



**VELOCITY**  
MINERALS LTD.

2020 ESG REPORT

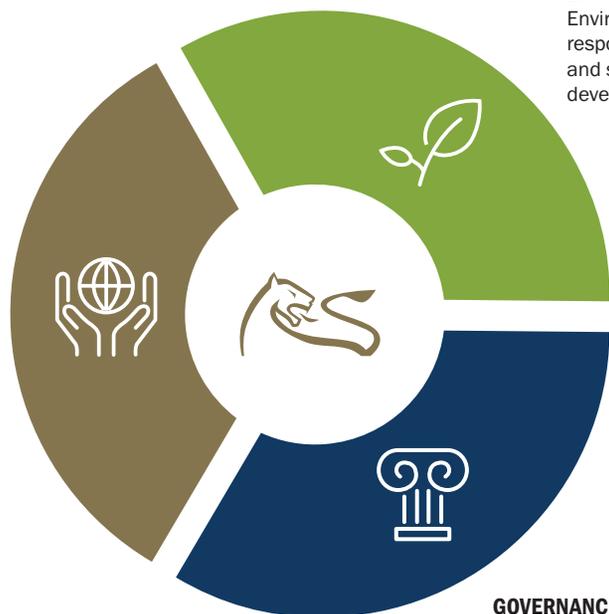


# EXPLORING SUSTAINABLY

We are a generation of explorers and developers integrating sustainability practices at the heart of our business to create long-term value for all our stakeholders. Aligning with the pillars of Environment, Social and Governance (ESG), we take special care of:

- the environment we operate in
- the people and communities we collaborate with
- our governance practices

**SOCIAL**  
Working with our people, working with our community



**ENVIRONMENT**  
Environmental responsibility and sustainable development.

**GOVERNANCE**  
Looking after our people, community and business.



## Our Commitment to Explore Sustainably

Velocity is dedicated to exploring and working responsibly in our communities and natural environment.



# ABOUT VELOCITY

Velocity is a Canadian gold exploration and development company focused on building a multi-asset production profile in an emerging gold district in southeast Bulgaria.

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 and bringing real value to shareholders.

The Company's strategy is to develop a low cost 'Hub & Spoke' operation which envisions open pit mining of satellite deposits and processing in a central plant to produce gold doré.

## Rozino Project – Our Core Gold Asset

A prefeasibility study completed at the Rozino gold project in August 2020 establishes the Rozino deposit as supporting an economic open pit mine operation with gold recovery by a combination of on-site concentration in a flotation plant and further off-site processing in an existing processing plant operated by our Bulgarian partner.

## Growth Potential – A Pipeline of Projects at Various Stages of Development

Velocity has multiple exploration projects in southeastern Bulgaria. A central processing plant operated by our Bulgarian partner has the potential to produce up to 200,000 ounces of gold per year, assuming a gold concentrate feed.





# THE ENVIRONMENT

## ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Velocity conducts our activities respecting the environment in which we operate. As gold prospecting, exploration and drilling activities may temporarily affect the surface terrain and vegetation, Velocity employs an “affected-area minimization” system to protect the environment.

Our Rozino project is located in Natura 2000, the largest coordinated network of protected areas in the world. Authorized drill access and drill sites are carefully rehabilitated when exploration work is completed.

### Minimizing and Monitoring Environmental Impact in 2020

- ✓ Established best environmental practices for drilling
- ✓ Provided continuous training of workers
- ✓ Increased site inspections
- ✓ Advanced environmental assessments





## Emissions from Exploration Activities

In 2020 our team established a commitment to monitor and reduce Green House Gas (GHG) emissions from exploration activities.



0.361 CO<sub>2</sub>

equivalent per metre drilled (t/m)  
measured at Rozino in 2020

## Protecting Biodiversity

At Rozino we work to protect local biodiversity.

The land disturbed by drilling was rehabilitated and restored by planting of native tree saplings.



3,500

tree saplings were planted in 2020



Exploration drilling



Native tree sapling





# OUR PEOPLE

## WE TREAT EVERYONE EQUALLY AND EMBRACE DIVERSITY.

Velocity believes all our employees have the potential to grow both personally and professionally. We have access to a qualified labour force and experienced technical services in Bulgaria. Velocity provides employees with ongoing training and the opportunity to learn from technical experts, helping them to reach their full potential.



### Our People in 2020

**53**  
workers employed

**129**  
indirect workers in Bulgaria

**90%**  
of our workers were Bulgarian

**19%**  
of our workers were women

**6,000+**  
hours of training completed in Bulgaria

### Training Completed in Bulgaria 2020

-  Environmental Stewardship
-  Health and Safety
-  Exploration and Geology Software
-  Community Relations





## HEALTH AND SAFETY

### WE PROMOTE AND MANAGE A HEALTH AND SAFETY CULTURE IN ALL OUR ACTIVITIES.

Velocity has a risk assessment approach to health and safety with prevention as the pillar of our system. We have implemented safety meetings for all workers to understand the risks associated with their work. Incident reporting is also an important aspect of managing our risks allowing us to implement proper solutions to prevent future injuries and identify additional training opportunities.

#### Accomplishments in 2020

- ✓ Health and Safety Policy developed
- ✓ First Fire Responder training completed
- ✓ First Aid training completed for all employees
- ✓ Defensive and Off-road Driving training completed for 20 employees
- ✓ Established monthly health and safety indicators to improve performance

#### Safety Performance in Bulgaria in 2020

49,036

Worker-worked hours

71,544

Contractor-worked hours



120,580

Total hours worked

0

Non-lost time incidents

1

Lost time incident



1.17

Lost time incident frequency rate

#### Responses to COVID-19 in 2020

- ✓ COVID-19 Management Policy developed
- ✓ Rigorous COVID-19 risk protocols established
- ✓ Implemented sanitary measures prescribed by public health authorities
- ✓ Masks and hand sanitizers provided to employees
- ✓ Provided 500 antigen tests for employees and visitors





## OUR COMMUNITY

### OUR MUTUAL COLLABORATION WITH LOCAL COMMUNITIES IS ESSENTIAL TO THE SUSTAINABILITY OF OUR PROJECTS.

Velocity's Rozino project is in Ivaylovgrad municipality located in a remote region of southeastern Bulgaria. We aim to contribute to the social and economic development of our communities through locally sourcing goods and services, employing local people and supporting community initiatives.

#### Accomplishments in 2020



Waste collection and recycling initiatives implemented



Bus shelter built for local community

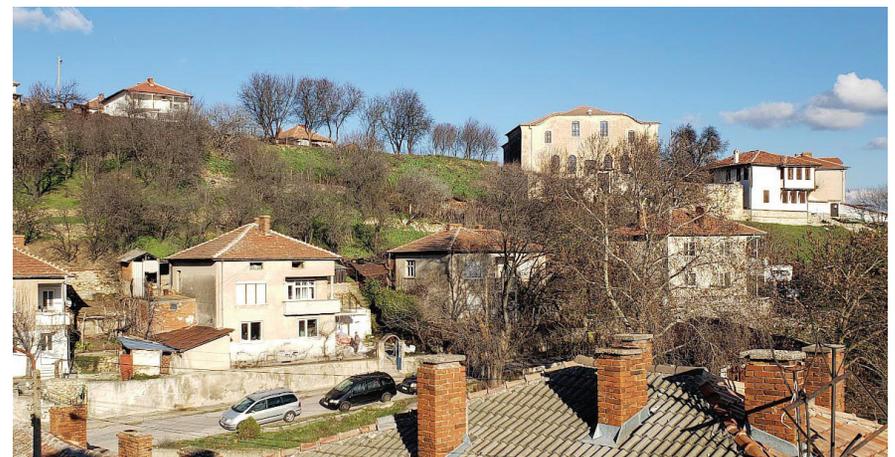


Framework Agreement with Sofia University of Mining and Geology

230kg  
of waste recycled in 2020



Recycling facilities provided to the municipality of Ivaylovgrad





# GOVERNANCE

## LOOKING AFTER OUR PEOPLE, COMMUNITY AND BUSINESS.

The Velocity Board of Directors is comprised of individuals with diverse skills, knowledge and experience. Our directors have expertise in exploration, mining, accounting, legal, banking, finance, communications, stakeholder engagement and securities.

### Corporate Governance Policies in 2020

- ✓ Board Mandate
- ✓ Audit Committee Charter
- ✓ Corporate Governance and Nominating Committee Charter
- ✓ Code of Business Conduct and Ethics

### Board Committees in 2020

-  Audit Committee
-  Compensation Committee
-  Corporate Governance and Nominating Committee





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