine**” means the underground Chala Gold Mine, located in Bulgaria.

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“**CIM Definition Standards**” means *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council on May 19, 2014, as amended.

“**Common Share**” means a common share in the capital of the Company.

“**Deposit**” means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

“**DPM**” means Dundee Precious Metals Inc.

“**DPM Investment Agreement**” means the investment agreement made as of November 13, 2020 between the Company and DPM whereby the Company issued and sold 13,394,000 Common Shares to DPM at a price of \$0.50 for an aggregate purchase price of \$6,697,000 on a private placement basis.

“**Feasibility Study**” or “**FS**”, under CIM Definition Standards, is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

“**Gorubso**” means Gorubso Kardzhali A.D., the Company’s Bulgarian joint venture partner.

“**Grade**” means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals and as percent (%) for antimony.

“**g/t**” means grams per tonne.

“**Iglika**” means the Iglika project located within the municipalities of Bolyaravo and Elhovo in southeast Bulgaria approximately 340 km by road east-southeast of the capital, Sofia.

“**Indicated Resource** or “**Indicated Mineral Resource**”, under CIM Definition Standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

“**Inferred Resource**” or “**Inferred Mineral Resource**”, under CIM Definition Standards, is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

“**IRR**” means internal rate of return.

“**Intrusion**” means the process of emplacement of magma in a pre-existing rock, and also the igneous rock mass so formed.

“**Kibela**” mean Kibela Minerals AD, the Company’s Bulgarian subsidiary.

“**km**” means kilometre(s).

“**koz**” means thousands of ounces.

“**kozpa**” means thousands of ounces per annum.

“**LOM**” means life of mine.

“**m**” means metre(s) (equivalent to 3.281 feet).

“**M**” means million.

“**Measured Resource**” or “**Measured Mineral Resource**”, under CIM Definition Standards, is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

“**Mineralization**” means the concentration of metals and their chemical compounds within a body of rock.

“**Mineral Reserve**” or “**mineral reserve**”, under CIM Definition Standards, is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

“**Mineral Resource**” or “**mineral resource**”, under CIM Definition Standards, is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

“**Momchil**” means the Momchil Project, which includes the Obichnik gold project, located within the municipality of Momchilgrad in southeast, Bulgaria approximately 310 km by road east-southeast of the capital, Sofia.

“**Mt**” means million tonnes.

“**Nadezhda**” means the Nadezhda Project, which includes the Makedontsi gold project, located within the municipality of Kardzhali in southeast Bulgaria, approximately 280 km by road east-southeast of the capital, Sofia.

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

“**NPV**” means net present value at a discount rate.

“**Obichnik Agreement**” means the property option agreement for the Obichnik gold project between the Company and Gorubso. Under the agreement, the Company can earn a 70% interest in the 388-hectare Momchil property, which includes the Obichnik gold project, by delivering a mineral resource estimate prepared under NI 43-101.

“**Ore**” means a mineral reserve of sufficient value as to quality and quantity to enable it to be mined at a profit.

“**Ounce**” or “**oz**” means a troy ounce or twenty penny weights or 480 grains and is equivalent to 31.1035 grams.

“Preliminary Economic Assessment” or **“PEA”** as defined in NI 43-101 means a study, other than a Pre-Feasibility or Feasibility Study, that includes an economic analysis of the potential viability of mineral resources.

“Pre-Feasibility Study” or **“Preliminary Feasibility Study”** or **“PFS”** is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

“Probable Reserves” or **“Probable Mineral Reserves”**, under CIM Definition Standards, is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

“Proven Reserves” or **“Proven Mineral Reserves”**, under CIM Definition Standards, is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

“Qualified Person” conforms to that definition under NI 43-101 and means an individual who (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires (A) a favourable confidential peer evaluation of the individual’s character, professional judgement, experience, and ethical fitness; or (B) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining.

“ROM” means run of mine.

“Rozino Technical Report” means the technical report entitled *“Revised NI 43-101 Technical Report Pre-Feasibility Study for the Rozino Gold Project, Bulgaria”* dated December 15, 2021 (effective September 28, 2020).

“Rozino Project” or **“Rozino”** means the Rozino gold deposit which is located within the Tintyava Property, which lies within the municipalities of Ivaylovgrad and Krumovgrad in southeast Bulgaria, approximately 350 km by road east-southeast of the capital, Sofia.

“Sampling” means a technique for collecting representative sub-volumes from a larger volume of geological material. The particular sampling method employed depends on the nature of the material being sampled and the kind of information required.

“Sediment” means a solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

“Sulphide” means a group of minerals in which one or more metals are found in combination with sulphur.

“**Tintyava Property**” means the Tintyava property, which lies within the municipalities of Ivaylovgrad and Krumovgrad in southeast Bulgaria approximately 350 km by road east-southeast of the capital, Sofia.

“**Tonne**” means a metric unit of mass equivalent to volume multiplied by specific gravity; equivalent to 1.102 tons or 1,000 kilograms (equivalent to 2,204.6 pounds).

“**TSXV**” means the TSX Venture Exchange.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the laws of the province of Alberta on September 22, 2000 under the name “Benem Ventures Inc.” and was continued into British Columbia on December 2, 2004. The Company changed its name to “Velocity Minerals Ltd.” on May 2, 2008.

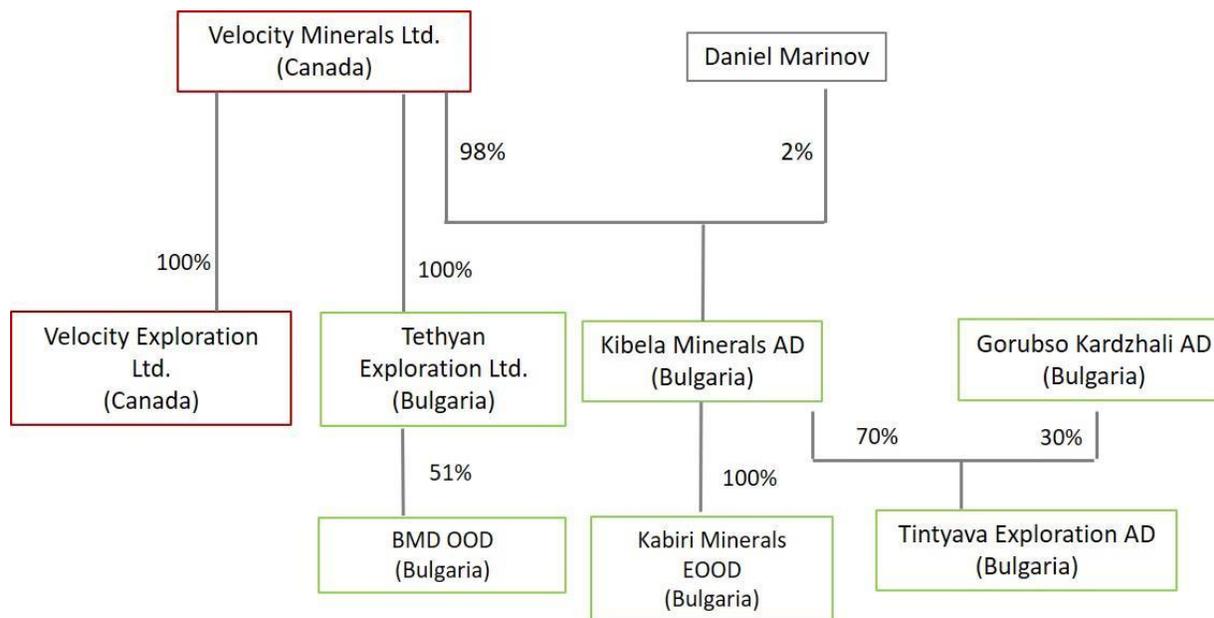
At an annual general and special meeting of the shareholders of the Company held on November 9, 2015, the shareholders of the Company resolved by special resolution to delete and cancel the Articles of the Company and to replace them with new Articles, a copy of which is available on SEDAR at www.sedar.com.

On July 21, 2017, the Company completed the acquisition of all of the outstanding shares of 7076, a private British Columbia corporation and 7076 became a wholly-owned subsidiary of the Company. On January 8, 2019, the Company completed a vertical short form amalgamation with 7076 and the amalgamated entity continued as one company.

The head office of the Company is Suite 890 - 999 West Hastings Street, Vancouver, BC, V6C 2W2. The registered and records office of the Company is Suite 1170 - 1040 West Georgia Street, Vancouver, BC, V6E 4H1. The Company also has offices in Bulgaria.

Intercorporate Relationships

The following chart shows the intercorporate relationships between the Company and its subsidiaries as at December 31, 2020.



Daniel Marinov, a director and officer of the Company, has a 2% interest in Kibela. The shares held by Daniel Marinov are governed by a trust agreement with the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Summary of the Business

Velocity Minerals Ltd. is a gold exploration and development company focused on Eastern Europe. The Company’s management and Board include mining industry professionals with experience spanning

Europe, Africa, Australasia, and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies. The teams' experience includes all aspects of mineral exploration, resource definition, feasibility, finance, mine construction and mine operation as well as a track record in managing publicly listed companies.

The Company is currently focused on exploration assets in Bulgaria, which is a member of the European Union (2007) with a mining law that was established in 1999 and updated in 2011. The local currency (BGN) has been tied to the Euro since 1999 (1.956 BGN/EUR). The country is served by modern European infrastructure including an extensive network of paved roads. Mining royalties compare favourably with more established mining countries like Canada, Peru, and Chile. Bulgaria also boasts an exceptionally low corporate tax rate of only 10% and the country's education system is excellent with good availability of experienced mining professionals in a favourable cost environment. Foreign mining companies are successfully operating in Bulgaria. Despite the positive operating environment, the number of established mining companies is low and Velocity is among the first movers in a new influx of foreign mining investment.

Velocity envisions staged open pit mining of satellite deposits and processing in a currently operating processing plant. As of the date hereof, Velocity has a 70% interest in the Tintyava property, which includes the Rozino gold project, a 70% interest in the Momchil property, which includes the Obichnik gold project, and a 100% interest in the Iglia property. Velocity has entered into an option agreement to earn a 70% interest in the Nadezhda Project, which includes the Makedontsi gold project. The Company is focused on a hub and spoke approach and, as at the date of this AIF, Rozino is the only material mineral project. If warranted, the Company intends to conduct further exploration activities at the Obichnik, Iglia and Nadezhda projects to assess their geological potential.

Three Year History and Significant Acquisitions

Period Ended December 31, 2018

Acquisitions, Changes to the Company's Business and Material Contracts

On February 22, 2018, Velocity entered into an exploration and mining alliance agreement with its Bulgarian partner, Gorubso, which set out the terms of an exploration and mining alliance covering all existing and future Gorubso and Velocity projects within an area of 10,400 km² covering the prospective Eastern Rhodope Gold Mining District in southeastern Bulgaria. The alliance contemplated the exploration, development, and mining, as applicable, of the projects and provided for an option/joint venture mechanism by which Velocity and Gorubso partnered to maximize value for both parties. Gorubso made its central gold processing plant available to all projects to process all future mined material, as necessary, providing Velocity and the alliance with reduced project risk as well as potential capital and time savings. The alliance also provided that, upon reaching \$1 million in exploration expenditures at Gorubso's Chala gold mine, Velocity would have an option to acquire a 50% beneficial interest in the Chala Mine and to form a joint venture with Gorubso for the further development and expansion of the mine. Furthermore, Velocity was given the exclusive option to earn a 70% interest in all existing (excluding the Chala Mine) and future Gorubso properties located within the alliance area.

On November 5, 2018, Velocity announced it had provided notice to Gorubso of its intention to exercise its option to acquire a 70% interest at the Rozino Project.

Financings, Grants and Issuances

On May 3, 2018, Velocity closed the first tranche of a non-brokered private placement raising aggregate gross proceeds of \$1,324,365 through the issuance of 6,621,824 units at a price of \$0.20 per unit. Each unit consisted of one Common Share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$0.30 for 12 months.

On October 12, 2018, Velocity announced it closed a non-brokered private placement of \$1,005,064 through the issuance of 6,700,433 units at a price of \$0.15 per unit. Each unit consisted of one Common Share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one Common Share at a price of \$0.20 for 36 months.

Exploration

On September 17, 2018, Velocity announced the results of an independent PEA on its Rozino Project. Velocity projected several next steps, including the filing of a NI 43-101 PEA technical report and several steps to prepare a PFS, including, among other things, exploration drilling of priority targets contiguous to the PEA pit outlines aimed at resource expansion and additional metallurgical testing to optimize gold recovery.

On October 29, 2018 Velocity announced that it had filed an independent NI 43-101 PEA technical report on the Rozino gold project, Tintyava Property, located in southeast Bulgaria. On December 3, 2018, Velocity announced it had initiated additional diamond drilling at the Rozino gold project. Mineralization at Rozino was open for expansion and the drilling was aimed at increasing mineral resources outlined in the PEA.

Period Ended December 31, 2019

Acquisitions, Changes to the Company's Business and Material Contracts

On March 1, 2019, Velocity announced that, through its Bulgarian subsidiary Kibela, it entered into a shareholders' agreement with Gorubso to govern the operation and management of Tintyava Exploration EAD, the corporate joint venture company that holds the prospecting and exploration license for the Tintyava Property. The shareholders' agreement formalizes Velocity's 70% interest in Tintyava Exploration EAD, with Gorubso holding the remaining 30%.

On May 28, 2019, Velocity announced that it had entered into an option agreement with Bulgarian partner, Gorubso, to acquire a 70% interest in the Nadezhda property, which includes the Makedontsi gold project. Under the terms of this Makedontsi agreement, Velocity can earn a 70% interest by delivering a mineral resource estimate prepared under NI 43-101.

On June 5, 2019, Velocity graduated from Tier 2 to Tier 1 on the TSXV.

On June 10, 2019, Velocity announced it entered into an option agreement with Gorubso to acquire a 70% interest in the 388-hectare Momchil property, which includes the Obichnik gold project. Under the terms of the Obichnik agreement, Velocity can earn a 70% interest by delivering a mineral resource estimate prepared under NI 43-101.

On October 7, 2019, Velocity announced it entered into an option agreement with Gorubso whereby Velocity was granted the exclusive right to acquire a 70% interest in the Sedefche gold project located in southeast Bulgaria. The Company considered the Sedefche to be an advanced-stage gold deposit and it has a fully permitted near-surface historical Bulgarian registered gold resource. Velocity could earn a 70% interest in Sedefche by completing 5,000m of drilling on the project.

Financings, Grants and Issuances

On March 14, 2019, Velocity closed the Artemis Investment with Artemis Gold, which was a wholly-owned subsidiary of Atlantic Gold Corporation at that time. The Artemis Investment was comprised of an equity placement and a convertible placement, and resulted in Artemis Gold owning 19.80% of the outstanding Common Shares of Velocity on a non-diluted basis and 39.05% on a partially-diluted basis. Artemis Gold acquired 18,600,000 units of Velocity at a price per unit of \$0.21 for total gross proceeds of \$3,906,000 under the equity placement. Each unit consisted of one Common Share and one-half of one common share

purchase warrant, with each whole warrant entitling Artemis Gold to acquire one Common Share at a price of \$0.25 for 36 months. The convertible placement consisted of \$5,094,000 principal amount of secured convertible debentures issued by the Company to Artemis Gold. The convertible debentures carried an 8.5% coupon over a five-year term and were secured by general security agreement of the Company. Velocity had the election to pay any interest due in cash or shares at its sole election. On March 25, 2021, Artemis Gold converted the convertible debentures into 20,376,000 Common Shares at a conversion price of \$0.25 per Common Share and received 835,136 Common Shares in respect of the conversion of the outstanding accrued interest.

Pursuant to the terms of the Artemis Investment, Artemis Gold was granted:

- the right to appoint one director to Velocity's Board, and increasing to two directors upon Artemis Gold holding over 30% of the issued and outstanding Common Shares of Velocity; and
- the right to participate in any future equity issuances by Velocity in order to allow Artemis Gold to maintain its pro rata fully-diluted ownership in Velocity.

Artemis Gold was subject to a one-year standstill limiting it from acquiring additional Common Shares of Velocity. Furthermore, Artemis Gold agreed to vote with Velocity management and not to sell any of its Velocity securities for a one-year period.

Net proceeds from the Artemis Investment were used to fund the advancement of the Rozino Project located in southeast Bulgaria towards feasibility and permitting, including resource expansion and definition drilling, engineering studies, environmental monitoring and assessment, and for general working capital.

Exploration

In 2019, Velocity continued with its drilling and exploration activities at the Rozino gold deposit. The drilling and exploration work conducted at Rozino was aimed at working towards the preparation and delivery of a Pre-Feasibility Study.

Period Ended December 31, 2020

Acquisitions, Changes to the Company's Business and Material Contracts

On July 8, 2020, Velocity announced that it executed a letter agreement with Balkan Mineral Development OOD for an exclusive option to acquire a 100% interest in the Igljika gold-copper property, located in southeastern Bulgaria. The project is located in the westernmost portion of the prolific Tethyan belt that transects Bulgaria and hosts a number of epithermal gold and porphyry copper-gold mineral deposits and operating mines.

Financings, Grants and Issuances

On February 12, 2020, Velocity closed a non-brokered private placement raising aggregate gross proceeds of \$5,787,075 through the issuance of 14,467,687 units at a price of \$0.40 per unit. Each unit consisted of one Common Share and one-half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one Common Share at a price of \$0.55 for 18 months. Artemis Gold subscribed for 5,166,888 units in this financing in order to maintain its pro rata fully-diluted ownership in Velocity in accordance with its participation right under the Artemis Investment.

On November 24, 2020, Velocity closed a 9.99% strategic investment with DPM whereby the Company issued and sold 13,394,000 Common Shares to DPM at a price of \$0.50 for an aggregate purchase price of \$6,697,000 on a private placement basis. In connection with the DPM Investment, Artemis Gold elected to exercise its participation right to maintain its shareholdings of Velocity at approximately 22% on an issued and outstanding basis and consequently subscribed for 4,000,000 Common Shares for gross proceeds of

\$2,000,000. In addition, an existing joint venture partner of the Company subscribed for 500,000 Common Shares for gross proceeds of \$250,000.

Exploration

On August 31, 2020, Velocity announced the results of an independent Pre-Feasibility Study on its Rozino Project. The PFS was prepared by CSA Global, an international mining consultancy with experience in Bulgaria, in accordance with NI 43-101.

On October 15, 2020, Velocity announced that it had filed an NI 43-101 PFS technical report on the Rozino Project.

Subsequent to the year ended December 31, 2020

Acquisitions, Changes to the Company's Business and Material Contracts

On February 25, 2021, Velocity announced that it had accelerated the exercise of its option to acquire a 100% interest in the Igljika property and the associated exploration license. Velocity has exercised the right to acquire 100% of the shares of Balkan Minerals Development EOOD, the Bulgarian company that holds the exploration license for the project area. The vendors of the project retained a 2% net smelter returns royalty capped at US\$5,000,000. At any time, 1.5% of the royalty can be purchased for €1,500,000.

On June 23, 2021, Velocity announced that it had delivered a notice of option exercise to Gorubso for the Momchil property, which includes the Obichnik gold project. Velocity is deemed to have earned a 70% interest in the Momchil property and to be in joint venture with Gorubso for the further development of the Momchil property.

On November 16, 2021, Velocity announced that it had delivered a notice of option exercise to Gorubso for the Nadezhda property, which includes the Makedontsi project. The Company also announced the retirement of Mr. Stuart A. Mills as Vice President, Exploration and as an officer of the Company. Although Mr. Mills retired from his full-time position, he was retained as Director of Geology and continues to provide exploration services to the Company on a part-time basis.

Financings, Grants and Issuances

On March 25, 2021, Velocity announced that it had received a notice of early conversion from Artemis with respect to an 8.5% secured convertible debenture in the principal amount of \$5,094,000 issued to Artemis in March 2019.

Exploration

On March 16, 2021, the Company announced that it had received an initial mineral resource estimate at the Obichnik gold project. On April 28, 2021, the Company SEDAR filed a NI 43-101 technical report entitled “NI 43-101 Technical Report Exploration and Mineral Resource Estimation for the Obichnik Property, Republic of Bulgaria” dated March 20, 2021 (effective February 11, 2021). Subsequent to that, on December 8, 2021, the Company announced it filed an updated technical report for the Obichnik gold project dated December 8, 2021 (effective December 6, 2021), which incorporates an updated inferred mineral resource estimate for the project and the results of recently completed metallurgical test-work.

On December 17, 2021, the Company announced it had filed a revised technical report on the Rozino Project dated December 15, 2021 (effective September 28, 2020). The Rozino Technical Report is discussed in greater detail below under the header “Material Property”.

Significant Acquisitions

The Company did not make any significant acquisitions during the financial year ended December 31, 2020 that would require the Company to file a Form 51-102F4 *Business Acquisition Report* under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”).

Changes to the Company’s Business

The Company does not anticipate any material changes to the Company’s business over the remainder of the year.

DESCRIPTION OF THE BUSINESS

Competitive Conditions

The mineral exploration business is an intensely competitive business. The Company competes with numerous companies and individuals in the search for, and the acquisition of, mineral licenses, permits and other mineral interests, as well as for the acquisition of equipment and the recruitment and retention of qualified personnel. The ability of the Company to acquire mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration.

Specialized Skill and Knowledge

All aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, engineering, environmental, drilling, logistical planning and implementation of exploration and development programs, treasury, accounting and legal. The Company has been successful to date identifying and retaining employees and contractors with such skills and knowledge.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The price of the Common Shares, financial results, exploration, development and mining activities of the Company may in the future be significantly and adversely affected by declines in the price of gold and other minerals. Mineral prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company.

Environmental Considerations

The Company’s operations are subject to environmental regulations (including regular environmental impact assessments and permitting) in Bulgaria. Such regulations cover a wide variety of matters including, without limitation, the prevention of waste, pollution, and protection of the environment, labour regulations, and worker safety. Under such regulations, there are clean-up costs and liabilities for toxic or hazardous substances which may exist on or under the Company’s properties or which may be produced as a result of the Company’s operations. Environmental legislation and legislation relating to exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact the Company’s costs and have an adverse effect on results of operations. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company’s financial condition, results of operations or prospects.

Employees

As of the date of this AIF, the Company has 17 full-time employees.

Foreign Operations

The Company's material mineral property, the Rozino Project, is 70% owned through Kibela and is located in Bulgaria, and as such, a substantial portion of the Company's business is exposed to various degrees of political, economic and other risks and uncertainties.

The Company's operations and investments may be affected by local political and economic developments, including expropriation, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

MATERIAL PROPERTY

For the purposes of NI 43-101, the Company has one material property, the Rozino Project. The following is a description of the Rozino Project and is an extract of the executive summary of the Rozino Technical Report.

The summary and all references to the Rozino Project are qualified in their entirety by reference to the full text of the Rozino Technical Report (as filed on December 17, 2021), which is available under the Company's profile on SEDAR at www.sedar.com. Readers are cautioned that the summary of technical information in this AIF should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Rozino Technical Report and the summary provided herein is qualified in its entirety by the Rozino Technical Report.

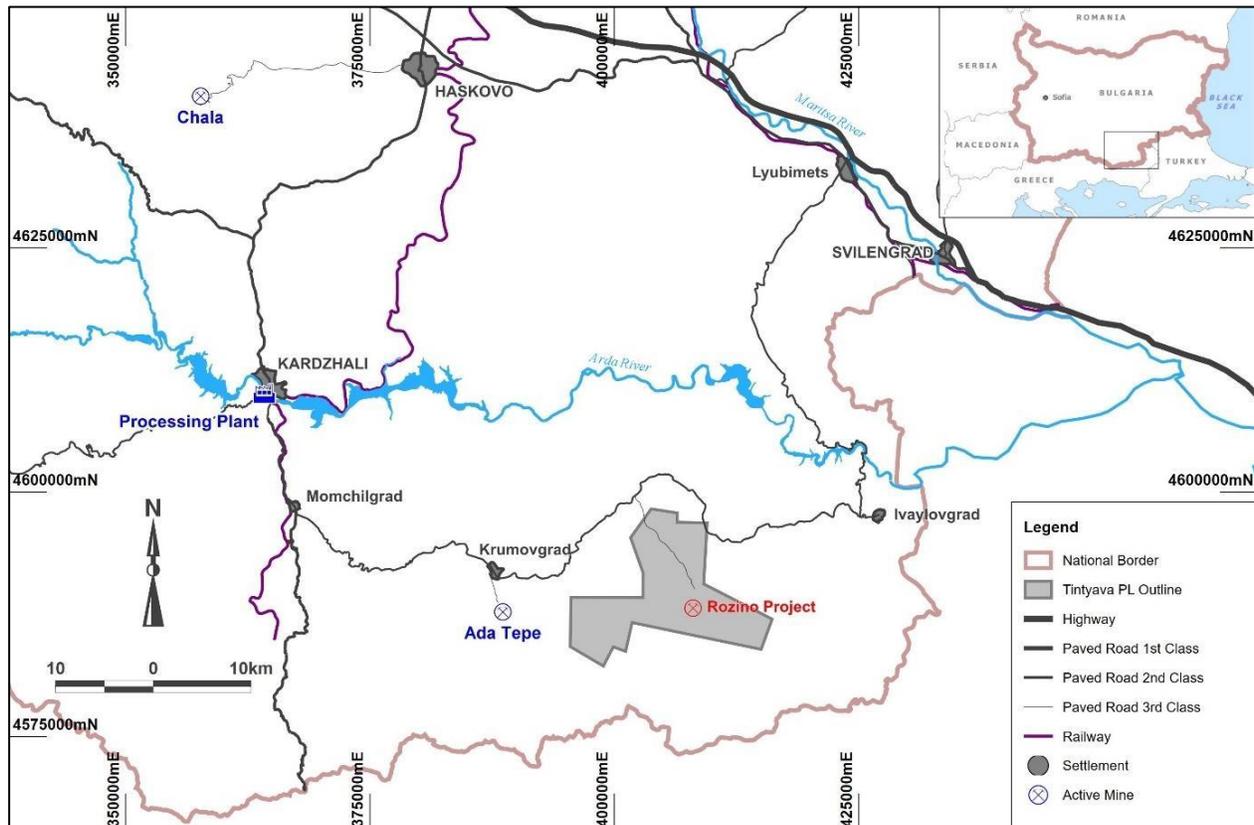
Rozino Project, Tintyava Property

1.1 Introduction

Velocity retained CSA Global Consultants Canada Ltd ("**CSA Global**") to produce the Rozino Technical Report compliant with the disclosure and reporting requirements set forth in NI 43-101 for an updated Mineral Resource estimate and Pre-Feasibility Study for the Rozino Project, located within the Tintyava Property. The Rozino Technical Report is dated December 15, 2020 (effective September 28, 2020) and updates and replaces a previous technical report dated October 14, 2020. It provides updated disclosure regarding reliance on other experts, historical estimates, forward-looking information and adjacent properties.

1.2 Property and Locality Description

The Rozino Project is located within the Tintyava Property, which lies within the municipalities of Ivaylovgrad and Krumovgrad in southeast Bulgaria, about 350 km by road east-southeast of the capital, Sofia. The Tintyava Property, covered by Prospecting and Exploration Licence No. 467 dated February 28, 2017 (the "**Prospecting Licence**"), has an area of approximately 145 km². It is accessible year-round by sealed roads. Forestry roads and exploration tracks provide year-round access within the property.



The Rozino 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 mm per day. Snow cover is sporadic, lasting generally only for five to ten days per year. Exploitation activities will be able to be undertaken throughout the year.

The local terrain is characterized by low mountains and predominantly levelled hills and is cut by steep valleys. Elevations range from 110 masl to 740 masl and average about 360 masl. The Rozino Project site is bounded to the south by steep cliffs at Tashlaka. The terrain is dissected by the Byala reka (White river) and its tributaries. In the project area, elevation ranges from about 300 to 450 masl in the north, reducing to approximately 300 masl in the south.

The Rozino Project area is covered predominantly by indigenous and cultivated forests comprising European oak and black pine, and to a lesser extent grass pastures.

Small villages are dispersed widely throughout the licence area. The residents are involved primarily 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 few families remaining. There is a 20 kV power transmission line 2.5 km from the Rozino Project and, while this powerline supplies the villages with electrical power, additional power will be required for the development of the project. All villages have access to fresh water through a network of reservoirs.

1.3 History

Geoengineering AD initiated modern exploration within the Tintyava Property in the 1980s including diamond drilling in the Rozino area. Between 2001 and 2007, Hereward Ventures Bulgaria Ltd (“**Hereward**”) explored the Tintyava area including diamond drilling in the Rozino area, some of which was undertaken in joint venture with Asia Gold Corp, (“**Asia Gold**”).

The original prospecting and exploration licence containing the Rozino deposit was cancelled in 2013. In 2016, Gorubso won a competitive tender for exploration rights to the Tintyava Property. As part of an earn-in option agreement, Velocity began exploration in July 2017 and in February 2018 the Tintyava Property was formally transferred from Gorubso to Tintyava Exploration EAD (“**Tintyava Exploration**”), the joint venture vehicle for Velocity and Gorubso.

On May 20, 2017, Velocity (through its Bulgarian subsidiary Kibela) and Gorubso entered into an option agreement. Pursuant to the terms of the option agreement, Velocity acquired the exclusive option (the “**Option**”) to acquire a 70% interest in Tintyava Exploration and the Tintyava Property. The Option being exercisable through delivery of a PEA. In February 2018, the Tintyava Property was transferred from Gorubso to Tintyava Exploration.

On October 31, 2018, Velocity delivered a PEA to Gorubso. Following delivery of the PEA, Velocity was deemed to have earned an undivided 70% interest in Tintyava Exploration and the Tintyava Property.

On March 1, 2019, Velocity (through Kibela) entered into a shareholders’ agreement with Gorubso regarding Tintyava Exploration and 70% of the shares of Tintyava Exploration were transferred to Kibela. The participating interests of Velocity and Gorubso in the Tintyava joint venture are 70% and 30%, respectively, and both partners contribute pro rata to joint venture costs. 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 10% or less, will convert to a 1% NSR royalty.

1.4 Geology and Deposit Type

Geology of the Rozino area comprises a series of discrete Palaeogene syn-tectonic pull-apart sedimentary basins within metamorphic basement.

Rozino is a low sulphidation epithermal (“**LSE**”) gold deposit hosted within generally brecciated and conglomeratic Palaeogene sedimentary rocks as disseminations, replacement and vein Mineralization. Alteration is characterized by a quartz, carbonate, chlorite, adularia, pyrite assemblage. The mineralogy consists mainly of pyrite with traces of base metals and rare arsenopyrite. Gold occurs at sulphide mineral boundaries and less commonly as free grains or encapsulated inclusions.

Velocity considers that untested parts of the Palaeogene basin within the Tintyava Property have potential to host LSE Mineralization analogous to that observed at Rozino.

1.5 Exploration / Drilling and Sampling

The Rozino Technical Report reflects drilling and exploration sampling information available for the Tintyava Property on September 28, 2020.

CSA Global considers that quality control measures adopted for sampling and assaying of the exploration sampling and drilling of relevance to Mineral Resources and exploration have established that the 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. CSA Global considers that the sample preparation, security and analytical procedures adopted for the Tintyava exploration sampling and drilling provide an adequate basis for the current Mineral Resource estimates and exploration activities.

Exploration sampling of relevance to current exploration comprises soil, stream sediment and rock chip sampling undertaken by Velocity. Results of this sampling support Velocity’s interpretation of the Tintyava Property’s geology and are, in the CSA Global’s opinion, sufficiently suggestive of the potential for deeper Mineralization to warrant further investigation including targeted exploration drilling.

The Rozino Mineral Resource estimates described in the Rozino Technical Report are based on Hereward, Asia Gold and Velocity drilling information available on the October 23, 2019. The combined hole spacing

for the deposit varies from around 50 by 50 metres and locally closer in central portions to around 100 by 100 metres in peripheral areas.

Velocity's drilling completed since October 2019, and not included in Mineral Resource estimation comprises 19 holes in the Rozino area and 19 exploration holes testing regional targets within the Tintyava Property as part of Velocity's current on-going exploration drilling program.

Post October 2019 Rozino area drilling includes 17 infill holes and 2 extensional holes. The infill holes targeted an area where the current resource model shows generally low gold grades in model blocks that are categorized as Inferred and outside the optimal pit constraining Mineral Resources which are not included in Mineral Resource estimates. These holes intersected Mineralization of similar tenor to that shown by earlier drilling in peripheral portions of the Rozino deposit. CSA Global recommends that Mineral Resource estimates are updated to include this drilling. The two extensional holes, which were drilled to the west of the current model estimates did not return significantly elevated gold grades.

Information available from Velocity's current and on-going exploration drilling totals 9 diamond holes at Rozino South, Kazak East and Kazak West areas. This drilling represents comparatively early stage exploration of areas that are being evaluated as part of Velocity's on-going exploration of the Tintyava Property.

1.6 Mineral Processing and Metallurgical Testing

The Rozino ore body comprises three ore types, Oxide (16%), Transitional (15%), and Sulphide (69%), each differentiated by the degree of weathering. Extensive metallurgical testwork was undertaken on a number of composites and variability samples considered representative of the deposit, ore types or certain constituent parts of it. It was concluded from the testwork that the optimal process for treating the Rozino Mineralization is bulk flotation at a nominal grind size of 80% passing 75 µm (P₈₀ 75 µm) to produce a gold-bearing concentrate. The concentrate requires further grinding to P₈₀ 20 µm and then processing in a conventional carbon-in-leach ("CIL") circuit for 48 hours. Subsequent desorption of the gold from the carbon, electrowinning and finally smelting will occur to produce a gold doré.

Depending on the ore type, some 35% to 60% of the gold in the ore is recoverable by gravity methods. The testwork fully investigated gravity recovery options and combinations with high intensity leaching of the gravity concentrate and flotation of the gravity tailings but failed to find a more economic solution than the simpler bulk flotation path.

The metallurgical testing covered a range of variability tests and concluded that the three ore types adequately cover the range of expected controls on recovery and plant processing characteristics (such as hardness and reagent consumption). It was also demonstrated that metallurgical recovery is a function of gold head grade; recovery increases with increasing head grade. The overall metallurgical recovery of gold for the Mineral Reserve is estimated to be 79.3% to doré, based on the proportions of ore types, head grades and the supporting Pre-Feasibility Study testwork.

A comminution testwork programme was completed to characterize the crushing and grinding characteristics of the three ore types with respect to both conventional crushing/grinding and autogenous/semi-autogenous (AG/SAG) grinding. The ore was determined to range between "very easy" to "easy" for crushing, "medium" for milling and for wear rates between "non-abrasive" and "slightly abrasive".

Testing also covered reagent types and qualities required for the ore types as well as settling characteristics for dewatering.

1.7 Mineral Resource Estimation

Mineral Resources were estimated by Multiple Kriging ("MIK") of 2 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 for selective mining dimensions of 4 metres east by 6 metres north by 2.5 metres in elevation and are reported within a 150 metre deep optimal pit shell generated at a gold price of US\$1,500/oz. Estimates for Mineralization tested by up to approximately 50 metre spaced drilling are assigned to the Indicated category, with estimates for broader and irregularly sampled Mineralization classified as Inferred.

The optimization parameters generate a cut-off grade of 0.3 g/t Au, which is selected as the base case for Mineral Resource reporting Table 1-1 presents Mineral Resources estimated for Rozino at this cut-off grade. The figures in this table are rounded to reflect the precision of the estimate and include rounding errors. The Mineral Resource estimate was classified and reported in accordance with NI 43-101 and CIM Definition Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Indicated Mineral Resources are inclusive of Mineral Reserves.

Table 1-1 : Rozino Indicated and Inferred Mineral Resource Estimates at 0.3 g/t cut-off

Rozino Indicated and Inferred Mineral Resource Estimates at 0.3 g/t cut-off			
Effective date of estimate: April 15, 2020			
	Tonnes	Grade	Metal
	(Mt)	(Au g/t)	(Au koz)
Indicated Mineral Resource Estimate	20.5	0.87	573
Inferred Mineral Resource Estimate	0.38	0.8	10

1.8 Mineral Reserve Estimate

The Rozino Project supports an economic open pit mining operation. The Mineral Reserve estimate is based on the Indicated category of the Mineral Resource contained within the pit design. The Mineral Reserve estimate has considered all modifying factors appropriate to the Rozino Project.

The Mineral Reserve is reported within a pit design that incorporates geotechnical parameters developed from drilling, geotechnical testing and technical analysis at a level of detail that supports a Pre-Feasibility Study. The pit designs are the outcome of a valuation optimization process that is moderated to some extent by the obligation to minimize the project footprint. The reference point at which the Mineral Reserves are defined is where the ore is delivered to the Flotation Plant (as defined herein).

Table 1-2 : Mineral Reserve for the Rozino Project (effective date August 30, 2020)

Ore Type	Reserve Category	Tonnes	Grade	Contained Metal	Metallurgical Recovery	Recoverable Metal
		Mt	Au g/t	Au koz	%	Au koz
Oxide	Probable	1.9	1.07	64	67.4	43
Transitional	Probable	1.8	1.15	68	70.7	48
Sulphide	Probable	8.1	1.27	332	83.3	277
Total	Probable	11.8	1.22	464	79.3	368

Notes:

- (1) The Mineral Reserve disclosed herein has been estimated in accordance with CIM Definition Standards.
- (2) Mineral Reserves discard cut-off grade is 0.5 g/t gold.
- (3) Mineral Reserves are based on a US\$1,500/oz gold price.
- (4) Mineral Reserves account for mining dilution and ore loss.
- (5) Probable Mineral Reserves are estimated from Indicated Mineral Resources.

(6) Sum of individual values may not equal due to rounding.

No inferred Mineral Resources are included in the Mineral Reserves. Inferred Mineral Resources do not contribute to the financial performance of the project and are treated in the same way as waste.

Mining losses and mining dilution are incorporated in the MIK Mineral Resource estimate. CSA Global was able to determine that Mineralization can be adequately modelled for its diluted, recoverable grade, assuming a selective mining unit (“SMU”) of 4 x 6 x 2.5 m using the MIK methodology. CSA Global considers that the Mineral Resources can be effectively mined by open cut extraction using the selected mining equipment and qualifications relating to training, grade control practices, and drilling and blasting technique, without additional dilution and loss factors being applied.

There are no known likely mining, metallurgical, infrastructure, permitting or other relevant factors that could materially affect the estimate. It is important to note that permitting for the Rozino Project is not complete. Velocity has initiated the environmental and social impact assessment process, including the permitting procedures to meet Bulgarian regulations and gathering environmental data to improve the design of the Rozino Project.

1.9 Mining Method

The Rozino Project comprises a single open pit utilizing standard mining equipment to selectively extract the ore over a nine-year period (inclusive of a two-year construction and pre-stripping period). The pit will be mined in two phases utilizing a waste rock dumping and backfill strategy that provides a compact footprint. The mining is at extraction rates of up to 22,000 tpd using 90 tonne class excavators and 55 tonne capacity haul trucks. All material will require blasting. The schedule delivers higher grade ore directly to the plant in the initial five-year period of the mine life at 5,000 tpd. Low-grade ore is stockpiled during this period and reclaimed for processing when the pit is exhausted. The resulting tailings from the low-grade ore are stored in the pit.

The mine plan has a pre-stripping period that is carefully balanced to produce waste rock for the construction of the water storage dam walls, the tailings management facility (the “TMF”) embankment and ore stockpile pads. The pre-stripping period also delivers a small amount of ore that will enable the plant commissioning and start-up. Although the pre-stripping is over a two-year period, the first year entails mostly road building, clearing, grubbing and topsoil removal.

In-pit water management will primarily consist of runoff control and sumps. The dewatering infrastructure and equipment are sized to handle the estimated groundwater inflows and precipitation. In-pit water will be pumped to an external water diversion ditch that delivers the water flow to the contact water dam (“CWD”). Although pit water inflow rates are predicted to be low, two pit wall depressurization bores are included in the mine plan. The surface water handling plan will be based on diverting as much surface water as possible away from the open pits, collecting it by using ditches diverting ultimately to the CWD.

1.10 Recovery Methods

The optimal process route for treating the Rozino sulphide Mineralization is flotation to produce a gold-bearing concentrate, followed by cyanidation of the concentrate in a conventional CIL circuit, elution to separate the precious metal complexes from the carbon, electrowinning of the precious metals to iron wool and finally refining to produce gold doré.

The flotation of the concentrate will occur at an on-site plant (the “Flotation Plant”) designed to process 1.75 Mt of ore over the LOM at steady state operation. The further processing of the concentrate will occur at Gorubso’s existing and operating CIL plant (the “Central Plant”) located in Kardzhali, 85 km by road from Rozino. Gold doré will be produced at the Central Plant.

The Flotation Plant design is based on extensive metallurgical testing. Mass balance and ore characterization tests underlie the plant design specification. Vendor quotes cover more than 72% of all equipment and construction designs. Where vendor quotes were not available, CSA database reference information, vendor advice, and assumptions based on experience have been used.

Comminution at the Flotation Plant is by a three-stage crushing circuit (jaw crusher and two cone crushers) followed by a conventional ball mill. The crushing circuit design assumes a 75% availability. The availability of the milling and flotation circuit is assumed to be 92%. The ore will be ground to P₈₀ 75 µm.

Reagent requirements and operating costs have been estimated for each ore type. Concentrate mass pull and grade will vary as a function of gold head grade and ore type processed. At an average mass pull of 3.8% the Flotation Plant will produce on average 67,000 tpa of concentrate with an average grade of 30 g/t gold.

Whilst the pit is operating, inert tailings from the Flotation Plant will be stored in the Rozino tailings management facility. After pit mining is complete, low-grade ore will be processed and the tailings will be stored in the depleted pit.

At the Central Plant the concentrate will be ground to P₈₀ 20 µm prior to entering the leach circuit. The gold will be desorbed from the carbon, electroplated on steel wool and refined into gold doré bars. The concentrate leach recovery and reagent requirements have been estimated from testwork carried out on cleaner-circuit concentrate samples. The Central Plant is estimated to produce 368 koz of gold in doré over the project life. The doré is expected to contain up to 60% gold, 30% silver and 5% copper. Silver was not considered in the Mineral Resource estimate and is not included in any part of the financial analysis.

The Central Plant tailings will be detoxified by the currently operating INCO process and stored in the existing Central Plant tailings management facility.

1.11 Project Infrastructure

In terms of infrastructure, the Rozino deposit is a greenfield mining prospect and no infrastructure exists at the proposed mine site. The site is currently accessed from the main provincial road II-59 via a 12 km single-lane, paved road and closest to the Rozino Project, a 2 km unsealed dirt road. The access roads will be upgraded to accommodate mine traffic, especially concentrate haul trucks. Electrical power will be supplied by a dedicated 110 kV overhead powerline that will be constructed and connected to the Madzharovo substation 23 km to the north.

Site structures, including the enclosures for the comminution and flotation plant, will be appropriate for the relatively short mine life of about seven years. Other design and engineering criteria applied to infrastructure location was to minimize the distance and elevation differences between the pit, Flotation Plant and TMF. The compact project footprint reflects the constraints imposed by environmental considerations.

The Rozino Project water management plan is central to maintaining an appropriate environmental and operational performance for the project. The principle adopted for site water management is to intercept and control contact water flowing within the operational areas to ensure that it stays within the catchment area located to the east of the mine operations. This contact water will report to the TMF and the CWD located directly below the TMF. The water will then be pumped back to the water storage tanks located at the processing facility for use in the process plant and mining operation. The site water balance indicates that the Rozino Project will have a negative water balance. Water reuse will be maximized, but plant process make-up water will need to be sourced from external, local water sources. Water sourced from external sources will be pumped to the raw water dam RWD located below the CWD in the first instance. Water to augment the anticipated shortfall in supply from on-site sources and recycling will be sourced externally.

The location for the TMF was selected with the objectives of minimising the project footprint and being in close proximity to the Flotation Plant to reduce tailings and return water pumping costs. Thickened tailings disposal was selected as the most cost-effective solution compared with other options (such as paste or dry stack). A downstream raised TMF wall was selected as being the most appropriate for the seismicity of the region.

The TMF has been designed to store 8.6 Mt (6.125 Mm³) of tailings delivered over a 6-year period. In the sixth and seventh year stockpiled low-grade ore will be processed and the tailings will be used to backfill the completed pit (approximately 2.6 Mt). The TMF is constructed with an initial starter wall approximately 37 m high and will be raised on an annual basis to a final height of 67 m.

The major infrastructure at the Rozino site is:

- ROM stockpile, tip, crusher circuit and conveyor system;
- Ball milling circuit;
- Flotation plant and related facilities for dewatering concentrates and tailings materials;
- Concentrate weighbridge;
- Mine maintenance work shops and warehouses;
- Change rooms and administration complex;
- Fuel storage and distribution;
- Wash bay;
- Security building;
- Fire protection;
- Industrial and effluent waste management;
- Site roads;
- Communications; and
- Standby generator.

1.12 Market Studies and Contracts

All doré will be sold through refineries based in Europe. The relatively small size of sales compared to market demand give no concern to impacts of sales on the metal price. No forward sales are considered. The Qualified Person has reviewed all market studies and the results support the assumptions of this Technical Report.

Velocity evaluated market price forecasts for gold using publications and opinion provided by UBS and Haywood Securities Inc.

The metal price selected for the financial analysis was US\$1,500 per oz. This price is 6.8% above the three-year rolling average of US\$1,404 per oz (data source: World Gold Council) as of 30 August 2020. The gold spot price on the same day was US\$1,957 per oz (data source: World Gold Council).

1.13 Environmental and Social

Velocity has initiated the environmental and social impact assessment process, including the permitting procedures to meet Bulgarian regulations and gathering environmental data to improve the design of the Rozino Project. Under the Bulgarian Environment Protection Act, the development of an economically viable mining reserve requires an Environmental Impact Assessment (“EIA”), which complies with

European Union environmental regulations. The prospecting licence agreement for the Tintyava Property was signed with the Minister of Energy and exploration activities were approved by the Ministry of Environment. All necessary permits to conduct the work proposed for the property are 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 Tintyava Property. There are currently no objections to the development of the Rozino Project.

The Rozino Project is located within the Eastern Rhodope mountains, which is an area of wide biodiversity, and therefore requires a compatibility assessment to comply both with Bulgarian Law and the European Union Natura 2000 Habitats Directive. An initial compatibility assessment was conducted and approved for the exploration program, with a second preliminary assessment completed for exploitation. The results of this preliminary assessment have informed the Rozino Project design, resulting in a reduced project footprint. Additional measures include surface and groundwater studies, and trial blasts to further understand potential impacts arising from operations.

The EIA will include an assessment of the environmental and social impacts within the zone of influence of the planned development and compare these to existing conditions. Velocity has commenced baseline monitoring to characterize environmental conditions, including surface and groundwater quantity and quality, air quality (specifically airborne dust), acid drainage potential and ecology.

Preliminary hydrogeology and hydrology studies indicate that the Rozino Project will have a negative water balance, so any potential contaminated water will be contained and re-used in the plant process circuit. Geochemical results to date indicate a low potential for acid drainage, due to the significant neutralization potential of ore and the waste rock. Metal leach testwork indicate that the risk of harmful leachate is low. This, in conjunction with the negative water balance, implies that the risk of water contamination is low.

Social engagement activities have commenced and are ongoing. Local stakeholders are supportive of the Rozino Project and are employed in the project where possible. There are few people living in proximity to the Rozino Project, and the project footprint is designed to minimize encroachment onto privately-owned land.

The Rozino Project has the potential to impact a range of environmental and social aspects. Velocity is committed to managing the impacts of its operations in conformance with recognized international best practice. Mitigation measures will be developed through the EIA process to manage potential impacts and implemented for effective environmental and social development, operation and closure of the Rozino Project. An environmental management plan will be developed to ensure that appropriate control and monitoring measures are in place. It will be designed for review and updated throughout the life of the Rozino Project.

1.14 Capital and Operating Costs

The Rozino Project total capital expenditure is estimated at US\$94.8 M. Table 1-3 summarizes the main capital items.

Table 1-3 : Total Capital Expenditure

Capital Expenditure	US\$M
Rozino Project Site Preparation	12.6
Mine Infrastructure	10.7
Flotation Plant and Mine Buildings	39.0
TMF (including waste overhaul)	9.8
Central Plant Upgrades	1.1

Capital Expenditure	US\$M
Owner's Administration Costs	2.9
Indirect Costs	2.2
EPCM and Commissioning Costs	7.0
Contingency	9.6
Total Rozino Project CAPEX	94.8

All project costs incurred prior to the declaration of commercial production (24 months after commencement of construction) are considered pre-production capital costs that total US\$87.1 M. The remaining US\$7.8 M of capital expenditure (sustaining capital) will occur over the seven-year operating life. Approximately 95% of the sustaining capital is for TMF construction.

Operating costs were based on the development of equipment productivities, the Rozino local and regional operating environment and contractor quotations or supplier costs for machinery and services in Bulgaria.

Labour costs across all activities were estimated from a detailed labour survey and benchmarking exercise. An adjustment factor to allow for upward pressure in labour rates due to the integration of Bulgaria into the European Union commences at 7% in the first year of construction and reduces to 2% in the last year of production.

The mining operating costs includes the leasing of primary and ancillary mining equipment, drilling and blasting carried out by a contractor, loading, hauling of ore and waste, and ore rehandling.

Flotation Plant operating costs include all consumable items (balls for the ball mill, reagents, and chemicals) power, external services, and maintenance. A contingency of 7.5% is included.

Concentrate haulage will be provided by a contractor at a rate of US\$0.146 per wmt/km. The Central Plant costs include concentrate handling, cyanidation, carbon desorption, electro-winning and refining to produce gold-silver doré.

Mine closure and rehabilitation costs, as well as post-closure management for a period of 10 years were estimated. These costs are reflected as an environmental provision per processed tonne of ore over the operational life of the mine.

Administration costs were developed from first principles and based on Bulgarian labour, service and material input costs.

The average LOM mine operating cost is estimated to be US\$20.62/t of ore milled.

Table 1-4 : Life of Mine Operating Costs.

Operating Costs	US\$/tonne milled
Mining	8.43
Flotation Plant	7.04
Concentrate Haulage	0.53
Central Plant	2.35
Administration	1.93
Environmental Provision	0.33

Operating Costs	US\$/tonne milled
All-In OPEX	20.62

1.15 Economic Analysis

The financial evaluation presents the determination of the key economic performance indicators for the Rozino Project, including the Net Present Value (NPV), the payback period (time in years to redeem the initial capital investment), and the Internal Rate of Return (IRR) for the project. The discounted cash flow (DCF) model is reported at 100% attributable equity. Annual cash flow projections are estimated over the life of the mine based on the estimates of capital expenditures, production costs and sales revenues. The sales revenue is based on the production of a gold doré.

The financial estimate includes forward-looking information for which a risk statement is included in the introduction above. Additional risk can come from actual results of changes in Rozino Project parameters as plans continue to be refined, possible variations in Mineral Reserves, grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

The estimates of initial and sustaining capital expenditures and site production costs total US\$87.1 M and US\$7.8 M, respectively.

The Rozino Project has cash costs of US\$699 per oz payable gold. The after-tax NPV, at assumed long term metal prices, using a 5% discount rate is US\$122.5 M and the internal rate of return is 27% (Table 1-6). Payback of the initial capital occurs 3.0 years after commercial production commences (Table 1-6). A total of 368 koz of gold is recovered over a seven-year processing life (Table 1-5) and nine-year total project life before rehabilitation.

The economic analysis and supporting financial information, including capital and operating costs, were developed in constant dollar terms. The economic analysis uses the Probable Mineral Reserves. Cash flow forecasts on an annual basis using the Mineral Reserves for the base case metal price are included in the full discounted cash flow analysis and material schedule (Table 22-4). Sensitivity analysis charts are presented as Figure 1-2 : Standard financial sensitivities (IRR%).

Table 1-5 : Key Rozino Project Overview and Metrics

Rozino Project Overview		Units	
Mining	Total ore production	Mt	11.8
	Total waste production	Mt	26.5
	Total mined	Mt	38.3
	Metal mined	Gold koz	465
	Mine life	years	6.9
Processing	Steady state ROM production	Mtpa	1.750
	Years steady state production	years	5.0
	Average production rate	ktpd	4.7
	Average gold head grade	g/t	1.22
	Overall metallurgical recovery	%	79.3%

Rozino Project Overview		Units	
	Payable Au	LOM koz	368
		average kozpa	54

Table 1-6 : Summary of Economic Results

Analysis Case	Summary of Economic Results	Units	Value
Pre-Tax	NPV @ 0%	US\$M	198.5
	NPV @ 5%	US\$M	137.0
	IRR	%	34.7%
	Payback (Rozino Project Start)	years	4.9
	Payback (Production Start)	years	2.9
Post-Tax	NPV @ 0%	US\$M	179.3
	NPV @ 5%	US\$M	122.5
	IRR	%	27.4%
	Payback (Rozino Project Start)	years	5.0
	Payback (Production Start)	years	3.0

A number of single parameter sensitivity impacts were analysed. Neither the gold cut-off grade, mine plan nor the processing plan were altered. The Rozino Project's NPV is most sensitive to changes in metal price and factors such as head grade and metallurgical recovery. IRR is most sensitive to changes in capital expenditure.

Figure 1-1 : Standard financial sensitivities (NPV)

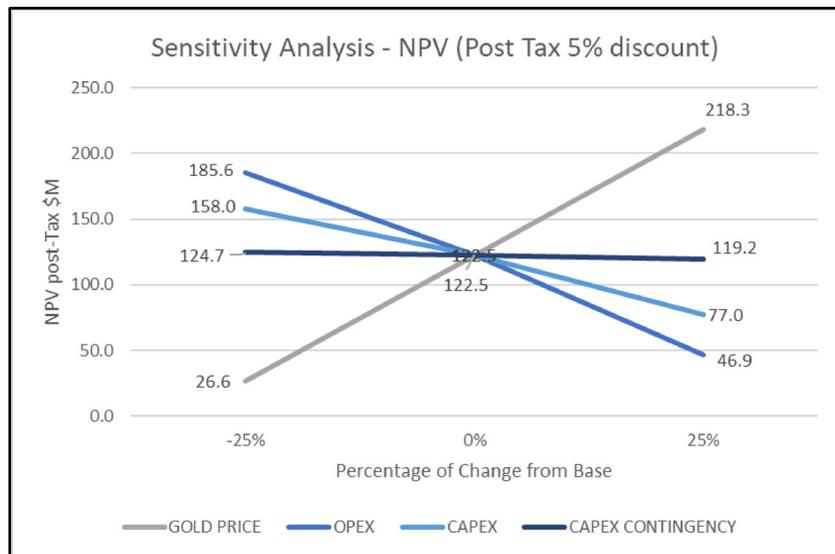
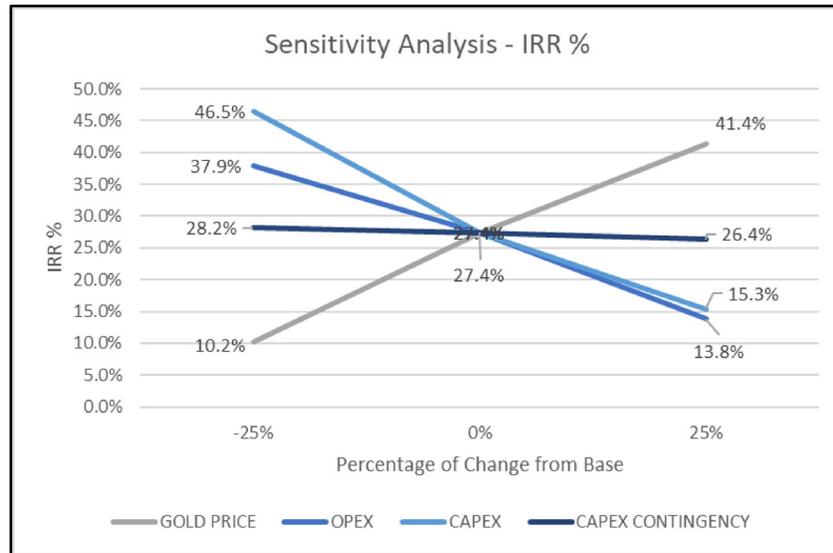


Figure 1-2 : Standard financial sensitivities (IRR%)



1.16 Interpretations and Conclusions

An updated Mineral Resource estimate was prepared for the Rozino Project with drilling and assay information incorporated to October 15, 2019. The Rozino Technical Report includes the first Mineral Reserve estimate for the Rozino Project. The conversion of Mineral Resources to Mineral Reserves was made using industry recognized methods of determining operational costs, capital costs, mining rate and plant performance. Thus, it is considered to represent actual operational conditions of the proposed mining project. The Rozino Technical Report has been prepared with the latest information regarding environmental and closure requirements and has set out the type and extent of work required.

It is important to note that permitting for the Rozino Project proposed mine is not complete. Velocity has initiated the environmental and social impact assessment process. Regulatory permitting procedures to meet Bulgarian regulations and gathering environmental data to improve the design of the Rozino Project have also been initiated. Under the Bulgarian Environment Protection Act, the development of an economically viable mining reserve requires an EIA, which complies with European Union environmental regulations. The prospecting licence agreement for the Tintyava Property has been signed with the Minister of Energy and exploration activities have been approved by the Ministry of Environment. 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 Tintyava Property. There are currently no objections to the development of the Rozino Project.

The selected process path is backed by extensive metallurgical testwork. Adequate test-work data is available to provide operating parameters for flowsheet design and major equipment sizing within the contingency allowances normally associated with a Pre-Feasibility Study.

The Rozino Project has a comprehensive water management plan that integrates precipitation and surface flows, groundwater inflows, and water re-use with operational requirements, but particularly plant requirements.

The Rozino Project includes an adequate provision for the rehabilitation and closure of the site in an environmentally sound and sustainable manner when mining operations cease. The project will provide temporary employment for between 300 to 500 construction workers and will generate up to 260 permanent jobs.

There are no known likely mining, metallurgical, infrastructure, permitting or other relevant factors that

could materially affect the valuation of the Rozino Project. However, the project must not be considered to be without risk. Risks and opportunities to the mine plan not achieving the specified technical and financial parameters are detailed in the report.

1.17 Recommendations

1.17.1 Exploration and Mineral Resource Estimation

CSA Global’s recommendations for future exploration and resource definition programs are consistent with Velocity’s work plan for 2020 and 2021, which targets expansion of the Indicated Mineral Resources at Rozino and definition of additional Inferred Mineral Resources in exploration areas, including Mineralization intersected by exploration drilling.

Velocity’s proposed work comprises two broad phases with a total budget of US\$1.60 million.

Phase One includes exploration drilling in the Rozino area and regional exploration within the sedimentary basins of the Ivaylovgrad Corridor, along with updating of the Rozino Mineral Resource estimates, and if supported by drilling results estimation of Inferred Mineral resources for the current exploration target areas. The exploration targets are at an early stage of evaluation and it is not certain that the proposed drilling will intersect Mineralization, or lead to estimation of additional Inferred Mineral resources.

Phase Two includes additional exploration drilling of exploration targets. Contingent on positive Phase One results, Phase Two is also planned to include infill drilling within the volume of potential Inferred resources identified during Phase One.

1.17.2 Summary

All work has been completed to support the Rozino Project Pre-Feasibility Study. CSA Global believes that the technical outcomes and economic results of the Pre-Feasibility Study support the statement of the Mineral Reserve estimate. Based on these conclusions, CSA Global recommends that Velocity progress to a Feasibility Study. Prior to the Feasibility Study, additional work is recommended to enable the Feasibility Study to increase the accuracy of project planning and economic outcomes and reduce project technical risk.

The recommendations set out in the Rozino Technical Report cover the period up to the completion of the Feasibility Study and receipt of the EIA certificate. The cost of these studies and programs is estimated to be approximately US\$5.3 M and include Velocity’s work plan for 2020 and 2021 (at an estimated cost of US\$1.60 M). Following EIA certification and a positive construction decision, the Rozino Project would advance to detailed engineering and full project implementation.

Two phases are recommended, the first is longer lead preparatory works and studies to support the Feasibility Study. The second phase are the works of the Feasibility Study.

Table 1-7 : Estimated Cost of Studies Leading to the Construction Decision.

Recommended Activity / Study	Estimated Cost (US\$k)
Phase 1	
Drilling and geology	1,030
Total	1,030
Phase 1	
Regulatory Processes and Land Acquisition	350
Mining: Verification of Grade Control	150

Recommended Activity / Study	Estimated Cost (US\$K)
Mining: Other Studies	75
Pit Geomechanical and Surface Geotechnical	250
Hydrogeology	50
Hydrology and water sourcing	150
Metallurgical and Process Optimization	375
Infrastructure	200
Environmental	75
Total	1,675
Phase 2	
Drilling and geology	570
Total	570
Phase 2	
Feasibility Study	2,000
Total	2,000
Total	5,275

RISK FACTORS

The Company is subject to a number of significant risks due to the nature of its business and the present stage of its business development. Only those persons who can bear risk of the entire loss of their investment should invest in the Company's Common Shares, convertible debentures, warrants, options or other securities.

The Company's failure to successfully address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its Common Shares may decline and investors may lose all or part of their investment. The Company cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Estimates of mineral resources and mineral reserves are inherently forward-looking statements subject to error. Although mineral resource and mineral reserve estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Below is a brief summary of some of the Company's risks and uncertainties. These risk factors are not an exhaustive list of all risk factors associated with an investment in the Common Shares of the Company or in connection with the Company's operations.

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate.

The Company has completed a Pre-Feasibility Study for its Rozino Project, and the Nadezhda, Momchil

and Igluka properties are currently in the early exploration stage. While discovery of a mineral deposit may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Company. The Company's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action.

Financing Risks

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill the Company's existing obligations or for further exploration and development on acceptable terms or at all. The Company does not generate revenue or cash flow and there can be no assurance that the Company will be able to obtain sufficient financing in the future on terms acceptable to it. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions as well as the business performance of the Company. The most likely source of future financing presently available to the Company is through the sale of additional Common Shares, which would mean that each existing shareholder would own a smaller percentage of the Common Shares then outstanding. Also, the Company may issue or grant warrants or options in the future pursuant to which additional Common Shares may be issued. Exercise of such warrants or options will result in dilution of equity ownership to the Company's existing shareholders. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in its mineral resource properties or to reduce or terminate its operations.

Uncertainty in the Estimation of Mineral Resources and Reserves

The Company has delineated mineral resources at the Rozino Project and has published mineral resource estimates, in accordance with NI 43-101 in the Rozino Technical Report, which is available on SEDAR and the Company's website.

Mineral resources and reserves are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that assumptions on recovery will be realized. Investors are cautioned not to assume that any part or all of those mineral deposits classified as a mineral resource will ever be converted into mineral reserves or that mineral resources or mineral reserves will be mined at the anticipated tonnages and grades. Estimation is a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Further, the resource estimates are classified as "inferred mineral resources". Inferred mineral resources have a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. If the Company's actual mineral resources or mineral reserves are less than current estimates or if the Company fails to develop its resource and reserve base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

Price of Gold

The ability of the Company to develop its mineral resource properties will be significantly affected by changes in the market price of gold. The price of gold is affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, the world supply of and demand for gold, as well as the stability of currency exchange rates can all cause fluctuations in price. Such external economic factors are influenced by changes in international investment patterns and monetary systems as well as various political developments. A drop in the price of gold would adversely impact the Company's future prospects. The price of gold has historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable. In addition, sustained low gold prices could result in a halt or delay the exploration and development of the Company's properties; and reduce the potential for financings required for further exploration and development activities. These developments could have a material adverse impact on the Company's financial performance and results of operations.

Potential Profitability and Factors Beyond the Control of the Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs may fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental Risks and Hazards

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties.

In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Title Risks

While the Company has investigated title to its current mineral resource properties under joint-venture and option agreements, there is a risk that title to the property will be challenged or impugned. The property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate.

Title rights, permits and licenses necessary for the Company's operations may be challenged or impugned by third parties on the basis of administrative, legal or procedural errors made by governmental authorities in granting such rights, permits or licenses. No assurance can be given that such rights, permits or licenses will not be revoked, nullified or significantly altered to the Company's detriment.

Competition

The mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical, and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on the Company's ability to develop its properties, but also on the Company's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that the Company will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

Foreign Operations

The Company's operations consist of the acquisition, exploration, development and investment in mineral resource properties. The majority of the Company's operations and business are outside of Canada, and as such, the Company's operations are exposed to various political and other risks and uncertainties. The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among such entities could restrict or impact the ability to fund its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's business, financial condition and results of operations.

Foreign Country Political Environment

The Company's operations in Bulgaria may be subject to geopolitical, regulatory, sovereign, economic and other risks that may affect the Company's future operations and financial position.

Investing in foreign countries exposes the Company to sovereign risks, including the risk that title rights, permits and licenses necessary for the Company's operations may be susceptible to revision or cancellation by new laws or changes in foreign government.

Changes in applicable laws or regulations, or changes in the enforcement or regulatory interpretation of applicable laws or regulations could have a material adverse effect on the Company's mineral operations. The Company can make no assurances that future political and economic conditions in such countries will not result in changes to policies or attitudes respecting the development and ownership of resources. Changes in policy or attitudes may result in changes to laws affecting ownership of assets, land tenure and resource concessions, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and return of capital, any of which may affect the Company's ability to undertake exploration and development on the properties on which the Company holds or will be entitled to royalties or other interests.

The title rights, permits and licenses necessary for the Company's operations are also exposed to risks and uncertainties relating to the administration of political, regulatory and judicial processes in such countries, including risks relating to illegal, *ultra vires* or unauthorized acts by governmental authorities, the invalidation of prior government orders and the renegotiation or nullification of existing contracts, licenses or permits granted by a governmental authority.

Any changes in governmental laws, regulations, economic conditions, any illegal, *ultra vires* or unauthorized acts by governmental authorities or any shifts in political attitudes or stability are beyond the

control of the Company and any such changes or events may have a material adverse effect on the Company's results of operation and financial condition. Investors should carefully assess the political risks of investing in a foreign country.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of our mineral resource properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of our projects will be commenced or completed on a timely manner, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our exploration and development activities.

Price Volatility and Lack of Active Market

The market price of a publicly traded stock, especially a junior resource issuer such as the Company, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. As a result, the market price of the Common Shares is highly volatile and there can be limited liquidity in the market. Therefore, holding Common Shares involves a high degree of risk and investors could suffer significant losses if the Company's Common Shares are depressed or illiquid when an investor seeks liquidity.

Key Executives

The Company is dependent on the services and technical expertise of several key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of any of these individuals may adversely affect the Company's ability to attract and retain additional highly skilled employees and may impact its business and future operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company is undertaking to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, however, given the size of the Company and its limited resources, these controls may be inadequate to identify all errors.

Conflicts of Interest

Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors disclose conflicts of interest and abstain from voting on any matter where there

is a conflict of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Permits and Government Regulations

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties. The regulatory processes related to licensing and permitting of exploration programs and major mining projects are subject to uncertainty and risks as to the information required, the timeframes to analyze information provided, the outcomes of such analysis and the result of any legal actions relating to any such licenses or permits.

Surface Rights

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Uninsured Risks

The Company's business is subject to a number of risks and hazards including adverse environmental effects and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury, environmental damage, damage to and destruction of the facilities, delays in exploration and development and liability. For some of these risks, the Company maintains insurance to protect against these losses at levels consistent with industry practice. However, the Company may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks is generally expensive and may not continue to be available for the Company and other companies in the industry. The Company's current policies may not cover all losses. The Company's existing policies may not be sufficient to cover all liabilities arising under environmental law or relating to hazardous substances.

Moreover, in the event that the Company is unable to fully pay for the cost of remedying an environmental problem, the Company might be required to suspend or significantly curtail its activities or enter into other interim compliance measures.

Litigation Risks

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory and tax proceedings, legal actions related to personal injuries, property damage, property tax, land rights, the environment and contractual disputes.

The Company operates in foreign countries and in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental authority due to the doctrine of sovereign immunity.

The outcome of outstanding, pending or future proceedings or disputes cannot be predicted with certainty and may be determined adversely to the Company. Any adverse or arbitrary result could have a material

adverse effect on the Company's assets, liabilities, business, financial condition and results of operations.

COVID-19 Pandemic

The Company's business, operations and financial condition as well as the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19.

To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada and the United States. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether, or to what extent, this pandemic and the potential financial impact may extend beyond the date hereof. Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. The extent to which COVID-19 will or may continue to impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 and its related impacts may have a material adverse effect on the Company's business, results of operations and financial condition.

Cyber Security Incident

Information systems and other technologies, including those related to the Company's financial and operational management, and its technical and environmental data, are an integral part of the Company's business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in the Company's information technology systems including personnel and other data that could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance held by the Company may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect of the business of the Company.

Joint Venture Partners

The Company's primary asset is held through a joint venture, which exposes the Company to risks inherent to joint ventures, including disagreements with joint venture partners and similar risks.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid any dividends or distributions on its Common Shares since its incorporation. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of

the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value.

Common Shares

There are 160,278,919 Common Shares issued and outstanding as at the date of this AIF. There are no special rights or restrictions of any nature attached to any of the Common Shares, which all rank equally as to all benefits which might accrue to the holders of Common Shares. All registered shareholders are entitled to receive a notice of any general meeting of the shareholders to be convened by the Company. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each Common Share of which he, she or it is the registered owner and may exercise such vote either in person or by proxy.

Preferred Shares

No preferred shares are issued and outstanding as of the date of this AIF.

Convertible Debentures

As at December 31, 2020, the Company had \$5,094,000 in secured convertible debentures outstanding to Artemis Gold. The convertible debentures carried an 8.5% coupon over a five-year term and were secured by general security agreement of the Company. Velocity had the election to pay any interest due in cash or shares at its sole election. On March 25, 2021, Artemis Gold converted the convertible debentures into 20,376,000 Common Shares at a conversion price of \$0.25 per Common Share and received 835,136 Common Shares in respect of the conversion of the outstanding accrued interest.

Common Share Purchase Warrants

As of the date of this AIF there are 9,300,000 warrants to purchase Common Shares issued and outstanding, all of which are held by Artemis Gold. Each warrant is exercisable for one Common Share at an exercise price of \$0.25 until March 14, 2022.

Incentive Stock Options

The Company has a “rolling” stock option plan pursuant to which up to a maximum of 10% of the issued and outstanding Common Shares may be reserved for issuance pursuant to the exercise of incentive stock options. On June 22, 2021, shareholders approved the Company’s stock option plan. As of the date of this AIF, the maximum number of Common Shares that may be reserved for issuance under the stock option plan is 16,027,892.

As of the date of this AIF, there are a total of 6,654,000 stock options issued and outstanding. Stock options are exercisable by the holders thereof to acquire Common Shares at a future date. The terms and conditions attached to the stock options grants are determined by the Board. The Board has the power and discretionary authority to determine the terms and conditions of the stock options grants, including the individuals who will receive the stock options grants, the number of stock options subject to each grant, the exercise price of the stock options, the limitations or restrictions on vesting of stock options, acceleration of vesting of stock options, the form of consideration payable on settlement of stock options and the timing of the stock

options grants. The Board also has the power to establish procedures for payment of withholding tax obligations with cash. The Company's Compensation Committee assists the Board in administering the Company's stock option plan and makes recommendations as to the grant of options.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets out information relating to the monthly trading of the Common Shares of the Company on the TSXV (under symbol "VLC") for the months indicated:

Period	High (\$)	Low (\$)	Volume
2020			
January	0.47	0.40	893,543
February	0.45	0.38	1,344,338
March	0.435	0.20	2,431,591
April	0.42	0.275	581,410
May	0.47	0.34	1,370,221
June	0.54	0.50	885,464
July	0.54	0.46	2,232,572
August	0.52	0.45	1,245,797
September	0.495	0.41	2,278,020
October	0.475	0.44	382,540
November	0.54	0.445	1,122,368
December	0.53	0.45	1,427,762

Source: TMX Money (<https://money.tmx.com/en>)

Prior Sales

The following table sets out the prior sales of outstanding securities of the Company not listed or quoted on a marketplace for the period from January 1, 2020 to December 31, 2020:

Date	Class of Security	Number of Securities Issued	Exercise price per Security (if applicable)
February 12, 2020	Warrants	7,233,843 ⁽¹⁾	\$0.55
February 12, 2020	Warrants	215,250 ⁽²⁾	\$0.40
April 7, 2020	Stock Options	1,500,000 ⁽³⁾	\$0.34
August 11, 2020	Stock Options	905,000 ⁽⁴⁾	\$0.48

Notes:

- (1) Issued in connection with a non-brokered private placement of 14,467,687 units of the Company at a price of \$0.40 per unit. Each unit consisted of one Common Share and one-half of one common share purchase warrants entitling the holder thereof to purchase one Common Share at a price of \$0.55 per Common Share for a period of 18 months from the issue date.
- (2) Issued in connection with the February private placement to certain finders.
- (3) Each stock option entitles the holder thereof to purchase one Common Share at a price of \$0.34 per Common Share for a period of 2 years from the grant date.
- (4) Each stock option entitles the holder thereof to purchase one Common Share at a price of \$0.48 per Common Share for a period of 5 years from the grant date.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth details of the securities of the Company that are in escrow or that are subject to contractual restrictions on transfer as of December 31, 2020:

Designation of Class	Number of securities	Percentage of Class
Common Shares	13,394,000 ⁽¹⁾	8.46%

Note:

- (1) Pursuant to the terms of the DPM Investment Agreement, these Common Shares may not be sold or transferred other than to (i) an affiliate of DPM, or (ii) a third party or parties at arm's length with DPM pursuant to a take-over bid, amalgamation, merger, arrangement or share purchase or similar transaction involving the securities or assets of the Company, supported by the board of directors of the Company, without the prior written consent of the Company for a period of one year following the closing date of the strategic investment contemplated by the DPM Investment Agreement (being November 24, 2020).

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state and country of residence and position with the Company of each director and executive officer of the Company, the principal business or occupation in which each director and executive officer of the Company has been engaged during the immediately preceding five years, the period during which each director has served as director and the number of the voting securities beneficially owned, or controlled or directed, directly or indirectly, by each director and executive officer as at the date of this AIF is set out in the table below. Each director's term of office will expire at the next annual general meeting of the Company unless earlier due to resignation, removal or death of the director. The term of office of the officers expires at the discretion of the Company's directors.

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation during past five years ⁽¹⁾	Date became a Director or Officer	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
Keith Henderson ⁽²⁾ Director, President & Chief Executive Officer British Columbia, Canada	Mining Executive; President, CEO and director of Latin Metals Inc. (formerly Centenera Mining Corporation) since June 2015; director of Cardero Resource Corp. since October 2017; director of Pacific Empire Minerals Corp. from December 2017 to August 2020; director of Chakana Copper Corp. (formerly Remo Resources Inc.) from December 2012 to January 2018; director of Gelum Capital Ltd. from September 2019 to April 2021.	Director since July 21, 2017	7,473,750
Mark Cruise ⁽²⁾⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Mining Executive / Professional Geologist; Founder, Director, President & CEO of Trevali Mining Corporation from 2008 to 2019; director of Prism Resources Inc. from 2016 to 2019; COO of New Pacific Metals Corp. since October 2019 and subsequently	Director since July 21, 2017	6,024,500 ⁽⁵⁾

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation during past five years ⁽¹⁾	Date became a Director or Officer	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
	CEO since April 2020; Chair of Whitehorse Gold Corp from November 2020.		
Daniel Marinov Director & Vice President, Operations British Columbia, Canada	Mining Executive/Geologist; Vice President-Exploration of Trevali Mining Corporation from April 2013 to April 2019; Chief Geologist for Cardero Resource Corporation from March 2011 to March 2013; previously held senior management exploration positions with Rio Tinto and Anglo American; Mr. Marinov is also a Qualified Person (QP), member of Australian Institute of Geoscientists (AIG).	Director since July 21, 2017	6,324,500 ⁽⁶⁾
Steven Dean ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Mining Executive; Chairman and CEO of Artemis Gold Inc. from July 2019 to present; CEO and founder of Atlantic Gold Corporation (formerly, Spur Ventures Inc.) from June 2003 to July 2019; Chairman of Oceanic Iron Ore Corp. from September 2010 to present; director of Sierra Metals Inc. from October 2011 to present and director of Amerigo Resources Ltd. from June 2003 to May 2011; director of St. Barbara Limited (ASX issuer) since July 2019.	Director since February 16, 2020	-- ⁽⁷⁾
Michael Hoffman ⁽²⁾⁽³⁾⁽⁴⁾ Director Ontario, Canada	Mining Executive/Professional Mining Engineer; director of 1911 Gold Corp. (formerly, Havilah Mining Corporation) from 2018 to present; director of Fury Gold Mines Limited (previously director of predecessor company, Eastmain Resources Inc.) from 2016 to present; director of Silver X Mining Corp. from June 2021 to present; director of Trevali Mining Inc. from 2011 to 2019; directors of Trigon Metals Inc. (formerly, Kombat Copper Inc.) from 2013 to 2016; previously held executive officer positions with various mineral exploration and producer companies, including Belo Sun Mining Corp., Crocodile Gold Corp., Kria Resources Ltd., CaNickel Mining Limited (formerly, Crowflight Minerals Inc.), Desert Sun Mining Corp., Goldcorp Inc. and Yamana Gold Inc. Mr. Hoffman is also a professional engineer in Ontario and has the ICD.D accreditation from the Institute of Corporate Directors.	Director since June 24, 2020	40,000
Darren Morgans Chief Financial Officer British Columbia, Canada	CFO of the Company since December 2019; CFO of Midas Gold Corp (April 2011 to March 2021).	Officer since December 1, 2019	21,445

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation during past five years ⁽¹⁾	Date became a Director or Officer	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
Joyce Musial Vice President, Corporate Communications British Columbia, Canada	Vice President, Corporate Communications of the Company from October 1, 2018 to present; Manager, Corporate Communications from October 31, 2017 to October 1, 2018. Vice President, Corporate Affairs of InZinc Mining Ltd. (formerly Lithic Resources Ltd.) from June 1, 2017 to present; corporate communications role from January 2, 2013 to June 1, 2017.	Officer since June 22, 2021 (and previously from October 1, 2018 to December 2, 2019)	447,500

Notes:

- (1) The information as to principal occupation and number of Common Shares beneficially owned or controlled, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers themselves. Unless otherwise indicated, such shares are held directly.
- (2) Denotes a member of the Audit Committee.
- (3) Denotes a member of the Compensation Committee.
- (4) Denotes a member of the Corporate Governance and Nominating Committee.
- (5) Of these 6,024,500 Common Shares, 49,500 are owned directly by Mark Cruise and 5,975,000 are owned by Cruise Geoservices Ltd., a private company controlled by him.
- (6) Of these 6,324,500 Common Shares, 99,500 are owned directly by Daniel Marinov and 6,225,000 are owned by Daniel Marinov Ltd., a private company controlled by him. Mr. Marinov also has a 2% interest in Kibela. The shares held by Mr. Marinov are governed by a trust agreement with the Company.
- (7) Steven Dean is the Chairman, CEO and a director of Artemis Gold Inc., which beneficially owns and controls 50,701,138 Common Shares of the Company representing 31.63% of the Company's issued and outstanding Common Shares.

As of the date of this AIF, directors and executive officers of the Company, as a group, beneficially own, or exercise control or direction, directly or indirectly, over an aggregate of 20,331,695 Common Shares representing 12.7% of Velocity's outstanding shares.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no director or executive officer of the Company is, as of the date of this AIF or was within ten years before the date thereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or Chief Executive Officer or Chief Financial Officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

No director, executive officer, or shareholder holding a sufficient number of Velocity's securities to affect materially the control of the Company:

- (a) is, as of the date of this AIF or was within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date as of the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director, executive officer, or shareholder holding a sufficient number of Velocity's securities to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing, not being within the knowledge of the Company, has been furnished by the respective directors, executive officers, and shareholders holding a sufficient number of Velocity's securities to affect materially the control of the Company.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its directors or officers as a result of their outside business interests, except that certain of the directors and officers serve as directors and/or officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise. Steven Dean was appointed a director of the Company in connection with the Artemis Investment. Despite being the nominee director of Artemis Gold, Mr. Dean must, in exercising his fiduciary duties, act in the best interests of the Company and not in the best interests of Artemis Gold.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), such directors or officers will disclose all such conflicts and they will

govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as otherwise disclosed in this AIF, the Company is not currently, and has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. The Company is not aware of any such proceedings or actions threatened or known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors, executive officers and principal shareholders of the Company or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Company has participated within the three most recently completed financial years prior to the date of this AIF or in the current financial year, and do not have any material interest in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Company, except as set out elsewhere in this AIF and immediately below.

Certain directors and officers of the Company have subscribed for Common Shares of the Company pursuant to private placement financings of the Company. In addition, directors and officers of the Company have been granted stock options under the Company's stock option plan.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares of the Company is Computershare Trust Company of Canada at its principal office located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company that are still in effect:

- (a) Investment Agreement between Velocity and Dundee Precious Metals Inc. dated November 13, 2020.
- (b) Investment Agreement between Velocity, Artemis Gold (formerly 1193490 B.C. Ltd) and Atlantic Gold Corporation dated January 16, 2019.

See "*Three Year History and Significant Acquisitions*" for further details on each of the material contracts.

Copies of all material contracts or summaries thereof in material change reports are available under the Company's profile on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Names of Experts

1. The disclosure with respect to the Rozino Project contained in this AIF is based on the Rozino Technical Report prepared by:
 - (a) Andrew Sharp, BEng (Mining), PEng, FAusIMM of CSA Global Consultants Canada Ltd.;
 - (b) Gary Patrick, BSc, MAusIMM (CP), of Metallurg Pty Ltd;

- (c) Carl Steven Nicholas, BSc (Hons), MSc, DIC, CEnv, MIMMM, of Mineesia Limited; and
 - (d) Jonathon Abbott, BAsC, MAIG, of MPR Geological Consultants Pty Ltd.
2. The audited financial statements of the Company for the years ended December 31, 2020 and 2019 have been subject to audit by Davidson & Company LLP, Chartered Professional Accountants.

Except as otherwise disclosed above, no other person has prepared or certified a report, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company's most recently completed financial year, and whose profession or business gives authority to such report, statement or opinion.

Interests of Experts

Based on information provided by the relevant experts noted above, to the knowledge of the Company none of such persons has held, or received or will receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by such experts) or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company, has confirmed that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com, as well as at the Company's web site at www.velocityminerals.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual general meeting held on June 22, 2021.

Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year, being the year ended December 31, 2020.