



Condensed Interim Consolidated Financial Statements

for the three and nine months ended

September 30, 2025 and 2024

Unaudited – Prepared by Management

(Expressed in Canadian dollars)

<u>INDEX</u>	<u>Page</u>
Notice to reader	
Condensed Interim Consolidated Statements of Financial Position	6
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss	7
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	8
Condensed Interim Consolidated Statements of Cash Flows	9
Notes to Condensed Interim Consolidated Financial Statements	10-26

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2025 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

VELOCITY MINERALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

As at

	September 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 2,880,866	\$ 1,234,460
Receivables (Note 4)	474,568	56,147
Lease receivable	-	56,083
Prepaid expenses and deposits	46,671	59,859
	3,402,105	1,406,549
Restricted cash (Note 5)	23,112,646	-
Property and equipment	77,812	101,234
Exploration and evaluation assets (Note 7)	26,132,675	26,857,519
	\$ 52,725,238	\$ 28,365,302
LIABILITIES AND EQUITY		
Current		
Trade and other payables (Note 11)	\$ 1,139,936	\$ 561,536
Advances for exploration (Note 3)	2,483,400	-
Lease liabilities	8,906	59,254
Income tax payable	-	261,330
	3,632,242	882,120
Transaction deposit (Note 3)	22,969,650	-
Lease liabilities, long term	6,214	10,568
	26,608,106	892,688
Shareholders' equity		
Share capital (Note 8)	44,739,708	44,732,602
Reserves (Note 8)	3,014,528	2,791,704
Deficit	(26,425,364)	(24,839,704)
	21,328,872	22,684,602
Non-controlling interest (Note 9)	4,788,260	4,788,012
	26,117,132	27,472,614
	\$ 52,725,238	\$ 28,365,302

Nature and continuance of operations (Note 1)

Subsequent event (Note 7(e))

On behalf of the Board on November 20, 2025

“Keith Henderson” Director
“Michelle Roth” Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VELOCITY MINERALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
EXPENSES				
Consulting	\$ 9,820	\$ 5,218	\$ 124,125	\$ 86,672
Depreciation	4,706	1,373	20,930	3,480
Investor relations	7,388	2,113	17,552	12,902
Office and general	34,088	22,907	88,337	67,991
Professional fees	115,928	172,138	1,073,615	289,806
Project evaluation (Note 10 and 11)	14,719	245,784	78,454	560,432
Regulatory and transfer agent fees	21,415	3,478	60,424	40,239
Salaries and benefits (Note 11)	139,561	162,902	746,360	473,313
Share-based compensation (Note 8 and 11)	61,040	51,588	176,417	187,248
Travel	-	17,926	53,365	26,174
	(408,665)	(685,427)	(2,439,579)	(1,748,257)
OTHER INCOME (EXPENSES)				
Transaction fee proceeds (Note 3)	-	-	1,443,775	-
Operator's fees and reimbursable expenses (Note 6)	33,311	1,555	199,096	217,108
Foreign exchange gain (loss)	75,773	(6,875)	(5,051)	46,365
Impairment of exploration and evaluation assets (Note 7(e))	(975,891)	-	(975,891)	-
Finance costs	(53,788)	(4,134)	(71,422)	(15,082)
Interest income	172,591	4,170	226,962	20,993
Other income	730	12,283	3,238	13,101
Total other income	(747,274)	6,999	820,707	282,485
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,155,939)	(678,428)	(1,618,872)	(1,465,772)
Loss and comprehensive loss attributable to:				
Owners of the Company	(1,117,865)	(672,736)	(1,585,660)	(1,460,690)
Non-controlling interest	(38,074)	(5,692)	(33,212)	(5,082)
	(1,155,939)	(678,428)	(1,618,872)	(1,465,772)
Loss per common share				
-Basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
-Basic and diluted	197,219,595	196,289,406	197,208,313	196,189,395

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VELOCITY MINERALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

	Share capital		Reserves	Non-controlling interest	Deficit	Total
	Number of common shares	Amount				
Balance, December 31, 2023	195,950,395	\$ 44,578,654	\$ 2,505,341	\$ 4,738,379	\$ (22,935,664)	\$ 28,886,710
Shares issued for consulting fees	350,000	35,000	-	-	-	35,000
Share-based compensation	-	-	259,482	-	-	259,482
Change in net assets of Tintyava Exploration AD	-	-	-	62,695	-	62,695
Loss and comprehensive loss	-	-	-	(5,082)	(1,460,690)	(1,465,772)
Balance, September 30, 2024	196,300,395	\$ 44,613,654	\$ 2,764,823	\$ 4,759,992	\$ (24,396,354)	\$ 27,778,115
Balance, December 31, 2024	197,179,595	\$ 44,732,602	\$ 2,791,704	\$ 4,788,012	\$ (24,839,704)	\$ 27,472,614
Shares issued for options exercise	40,000	7,106	(2,706)	-	-	4,400
Share-based compensation	-	-	225,530	-	-	225,530
Change in net assets of Tintyava Exploration AD	-	-	-	33,460	-	33,460
Loss and comprehensive loss	-	-	-	(33,212)	(1,585,660)	(1,618,872)
Balance, September 30, 2025	197,219,595	\$ 44,739,708	\$ 3,014,528	\$ 4,788,260	\$ (26,425,364)	\$ 26,117,132

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VELOCITY MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Nine months ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,618,872)	\$ (1,465,772)
Adjustments for:		
Depreciation	20,930	3,480
Foreign exchange gain/loss, unrealized (net)	10,020	801
Share-based compensation	176,417	187,248
Shares issued for consulting fees	-	35,000
Lease receivable interest	(3,421)	(15,983)
Lease liability interest	2,574	15,082
Impairment of exploration and evaluation assets	975,891	-
Interest income	(226,962)	-
Changes in non-cash working capital items:		
Receivables	(408,767)	275,239
Prepaid expenses and deposits	13,188	(25,481)
Trade and other payables	(23,947)	37,352
Income tax payable	(272,279)	-
Transaction deposit (Note 3)	22,969,650	-
Net cash provided by (used in) operating activities	21,614,422	(953,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease proceeds	59,504	71,621
Lease payments	(58,988)	(85,593)
Non-controlling interest – equity contributions	33,460	62,695
Net proceeds from issuance of common shares, options exercise	4,400	-
Net cash provided by financing activities	38,376	48,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (Note 5)	(23,112,646)	-
Exploration and evaluation assets	(2,031,973)	(2,069,895)
Advances from partner for exploration (Note 6)	4,938,394	1,191,320
Acquisition of property and equipment	(17,475)	(1,965)
Interest received	217,308	5,010
Net cash used in investing activities	(20,006,392)	(875,530)
Change in cash, restricted cash, and cash equivalents during the period	1,646,406	(1,779,841)
Cash, restricted cash, and cash equivalents, beginning of period	1,234,460	3,154,881
Cash, restricted cash, cash equivalents, end of period	\$ 2,880,866	\$ 1,375,040
Cash	\$ 2,852,116	\$ 1,151,690
Cash equivalents	28,750	223,350
	\$ 2,880,866	\$ 1,375,040

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Velocity Minerals Ltd. ("Velocity" or, the "Company") was incorporated under the laws of the province of Alberta on September 22, 2000 and was continued into British Columbia on December 2, 2004. The mailing and registered and records offices of the Company are located at Suite 880, 320 Granville Street, Vancouver, BC, V6C 1S9, Canada.

The common shares of the Company trade on the TSX Venture Exchange ("TSX-V") with the symbol "VLC.V" as well as on the OTCQB Venture Market under the symbol "VLCJF". The Company is in the business of acquiring, exploring, and evaluating mineral resource properties in Bulgaria.

The Company is in the process of exploring its mineral resource properties and evaluating new properties for potential acquisition. The Company has determined that it has one mineral reserve but has not yet determined whether its other properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets depends upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production or sale of the assets.

On February 24, 2025, the Company entered into a definitive share purchase and option agreement to sell all of its Bulgarian assets (Note 3). Pursuant to the agreement, the Company agreed to sell its 70% interest in the Rozino project, together with certain licences, licence applications, and associated tenures and rights, to Türker Global Madencilik Sanayi Ve Ticaret A.Ş. ("Türker Mining"), and Türker Mining agreed to acquire 100% of the foregoing assets for total consideration of US\$ 55.0 million, payable in two tranches. The Company further granted to Türker Mining an option to acquire the Company's interest in certain other Bulgarian mineral property assets, including licences, licence applications, and associated tenures and rights, for an aggregate purchase price of US\$ 4.0 million.

On June 4, 2025, the Company provided notice to Türker Mining confirming Velocity's shareholders' approval and TSX Venture Exchange conditional acceptance of the transaction, establishing a deposit date ("Deposit Date") of June 23, 2025, being 10 business days thereafter. On June 5, 2025, the Company received the first tranche payment of US\$ 16.5 million from Türker Mining (Note 3 and 5). Until closing of the transaction, Türker Mining is responsible for funding all expenditures required to maintain the operations of the Company's Bulgarian subsidiaries and to keep the projects in good standing. The Company has been engaged by Türker Mining as operator during this period and earns management fees for these services.

The closing of the transaction remains subject to customary conditions precedent, and there can be no assurance that it will be completed as contemplated, or at all.

As at September 30, 2025, the Company has working capital deficit of \$230,137 (December 31, 2024 – working capital of \$524,429), and an accumulated deficit of \$26,425,364 (December 31, 2024 - \$24,839,704).

The Company expects to incur further losses in the development of its business. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent on the successful completion of the transaction disclosed in Note 3 or, if the transaction does not proceed, on the Company's ability to retain and deploy its share of the purchase deposit to fund the exploration and development of its mineral properties and, ultimately, to achieve profitable operations. There is no assurance, however, that the transaction will close as contemplated or that, in the absence of the transaction, the Company will be able to obtain sufficient financing on favourable terms or adequate returns from its properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared based on accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal courses of business rather than through a process of forced liquidation. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset and amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

2. BASIS OF PREPARATION**Statement of compliance**

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were authorized for issue and approved by the Board of Directors on November 20, 2025.

Basis of presentation

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows for the three and nine months ended and as at September 30, 2025 and 2024 have been included. Operating results for the three and nine-month periods ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional currency and presentation currency of the Company and its subsidiaries is the Canadian dollar.

Basis of consolidation

These consolidated financial statements represent the results of the Company and its subsidiaries. Amounts are reported in Canadian dollars, unless otherwise indicated.

Subsidiary	Location	Ownership Interest
Velocity Exploration Ltd. (“Velocity Exploration”)	Canada	100%
Kibela Minerals AD (“Kibela”)	Bulgaria	100%
Kabiri Minerals EOOD (“Kabiri”)	Bulgaria	100%
Tintyava Exploration AD (“Tintyava”)	Bulgaria	70%
Tintyava AgriBio EOOD (“Tintyava AgriBio”)	Bulgaria	70%
Tethyan Exploration EOOD (“Tethyan”)	Bulgaria	100%
Balkan Minerals Development EOOD (“BMD”)	Bulgaria	100%
Zlatusha Minerals EOOD (“Zlatusha”)	Bulgaria	100%
Velocity Minerals Greece SA (“Velocity Greece”)	Greece	100%

The Company established its subsidiary Velocity Minerals Greece SA during the year ended December 31, 2024.

The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern their financial and operating policies. The Company attributes total comprehensive loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

2. BASIS OF PREPARATION (cont'd...)

Basis of consolidation (cont'd...)

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Material accounting policies

The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the years ended December 31, 2024 and 2023.

New and amended IFRS standards that are effective for the current year:

There were no new accounting standards effective January 1, 2025 that impacted these condensed interim consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

There were no accounting standards or amendments to existing standards issued but not yet adopted as of January 1, 2025 that are expected to have a material effect on the Company's financial statements in the future.

Material accounting judgments, estimates and assumptions

Estimates and judgments are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are continuously evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended December 31, 2024, except for additional judgments and estimates made in relation to the planned sale of assets. In particular, management exercised judgment in assessing the likelihood and timing of completion of the transaction.

3. SALE OF BULGARIAN ASSETS

On February 24, 2025, the Company entered into a definitive share purchase and option agreement (the "Definitive Agreement") with Türker Mining, a subsidiary of Türkerler İnşaat Turizm Madencilik Enerji Üretim Ticaret ve Sanayi A.Ş. ("Türkerler"), a diversified company based in Ankara, Turkey.

Pursuant to the Definitive agreement, the Company agreed to (i) sell its 70% interest in the Rozino project, together with certain licences, licence applications and associated tenures and rights (the "Rozino Project")⁽¹⁾ to Türker Mining, and (ii) grant to Türker Mining the option to acquire Velocity's interest in certain other Bulgarian mineral property assets, licences, licence applications and associated tenures and rights (collectively, the "Non-Rozino Assets"⁽²⁾; together with the Rozino Project, the "Subject Assets") (the "Transaction").

Commercial Terms

Under the terms of the Definitive Agreement, which supersedes and replaces the previously announced letter agreement between the Company and Türkerler, Türker Mining agreed to purchase 100% of the Rozino Project for US\$ 55.0 million (the "Rozino Purchase Price"). The Rozino Purchase Price will be payable in two tranches, as follows:

(i) an initial payment in the amount of US\$ 16.5 million within 60 days following receipt of the Company's shareholders' approval and TSX Venture Exchange ("TSXV") acceptance for the Transaction (the "First Tranche Payment"). On June 4, 2025, the Company provided notice to Türker Mining confirming Velocity's shareholders' approval and TSXV conditional acceptance of the Transaction, establishing the Deposit Date of June 23, 2025, being 10 business days thereafter. On June 5, 2025, the Company received the First Tranche Payment from Türker Mining (Note 5); and

(ii) an additional payment in the amount of US\$ 38.5 million (the "Second Tranche Payment") on or before the 18 month anniversary of the Deposit Date (the date of the Second Tranche Payment being the "Closing"), provided that if the Second Tranche Payment is paid by Türker Mining on or before the 12 month anniversary of the Deposit Date, then the amount of the Second Tranche Payment will be reduced by US\$ 1.5 million. If Türker Mining fails to make the Second Tranche Payment, it will acquire no interest in the Subject Assets and the First Tranche Payment will be non-refundable in accordance with the terms of the Definitive Agreement. Gorubso-Kardzhali AD, which holds a 30% interest in the Rozino Project, will be entitled to 30% of the Rozino Purchase Price.

In order to exercise the option to acquire the Non-Rozino Assets, Türker Mining must make a cash payment of US\$ 4.0 million (the "Non-Rozino Purchase Price") to the Company prior to Closing, provided that the option shall not be exercisable unless and until Türker Mining shall have paid the Second Tranche Payment. Upon payment of the Non-Rozino Purchase Price, Türker Mining shall be deemed to have exercised the option and agreed to acquire a 100% interest in the Non-Rozino Assets. The acquisition by Türker Mining of the Rozino Project and, if the option is exercised, the Non-Rozino Assets, will be affected through the sale and purchase of shares in the Bulgarian subsidiaries holding the Subject Assets.

In connection with the Transaction, Türker Mining paid to the Company a \$1,443,775 (US\$ 1,000,000) transaction fee upon execution of the Definitive Agreement.

Türker Mining has engaged the Company under a funding and technical services agreement pursuant to which Türker Mining is responsible, until Closing, for funding all exploration and development costs required to (i) keep the Subject Assets in good standing, (ii) complete field work supporting Türker Mining's planned Feasibility Study (to be prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects), and (iii) file an Environmental Impact Assessment report required under Bulgarian mine permitting regulations.

As at September 30, 2025, Türker Mining advanced \$4,938,394 to the Company to finance operations activities in connection with the Subject Assets as required per the Definitive Agreement. During the nine months ended September 30, 2025, \$2,454,994 of the advanced funds were applied to exploration and evaluation costs as incurred (Note 7).

⁽¹⁾ Rozino Project includes projects Tintyava, Dangovo and certain licences, licence applications and associated tenures and rights.

⁽²⁾ Non-Rozino Assets include the projects Nadezhda, Momchil, Iglika, Zlatusha, Toledo, and certain license applications

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

3. SALE OF BULGARIAN ASSETS (cont'd...)

Subject to certain terms and conditions in the Definitive Agreement, Türker Mining and the Company are each responsible for payment of a break or non-completion fee to the other party in certain circumstances if the Transaction does not proceed.

The Transaction was approved by the Company's shareholders at a special meeting held on April 15, 2025.

Closing is subject to customary conditions precedent, including, without limitation, receipt of all necessary third-party consents and approvals.

Aggregate finder's and success fees of 4% of the Purchase price, payable to the Company, are payable upon Closing of the Transaction.

4. RECEIVABLES

	September 30, 2025	December 31, 2024
Value added taxes receivable	\$ 464,914	\$ 40,456
Interest receivable	9,654	-
Other receivable	-	15,691
Total	\$ 474,568	\$ 56,147

As at September 30, 2025, the Company's taxes receivable relates to operations in Bulgaria and Canada. All of the amounts are current and receivable within 30 to 90 days.

5. RESTRICTED CASH

At September 30, 2025, restricted cash of \$22,969,650 is held in connection with a standby letter of credit of US\$16.5 million issued to Gorubso. The standby letter of credit secures (i) the return to Gorubso of share certificates deposited in escrow if the Transaction does not close, and (ii) payment to Gorubso of 30% of the Rozino Project purchase price if the Transaction closes (Note 3). The first tranche payment received under the Transaction (Note 3) is held as collateral for this standby letter of credit and is not available for working capital purposes.

In addition, restricted cash of \$142,996 relates to bank guarantees issued to the Ministry of Energy and Resources of Bulgaria in support of the exploration programs on the Igluka project.

6. PARTNER FUNDED EXPLORATION

As at September 30, 2025, operator's fees and reimbursable expenses are in connection with the funding and services agreement with Türker Mining (Note 3).

As at June 30, 2024 exploration programs funded by a partner and operator fees earned were in respect to the Company's Igluka Property, pursuant to an earn-in agreement, which was terminated effective July 30, 2024 (Note 7(d)).

7. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**a) Tintyava Property – Bulgaria**

On July 19, 2017, the Company, through its subsidiary Kibela, entered into an option agreement whereby the Company was granted an option by Gorubso-Kardzhali AD (“Gorubso”) to acquire an undivided 70% legal and beneficial interest in Tintyava, an entity owned by Gorubso that holds a 100% interest in a prospecting and exploration permit located in south-eastern Bulgaria (the “Tintyava Option”).

For the Company to exercise the Tintyava Option, it had to make the payment of a tender fee of 360,000 BGN (\$266,760) to the Ministry of Energy of the Republic of Bulgaria and deliver a preliminary economic assessment on the Tintyava Property prepared under National Instrument 43-101 of the Canadian Securities Administrators (“NI 43-101”). During 2019, the Company met the obligations of the option agreement and exercised its option to acquire an undivided 70% interest in the Tintyava property. As a result, on March 1, 2019, shares of Tintyava, representing 70% ownership by the Company, were registered in the name of Kibela.

b) Nadezhda Property and Dangovo Property – Bulgaria*Nadezhda Property*

On March 5, 2019, the Company entered into an option agreement for the Nadezhda project, which is centered on the Makedontsi deposit. Under the terms of the option agreement, the Company can earn a 70% interest in the Nadezhda project by delivering certain data and reports including a mineral resource estimate prepared under National Instrument 43-101 of the Canadian Securities Administrators. The term of the option agreement is six years.

On November 16, 2021, the Company announced that it had met its obligation under the option agreement and had exercised its option and earned a 70% interest in the Nadezhda project and to be in joint venture with Gorubso for the further development of the Nadezhda project. As at September 30, 2025 the joint venture entity had not been formed.

Dangovo Property

The Dangovo property was acquired by means of staking and the prospecting license contract with the Ministry of Energy came into effect on August 23, 2022. The Dangovo property is contiguous with the Company’s Nadezhda property (Makedontsi project), where a historical resource is registered with the Bulgarian State. Dangovo was acquired to explore for potential extensions of known gold mineralization at Makedontsi project.

c) Momchil Property – Bulgaria

On March 5, 2019, the Company entered into an option agreement for the Momchil project, which is centered on the Obichnik deposit. Under the terms of the option agreement, the Company can earn a 70% interest in the Momchil project by delivering certain data and reports including a mineral resource estimate prepared under NI 43-101.

On June 23, 2021, the Company announced that it had met its obligation under the option agreement and had exercised its option and earned a 70% interest in the Momchil project and to be in joint venture with Gorubso for the further development of the Momchil project. As at September 30, 2025 the joint venture entity had not been formed.

d) Iglik Property – Bulgaria

On June 26, 2020, the Company entered into a letter agreement with Balkan Minerals Development OOD (“BMD”), a Bulgarian private company, and its shareholders, for an exclusive option to acquire a 100% interest in the Iglik gold-copper property (“Iglik”) through acquiring all of the issued and outstanding shares of BMD.

On February 19, 2021, the parties entered into a definitive agreement, which amended the terms of the letter agreement. Pursuant to the terms of the definitive agreement, the Company could acquire 100% of BMD shares by incurring EUR 300,000 in exploration and evaluation by December 31, 2021. On March 2, 2021, the Company acquired 100% of BMD shares. BMD former shareholders have 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 EUR 1,500,000.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**d) Igliko Property – Bulgaria (cont'd...)****Dundee Precious Metals Inc. Earn-in**

On June 12, 2023, the Company announced that it had entered into a binding letter agreement (the “DPM Letter Agreement”) with Dundee Precious Metals Inc. (“DPM”), whereby the Company granted to DPM an exclusive option to acquire a 75% interest in and to the Igliko property.

DPM terminated the Igliko property Option Agreement effective July 30, 2024.

Since entering into the DPM Letter Agreement through to July 30, 2024, DPM had financed eligible exploration and evaluation expenditures on the Igliko project totaling \$3,149,245, and the Company had earned operator fees totaling \$468,984.

e) Zlatusha Property – Bulgaria

The Company entered into a binding letter agreement with Zelenrok EOOD (“Zelenrok”), a wholly-owned subsidiary of Raiden Resources Limited (collectively with Zelenrok, “Raiden”), on January 23, 2023, as amended on April 10, 2023. Pursuant to the binding letter agreement the Company has been granted an exclusive option to acquire, in two stages, up to a 75% interest in the prospecting and exploration license Zlatusha copper-gold property (“Zlatusha property”) located in Bulgaria. The option consists of a first option to acquire up to a 51% interest (the “First Option”) and a second option (the “Second Option”) to acquire an additional 24% (aggregate 75%) interest in and to the property.

The binding letter agreement was further amended on May 9, 2024. Under the terms of the amendment, the Company is not required to incur any additional exploration expenditures on the Zlatusha property or make any cash or share payments to Raiden, until such time as the term of the Zlatusha prospecting and exploration license has been extended and the work program related to the extension has been approved by the Bulgarian authorities. Once all approvals have been received, and if Raiden and the Company agree that a social license is in place to support the resumption of exploration activities, the Company's obligations under the option will resume (the “Restart”).

To exercise the First Option and acquire a 51% interest in Zlatusha property, the Company must make payments in the aggregate amount of \$570,000 in cash or shares (of which \$250,000 must be in cash), and carry out the required exploration work, including a multi-phase drilling program totaling 28,000 meters. In addition, the Company must deliver an NI 43-101-compliant Inferred Mineral Resource estimate within the three-year option period.

To exercise the Second Option for an additional 24% interest (for a total of 75%), the Company must, within two years of exercising the First Option, make payments in the aggregate amount of \$450,000 in cash or shares (\$350,000 must be in cash), complete 12,000 metres of drilling, and deliver an NI 43-101-compliant Preliminary Economic Assessment on the Zlatusha property.

The Zlatusha property is subject to an existing 2% net smelter royalty held by Gold Bull Resources Corp. (the “Gold Bull Royalty”), of which, prior to commencement of commercial production: (i) an initial 0.5% of the total Gold Bull Royalty can be purchased for US\$ 2,500,000 (reducing the Gold Bull Royalty from 2% to 1.5%); and (ii) a further 1% of the total Gold Bull Royalty can be purchased for US\$ 5,000,000 (reducing the Gold Bull Royalty from 1.5% to 0.5%).

Subsequent the period ended September 30, 2025, on November 12, 2025, the Company entered into a Termination and Mutual Release agreement with Raiden, regarding the Company's option to acquire a 75% interest in the Zlatusha property. As a result of the termination, the recoverable value of the property was determined to be \$nil as of September 30, 2025, leading to an impairment write-down of \$975,891 in accordance with Level 3 of the fair value hierarchy.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**f) Toledo Property - Bulgaria**

On September 16, 2024, the Company announced that it had entered into a binding letter agreement with an arm's length third party (the "Vendor"), whereby the Vendor has granted the Company the exclusive option to acquire a 100% interest in the Toledo gold-silver property, located in the western part of Bulgaria. To exercise the option in full and acquire a 100% interest in the Property, the Company must pay US\$4,000,000 cash through installments tied to six milestones (the "Earn-In Payments"), as disclosed in the table below.

Date	Cash (US\$)
Within 5 business days of the TSXV acceptance	25,000 (paid)
Upon signing of definitive agreement	75,000
Within 90 days following filing/acceptance of investment proposal ⁽¹⁾	250,000
Within 90 days following a positive decision on an EIA report	250,000
Within 12 months following issuance of a Mining Concession	400,000
Within 90 days from delivery of a NI 43-101 compliant Mineral Resource Estimate	500,000
Concurrent with Notice of Exercise of the Option ⁽²⁾	2,500,000
Total	4,000,000

(1) Provided that if the \$250,000 cash payment for this milestone has not been made by the fifth anniversary of the execution of the Letter Agreement, the Vendor may terminate the Option at its sole discretion and without any obligation to refund the aggregate \$100,000 in payments made by the Company pursuant to the Earn-In Requirements.

(2) Provided that the Company will have six (6) years from the issuance of the mining concession for the Property during which to deliver the Option Exercise Notice.

Upon exercise of the option, the Company will grant the Vendor a 2.0% net smelter returns royalty ("NSR Royalty") payable from the proceeds of commercial production from the Property. One quarter (0.5%) of the NSR Royalty can be purchased by the Company at any time for US\$2,000,000. An additional quarter (0.5%) can be purchased by the Company at any time for US\$3,500,000. In addition, the Company will hold a right of first refusal in respect of any future sale by the NSR Royalty holder of any interest in the NSR Royalty.

The Company is under no obligation to fulfill any of the earn-in requirements, all of which will be at the sole discretion of the Company. During the option period the Company is responsible for keeping the property in good standing.

g) Miriofito Property - Greece

On March 13, 2025, The Company announced that it had acquired the Miriofito project by staking and had been granted the prospection and exploration license. Miriofito is a copper-gold project, located in the northern part of Greece.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)g) Exploration and evaluation assets continuity

	Tintyava	Nadezhda & Dangovo	Momchil	Iglik	Zlatusha	Toledo	Miriofito	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Acquisition costs</i>								
Balance, December 31, 2024	2,139,806	110,332	42,081	27,787	270,019	33,760	-	2,623,785
Legal and claim fees	-	-	-	24,797	-	67,707	-	98,904
Balance, September 30, 2025	2,139,806	110,332	42,081	52,584	270,019	101,867	-	2,722,689
<i>Exploration and evaluation</i>								
Balance, December 31, 2024	15,110,382	695,959	5,495,378	2,226,143	705,872	-	-	24,233,734
Community relations	28,374	-	-	-	-	-	-	28,374
Drilling and assays	1,363,670	39,806	-	-	-	-	-	1,403,476
Metallurgy, engineering, environmental studies	88,500	300	-	-	-	-	-	88,800
Field and vehicles	241,123	3,939	-	11,500	4,088	-	-	260,650
Geological	195,617	10,177	-	6,144	-	-	10,313	222,251
Geochemistry	-	-	-	-	-	-	29,078	29,078
Salaries	458,221	25,359	6,235	35,580	-	-	-	525,395
Share-based compensation	42,933	-	-	2,366	-	-	3,814	49,113
Additions for the period	2,418,438	79,581	6,235	55,590	4,088	-	43,205	2,607,137
Balance, September 30, 2025	17,528,820	775,540	5,501,613	2,281,733	709,960	-	43,205	26,840,871
Funded by Türker Mining (Note 3)	(2,333,778)	(68,149)	(6,235)	(42,744)	(4,088)	-	-	(2,454,994)
Impairment	-	-	-	-	(975,891)	-	-	(975,891)
Total at September 30, 2025	17,334,848	817,723	5,537,459	2,291,573	-	107,867	43,205	26,132,675

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)g) Exploration and evaluation assets continuity (cont'd...)

	Tintyava	Nadezhda & Dangovo	Momchil	Iglika	Zlatusha	Toledo	Total
	\$	\$	\$	\$	\$	\$	\$
<i>Acquisition costs</i>							
Balance, December 31, 2023	2,139,654	109,498	42,081	-	267,969	-	2,559,202
Property option payments	-	-	-	-	-	33,760	33,760
Legal and claim fees	152	834	-	27,787	2,050	-	30,823
Additions for the year	152	834	-	27,787	2,050	33,760	64,583
Balance, December 31, 2024	2,139,806	110,332	42,081	27,787	270,019	33,760	2,623,785
<i>Exploration and evaluation</i>							
Balance, December 31, 2023	14,638,240	691,365	5,492,493	2,144,103	509,874	-	23,476,075
Community relations	18,913	-	-	10,018	7,312	-	36,243
Drilling and assays	-	-	-	1,098,309	-	-	1,098,309
Metallurgy, engineering, environmental studies	56,343	-	-	-	-	-	56,343
Field and vehicles	88,378	1,689	1,689	123,405	33,442	-	248,603
Geological	130,024	903	903	38,876	14,439	-	185,145
Geochemistry	-	-	-	-	28,149	-	28,149
Salaries	151,482	2,002	293	225,623	101,004	-	480,404
Share-based compensation	27,002	-	-	44,367	11,652	-	83,021
Additions for the year	472,142	4,594	2,885	1,540,598	195,998	-	2,216,217
Partner funded exploration programs	-	-	-	(1,458,558)	-	-	(1,458,558)
Balance, December 31, 2024	15,110,382	695,959	5,495,378	2,226,143	705,872	-	24,233,734
Total at December 31, 2024	17,250,188	806,291	5,537,459	2,253,930	975,891	33,760	26,857,519

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

8. SHARE CAPITAL AND RESERVES*Authorized share capital*

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

*Issued share capital*Nine months ended September 30, 2025*Shares issued for options exercise*

During the nine months ended September 30, 2025, the Company issued 40,000 common shares pursuant to the exercise of 40,000 stock options for gross proceeds of \$4,000. The Company recorded a transfer in the amount of \$2,706 from equity reserves to share capital upon the options exercise.

Nine months ended September 30, 2024*Shares issued for services*

During the nine months ended September 30, 2024, the Company issued 350,000 common shares fair valued at \$35,000 for consulting fees, pursuant to a strategic review process advisory agreement.

Stock options

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2023	9,596,000	\$ 0.28
Granted	3,735,000	0.11
Forfeited	(1,057,000)	0.26
As at December 31, 2024	12,274,000	\$ 0.23
Granted	3,565,000	0.17
Exercised	(40,000)	0.11
Expired	(790,000)	0.48
Forfeited	(315,000)	0.13
Number of options outstanding September 30, 2025	14,694,000	\$ 0.20
Number of options exercisable, September 30, 2025	8,766,895	\$ 0.24

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

8. SHARE CAPITAL AND RESERVES (cont'd...)**Stock options (cont'd...)**

As at September 30, 2025, the Company had stock options outstanding and exercisable enabling the holder to acquire common shares as follows:

Number of Stock options Outstanding	Exercise Price	Number of Stock options Exercisable	Expiry Date	Remaining life in years
1,134,000	\$0.45	1,134,000	May 12, 2026	0.6
2,990,000	\$0.30	2,990,000	May 31, 2027	1.7
200,000	\$0.25	166,600	August 16, 2027	1.9
3,050,000	\$0.16	2,058,400	June 22, 2028	2.7
300,000	\$0.13	149,400	October 2, 2028	3.0
3,175,000	\$0.11	1,067,380	January 10, 2029	3.3
280,000	\$0.10	93,296	May 9, 2029	3.6
3,565,000	\$0.17	-	March 13, 2029	3.5
14,694,000	\$0.20	8,766,895		2.7

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the nine months ended September 30, 2025 and 2024:

	2025	2024
Expected life of options (years)	4.0	4.0
Annualized volatility	64%	65%
Dividend rate	-	-
Risk-free rate	2.65%	3.5%
Weighted average fair value per option granted	\$ 0.09	\$ 0.06
Weighted average exercise price per option granted	\$ 0.17	\$ 0.11

The Company recognized share-based compensation as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Share-based compensation:				
Included in statement of loss and comprehensive loss	\$ 61,040	\$ 51,588	\$ 176,417	\$ 187,248
Included in exploration and evaluation assets	17,515	13,016	49,113	72,234
Total share-based compensation expense	\$ 78,555	\$ 64,604	\$ 255,530	\$ 259,482

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

8. SHARE CAPITAL AND RESERVES (cont'd...)**Warrants**

The following common share purchase warrants entitle the holder thereof to purchase one common share for each warrant.

Number of Warrants	Exercise Price	Expiry Date
7,443,262	\$0.18	December 19, 2025

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2023	18,577,889	\$ 0.25
Expired	(10,255,427)	0.24
Exercised	(879,200)	0.10
As at December 31, 2024 and September 30, 2025	7,443,262	\$ 0.18

The weighted average remaining contractual life of warrants outstanding and exercisable at September 30, 2025 was 0.2 year (December 31, 2024 – 1.2 years).

9. NON-CONTROLLING INTEREST

Non-controlling interest (“NCI”) in the net assets of consolidated subsidiaries are identified separately from the Company’s equity therein. Total comprehensive loss of the Company’s subsidiary is attributed to the equity holders of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance. For the three and nine months ended September 30, 2025 and 2024 and as at September 30, 2025 and December 31, 2024, 30% of the net assets of the Company’s consolidated subsidiary, Tintyava, which holds the Tintyava mineral property and Dangovo mineral property, were attributable to its non-controlling interest.

The following is summarized financial information of the consolidated subsidiary Tintyava, prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Company’s accounting policies. The information is before inter-company eliminations.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Total income and comprehensive income	\$ (110,708)	\$ (18,971)	\$ (126,914)	\$ (16,938)
Total income and comprehensive income allocated to NCI	(33,212)	(5,692)	(38,074)	(5,082)

	September 30, 2025	December 31, 2024
Current assets	\$ 2,465,512	\$ 114,500
Non-current assets	18,006,771	15,911,611
Current liabilities	(670,119)	(55,505)
Non-current liabilities	(3,841,298)	(10,568)
Net assets	15,960,866	15,960,038
Net assets attributable to NCI	4,788,260	4,788,012

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

10. PROJECT EVALUATION

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Community relations	\$ -	\$ 701	\$ -	\$ 701
Field, vehicles, travel	600	34,916	1,854	77,459
Geological consulting (Note 11)	15,895	100,915	43,228	280,460
Geochemistry	-	5,948	-	11,892
Permit application fees	-	379	-	17,132
Salaries	576	102,925	33,372	172,788
	\$ 14,719	\$ 245,784	\$ 78,454	\$ 560,432

11. RELATED PARTY TRANSACTIONS

Key management include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<i>Key management compensation</i>				
Short-term benefits paid or accrued:				
Consulting fees	\$ 67,985	\$ 66,609	\$ 303,868	\$ 199,828
Salaries and directors' fees	121,389	119,009	609,168	326,654
	189,374	185,618	913,036	526,482
Share-based compensation:				
Share-based compensation	56,213	43,015	159,016	162,452
Total remuneration	\$ 245,587	\$ 228,633	\$ 1,072,052	\$ 688,934

Consulting fees of \$56,662 and \$161,941 are included in exploration and evaluation assets for the three and nine months ended September 30, 2025, respectively (2024 - \$28,836 and \$82,151), and \$11,323 and \$41,927 are included in project evaluation costs (Note 10) for the three and nine months ended September 30, 2025 respectively (2024 - \$37,746 and \$117,677).

As at September 30, 2025, the Company had amounts payable for key management personnel compensation of \$205,453 included in accounts payable and accrued liabilities (December 31, 2024 - \$nil).

Related party

Effective August 1, 2022, the Company entered into an office sub-lease agreement with a term of three years, with Latin Metals Inc. ("Latin Metals"). The Company and Latin Metals share a common officer and director.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Office rent	\$ -	\$ -	\$ -	\$ 4,171

The Company and Latin Metals mutually agreed to terminate the office sub-lease agreement effective February 1, 2024, without any penalties.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended September 30,	
	2025	2024
Acquisition of right-of-use asset	\$ 2,641	\$ -
Derecognition of right-of-use asset, net	-	(65,462)
Derecognition of lease receivable	-	65,462
Depreciation capitalized to exploration and evaluation assets	22,608	58,191
Change in trade and other payables included in exploration and evaluation assets	602,347	(121,635)
Share-based compensation included in exploration and evaluation assets	49,113	72,235
Shares issued for consulting fees, fair value	-	35,000
Interest received	217,308	-
Interest paid	-	-
Income taxes paid	(272,279)	-

13. FINANCIAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, lease receivable, trade and other payables, and lease liability.

As at September 30, 2025, the carrying values of receivables, and trade and other payables, approximate their fair values due to their short terms to maturity. The Company's cash and cash equivalents and restricted cash under the fair value hierarchy is based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is attributable to cash and cash equivalents, restricted cash and receivables. Cash and cash equivalents consist of balances held at reputable financial institutions, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Management believes that the credit risk concentration with respect to receivables is equal to its carrying value. Receivables comprise amounts due from the Government of Canada and Bulgaria, and interest receivable. As of September 30, 2025, the Company's exposure to credit risk is minimal.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

13. FINANCIAL RISK MANAGEMENT (cont'd ...)*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As of September 30, 2025, the Company had a cash and cash equivalents balance of \$2,880,866 (2024- \$1,167,716) and receivables of \$474,568 (2024 - \$56,083) to settle trade and other payables, advances for exploration, and current lease liabilities of \$3,632,242 (2024 - \$561,536). All of the Company's trade and other payables are subject to normal trade terms.

As of September 30, 2025, the Company had a restricted cash balance of \$22,969,650 (US\$ 16,500,000 (Note 5)(2024- \$nil), which is held as collateral for a standby letter of credit and is not available for working capital purposes. Interest earned on the restricted cash is available to the Company for working capital. In addition, the Company had a restricted cash balance of \$142,996 (2024 - \$nil) in connection with bank guarantees for exploration programs (Note 5).

The Company's liquidity strategy includes deferral or reduction of discretionary expenditures, negotiating extensions of payment terms where appropriate, and securing additional financing through equity issuances and/or debt facilities.

Historically, the Company's sole source of funding has been issuance of shares or convertible debenture and proceeds from option agreements. Management believes that such funding will be available, however there can be no assurance of continued access to funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and price risk.

a) Interest risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market prices. The Company has cash balances, which are exposed to interest rate fluctuations. The Company is not subject to significant exposure to interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in United States dollars, Euro and Bulgarian Lev. As at September 30, 2025, the Company had cash funds denominated in either the United States dollars, Euros, or the Bulgarian Lev. A 10% fluctuation between the Canadian dollar against the Euro, the Bulgarian Lev or United States dollar, would result in \$94,900 decrease or increase in profit or loss.

a) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss and the ability to obtain financing, due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

VELOCITY MINERALS LTD.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

14. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its mineral resource properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The capital structure of the Company consists of shareholders' equity. The Company is not exposed to any externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2025.

15. SEGMENT INFORMATION

As at September 30, 2025, all of the Company's long – term assets are in Bulgaria, except for exploration and evaluation asset with a carrying balance of \$43,205 (December 31, 2024- \$nil) in respect to the Miriofito property in Greece (Note 7(g)).