



Condensed Interim Consolidated Financial Statements

for the three and six months ended

June 30, 2026 and 2025

Unaudited – Prepared by Management

(Expressed in Canadian dollars)

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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 six months ended June 30, 2026 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)

	June 30, 2026	December 31, 2025
ASSETS		
Current		
Cash and cash equivalents	\$ 1,668,168	\$ 3,037,016
Restricted cash (Note 4)	23,594,960	22,762,338
Receivables (Note 5)	146,285	238,278
Prepaid expenses and deposits	96,767	65,964
	25,506,180	26,103,596
Property and equipment	58,644	79,301
Exploration and evaluation assets (Note 7)	26,753,595	26,447,021
	\$ 52,318,419	\$ 52,629,918
LIABILITIES AND EQUITY		
Current		
Advances from partner (Note 3, 6 and 7)	\$ 616,483	\$ 1,861,376
Deposit for sale of assets (Note 3)	23,446,500	22,614,900
Lease liabilities, current	6,401	7,338
Trade and other payables (Note 10)	1,451,455	1,322,572
	25,520,839	25,806,186
Shareholders' equity		
Share capital (Note 8)	46,056,095	46,056,095
Reserves (Note 8)	3,274,891	3,071,222
Deficit	(27,245,184)	(27,044,236)
	22,085,802	22,083,081
Non-controlling interest (Note 9)	4,711,778	4,740,651
	26,797,580	26,823,732
	\$ 52,318,419	\$ 52,629,918

Nature and continuance of operations (Note 1)

On behalf of the Board on August 25, 2026:

"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 June 30,		Six months ended June 30,	
	2026	2025	2026	2025
EXPENSES				
Consulting	\$ -	\$ 1,688	\$ 9,059	\$ 114,305
Depreciation	1,094	5,846	1,094	16,224
Investor relations	2,780	3,942	9,171	10,164
Office and general	44,320	29,540	76,696	54,249
Professional fees	33,023	297,984	93,643	957,687
Project evaluation (Note 10)	47,904	24,197	53,940	63,735
Regulatory and transfer agent fees	18,611	21,091	49,358	39,009
Salaries and benefits (Note 10)	195,007	164,486	403,549	606,799
Share-based compensation (Note 8 and 10)	85,489	77,371	164,912	115,377
Travel	7,106	4,147	15,888	53,365
	(435,334)	(630,292)	(877,310)	(2,030,914)
OTHER INCOME (EXPENSES)				
Transaction fee (Note 3)	-	-	-	1,443,775
Operator's fees and reimbursable expenses (Note 6)	274,203	165,785	437,371	165,785
Foreign exchange gain (loss)	101,543	(53,264)	7,310	(80,824)
Finance costs	(45,712)	(15,738)	(91,151)	(17,634)
Interest income	145,537	49,017	292,275	54,371
Other income	711	1,606	1,684	2,508
Total other income	476,282	147,406	647,489	1,567,981
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	40,948	(482,886)	(229,821)	(462,933)
Income (Loss) and comprehensive income (loss) attributable to:				
Owners of the Company	46,688	(489,644)	(200,948)	(467,795)
Non-controlling interest	(5,740)	6,758	(28,873)	4,862
	\$ 40,948	\$ (482,886)	\$ (229,821)	\$ (462,933)
Income (Loss) per common share				
-Basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding				
-Basic and diluted	204,532,857	197,219,595	204,532,857	197,202,578

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)

	<u>Share capital</u>						
	Number of common shares	Amount	Reserves	Non-controlling interest	Deficit	Total	
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	-	-	146,975	-	-	146,975	
Change in net assets of Tintyava Exploration AD	-	-	-	34,576	-	34,576	
Loss and comprehensive loss	-	-	-	4,862	(467,795)	(462,933)	
Balance, June 30, 2025	197,219,595	\$ 44,739,708	\$ 2,935,973	\$ 4,827,450	\$ (25,307,499)	\$ 27,195,632	
Balance, December 31, 2025	204,532,857	\$ 46,056,095	\$ 3,071,222	\$ 4,740,651	\$ (27,044,236)	\$ 26,823,732	
Share-based compensation	-	-	203,669	-	-	203,669	
Loss and comprehensive loss	-	-	-	(28,873)	(200,948)	(229,821)	
Balance, June 30, 2026	204,532,857	\$ 46,056,095	\$ 3,274,891	\$ 4,711,778	\$ (27,245,184)	\$ 26,797,580	

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)

	Six months ended June 30,	
	2026	2025
		(note 2)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (229,821)	\$ (462,933)
Adjustments for:		
Depreciation	1,094	16,224
Foreign exchange gain	(989)	10,020
Share-based compensation	164,912	115,377
Lease receivable interest	-	(3,293)
Lease liability interest	167	2,400
Interest income	(292,275)	(54,371)
Changes in non-cash working capital items:		
Receivables	91,993	(90,175)
Prepaid expenses and deposits	(30,803)	(17,259)
Advances from partner	(315,827)	(54,274)
Deposit for sale of assets	-	22,510,950
Trade and other payables	(189,577)	186,034
Income tax payable	-	(272,279)
Net cash (used in) provided by operating activities	(801,126)	21,886,421
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of common shares	-	4,400
Lease proceeds	-	50,897
Lease payments	(1,137)	(49,103)
Non-controlling interest – equity contributions	-	34,576
Net cash (used in) provided by financing activities	(1,137)	40,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	-	(22,510,950)
Acquisition of property and equipment	(8,627)	(13,723)
Advances from partner	701,864	210,581
Exploration and evaluation assets	(1,552,097)	(524,225)
Interest received	292,275	4,241
Net cash used in investing activities	(566,585)	(22,834,076)
Change in cash and cash equivalents during the period	(1,368,848)	(906,855)
Cash and cash equivalents, beginning of the period	3,037,016	1,234,460
Cash and cash equivalents, end of the period	\$ 1,668,168	\$ 327,575
Cash	\$ 1,639,418	\$ 298,825
Cash equivalents	28,750	28,750
	\$ 1,668,168	\$ 327,575

Supplemental disclosure with respect to cash flows (Note 11)

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 six months ended June 30, 2026 and 2025

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 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 Southeastern Europe.

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 a 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 4). 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 June 30, 2026, the Company had working capital deficit of \$14,659 (December 31, 2025 – working capital of \$297,410), and an accumulated deficit of \$27,245,184 (December 31, 2025 - \$27,044,236).

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 condensed interim 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 condensed interim 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 six months ended June 30, 2026 and 2025

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 August 25, 2026.

Basis of presentation

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.

Certain comparative figures in the condensed interim consolidated statement of cash flows have been reclassified in respect of restricted cash and the deposit on the sale of assets to conform with the current period's presentation. These reclassifications had no effect on the Company's previously reported net loss, comprehensive loss or financial position.

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 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.

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.

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

Foreign currency transactions

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, *"The Effects of Changes in Foreign Exchange Rates"* ("IAS 21"). The functional currency of the Company and its subsidiaries is the Canadian dollar.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the entity at rates of exchange prevailing on the dates of the transactions.

At each financial position reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

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, 2025 and 2024.

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

IFRS 7 and 9

The Company adopted amendments to IFRS 7 and IFRS 9 effective January 1, 2026. These amendments clarify requirements related to derecognition of financial liabilities, assessment of contractual cash flow characteristics, and introduce additional disclosure requirements. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

There have been no material changes to the Company's assessment of new standards and interpretations issued but not yet effective as disclosed in the annual consolidated financial statements for the year ended December 31, 2025. The Company continues to evaluate the impact of IFRS 18 on its consolidated financial statements.

Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgements and assumptions that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

The information about significant areas of judgement and estimation uncertainty considered by management in preparing these consolidated financial statements is as follows:

Going concern

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in Note 1.

2. BASIS OF PREPARATION (cont'd...)**Critical accounting estimates and judgements (cont'd...)***Income taxes*

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, profit or loss and cash flows.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value will be recoverable. Recoverability is dependent on various factors, including the discovery of economically viable reserves, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to net loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option/warrant. Changes in these input assumptions can significantly affect the fair value estimate.

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 4); 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.

⁽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 six months ended June 30, 2026 and 2025

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

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 transaction fee of \$1,443,775 (US\$1,000,000) upon execution of the Definitive Agreement in 2025.

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.

Pursuant to the funding and technical services agreement, Türker Mining have been providing advances to the Company to fund operational activities relating to the Subject Assets pursuant to the Definitive Agreement. These advances are applied against exploration and evaluation expenditures and reimbursable expenses as incurred. As at June 30, 2026, advances of \$0.6 million remained outstanding and are presented within advances from partner for exploration on the condensed interim consolidated statement of financial position.

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. RESTRICTED CASH

At June 30, 2026, restricted cash of \$ 23,446,500 (US\$ 16,500,000) is held in connection with a standby letter of credit of US\$16,500,000 million issued to Gorubso (December 31, 2025 – \$22,614,900 (USD 16,500,000)). 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.

The Company pays monthly fees in respect of the standby letter of credit and earns interest on the restricted cash held at a reputable Canadian financial institution. Interest earned on the restricted cash is available to the Company for working capital purposes. During the three and six months ended June 30, 2026, the Company incurred letter of credit fees of \$45,712 and \$91,151 respectively (three- and six-months for months ended June 30, 2025 - \$17,634). During the three and six months ended June 30, 2026, the Company earned interest on restricted cash of \$145,537 and \$292,275 respectively (three and six months ended June 30, 2025 - \$54,371).

In addition, restricted cash of \$148,460 (December 31, 2025 – 147,438) relates to bank guarantees issued to the Ministry of Energy and Resources of Bulgaria in support of the exploration programs on the Iglika and Dangovo projects.

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

(Expressed in Canadian dollars)

For the three and six months ended June 30, 2026 and 2025

5. RECEIVABLES

	June 30, 2026	December 31, 2025
Receivable and other	\$ 897	\$ 4,410
Taxes receivable	145,388	233,868
Total	\$ 146,285	\$ 238,278

As at June 30, 2026, the Company's taxes receivable relates to operations in Bulgaria and Canada. All of the amounts are current and receivable within 90 days.

6. PARTNER FUNDED EXPLORATION

Operator's fees and reimbursable expenses during the three and six months ended June 30, 2026 and 2025 are in connection with the funding and services agreement with Türker Mining (Note 3).

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.

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 June 30, 2026, 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.

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

(Expressed in Canadian dollars)

For the three and six months ended June 30, 2026 and 2025

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**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 June 30, 2026, the joint venture entity had not been formed.

d) Iglika 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 Iglika gold-copper property (“Iglika”) 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.

e) Zlatusha Property – Bulgaria

The Company had entered into an option agreement with Zelenrok EOOD, a subsidiary of Raiden Resources Limited (“Raiden”), to acquire up to a 75% interest in the Zlatusha copper-gold property in Bulgaria through a staged earn-in structure. The agreement, initially executed in January 2023 and subsequently amended, provided the Company with the right to earn an initial 51% interest, followed by an additional 24% interest, subject to cash or share payments, exploration expenditures, and the completion of technical milestones. In May 2024, the agreement was amended to defer all spending and payment obligations until the underlying exploration license was extended and necessary regulatory and social approvals were obtained.

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, leading to an impairment write-down in 2025 of \$975,891 in accordance with Level 3 of the fair value hierarchy.

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

On September 16, 2024, the Company 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 (USD)
Within 5 business days of the TSXV acceptance	25,000 (paid)
Upon signing of definitive agreement (January 30, 2026)	75,000 (paid)
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.

On January 30, 2026, the Company and the Vendor entered into a definitive agreement for the Toledo property on terms substantially consistent with those of the binding letter agreement and paid USD 75,000 to the Vendor.

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.

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

	Tintyava	Nadezhda& Dangovo	Momchil	Iglika	Toledo	Miriofito	Total
	\$	\$	\$	\$	\$	\$	\$
Acquisition costs							
Balance, December 31, 2025	2,139,919	110,493	42,081	52,820	112,006	-	2,457,319
Option payments	-	-	-	-	102,180	-	102,180
Legal and claim fees	-	-	-	-	2,210	-	2,210
Additions for the period	-	-	-	-	104,390	-	104,390
Funded by advances from partner (Note 3)	-	-	-	-	(102,180)	-	(102,180)
Balance, June 30, 2026	2,139,919	110,493	42,081	52,820	114,216	-	2,459,529
Exploration and evaluation							
Balance, December 31, 2025	15,516,232	697,692	5,495,378	2,236,753	-	43,647	23,989,702
Community relations	61,934	-	-	964	-	-	62,898
Drilling and assays	2,254	-	-	472,731	-	-	474,985
Metallurgy, engineering, environmental studies	157,937	-	-	-	-	-	157,937
Field and vehicles	175,804	4,452	-	66,012	-	9,772	256,040
Geological	151,659	2,944	-	27,531	-	61,035	243,169
Geochemistry	3,777	-	-	11,760	-	32,722	48,259
Geophysics	-	-	-	8,572	-	19,339	27,911
Salaries	293,478	17,567	-	183,612	-	28,501	523,158
Share-based compensation	21,467	1,076	-	9,842	-	6,372	38,757
Additions for the period	868,310	26,039	-	781,024	-	157,741	1,833,114
Funded by advances from partner (Note 3)	(743,001)	(23,266)	-	(762,483)	-	-	(1,528,750)
Balance, June 30, 2026	15,641,541	700,465	5,495,378	2,255,294	-	201,388	24,294,066
Total, June 30, 2026	17,781,460	810,958	5,537,459	2,308,114	114,216	201,388	26,753,595

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

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

	Tintyava	Nadezhda & Dangovo	Momchil	Iglika	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	113	161	-	25,033	-	78,246	-	103,553
Balance, December 31, 2025	2,139,919	110,493	42,081	52,820	270,019	112,006	-	2,727,338
<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	58,877	-	-	-	-	-	-	58,877
Drilling and assays	1,654,743	41,776	-	-	-	-	-	1,696,519
Metallurgy, engineering, environmental studies	123,018	-	-	-	-	-	-	123,018
Field and vehicles	391,670	5,001	628	14,468	-	-	-	411,767
Geological	323,517	11,004	-	14,732	-	-	10,313	359,566
Geochemistry	40,484	-	-	-	-	-	29,078	69,562
Salaries	723,066	35,275	7,101	41,091	-	-	-	806,533
Share-based compensation	53,653	-	-	3,834	-	-	4,256	61,743
Additions for the year	3,369,028	93,056	7,729	74,125	-	-	43,647	3,587,585
Balance, December 31, 2025	18,479,410	789,015	5,503,107	2,300,268	705,872	-	43,647	27,821,319
Funded by advances from partner (Note 3)	(2,963,178)	(91,323)	(7,729)	(63,515)	-	-	-	(3,125,745)
Impairment	-	-	-	-	(975,891)	-	-	(975,891)
Total at December 31, 2025	17,656,151	808,185	5,537,459	2,289,573	-	112,006	43,647	26,447,021

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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*Six months ended June 30, 2026

There were no share issuances during the six months ended June 30, 2026.

Six months ended June 30, 2025*Shares issued for options exercise*

During the three months ended March 31, 2025, the Company issued 40,000 common shares pursuant to the exercise of 40,000 stock options for gross proceeds of \$4,400. The Company recorded a transfer in the amount of \$2,706 from equity reserves to share capital upon the options exercise.

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, 2024	9,596,000	\$ 0.28
Granted	3,565,000	0.17
Exercised	(40,000)	0.11
Expired	(790,000)	0.48
Forfeited	(315,000)	0.19
As at December 31, 2025	14,694,000	\$ 0.20
Granted	3,665,000	0.18
Expired	(1,134,000)	0.45
Number of options outstanding June 30, 2026	17,225,000	\$ 0.18
Number of options exercisable, June 30, 2026	9,971,650	\$ 0.19

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

As at June 30, 2026, 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
2,990,000	\$0.30	2,990,000	May 31, 2027	0.9
200,000	\$0.25	200,000	August 16, 2027	1.1
3,050,000	\$0.16	3,050,000	June 22, 2028	2.0
300,000	\$0.13	249,000	October 2, 2028	2.3
3,175,000	\$0.11	2,108,200	January 10, 2029	2.5
280,000	\$0.10	186,592	May 9, 2029	2.9
3,565,000	\$0.17	1,187,858	March 13, 2030	2.7
3,665,000	\$0.18	-	January 21, 2031	4.6
17,225,000		9,971,650		2.6

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted during the three and six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026	2025
Expected life of options (years)	4.0	4.0
Annualized volatility	63%	64%
Dividend rate	-	-
Risk-free rate	2.89%	2.65%
Weighted average fair value per option granted	\$ 0.09	\$ 0.09
Weighted average exercise price per option granted	\$ 0.18	\$ 0.17

During the three and six months ended June 30, 2026 and 2025, the Company recognized share-based compensation as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Share-based compensation:				
Included in statement of loss and comprehensive loss	\$ 85,489	\$ 77,371	\$ 164,912	\$ 115,377
Included in exploration and evaluation assets	19,915	19,392	38,757	31,598
Total share-based compensation expense	\$ 105,404	\$ 96,763	\$ 203,669	\$ 146,975

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

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

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2024	7,443,262	\$ 0.18
Expired	(130,000)	0.18
Exercised	(7,313,262)	0.18
As at December 31, 2025 and June 30, 2026	-	\$ -

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 six months ended June 30, 2026 and 2025 and as at June 30, 2026 and December 31, 2025, 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 June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Total income and comprehensive income	\$ 22,750	\$ 22,528	\$ (96,242)	\$ 16,206
Total income and comprehensive income allocated to NCI	6,825	6,758	(28,873)	4,862

	June 30, 2026	December 31, 2025
Current assets	\$ 491,682	\$ 1,046,323
Non-current assets	20,223,514	19,453,395
Current liabilities	(121,046)	(165,902)
Non-current liabilities	(4,888,223)	(4,531,647)
Net assets	15,705,927	15,802,169
Net assets attributable to NCI	\$ 4,711,778	\$ 4,740,651

During the six months ended June 30, 2026, the NCI partner made contributions of \$nil (six months ended June 30, 2025 - \$34,576) in cash to the capital of Tintyava.

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10. RELATED PARTY TRANSACTIONS

Key management personnel 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. Key management personnel compensation for the three and six months ended June 30, 2026 and 2025 was as follows:

<i>Key management compensation</i>	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Short-term benefits paid or accrued:				
Consulting fees	\$ 67,941	\$ 69,274	\$ 135,882	\$ 235,883
Salaries and directors' fees	136,838	123,770	273,676	487,779
	204,779	193,044	409,558	723,662
Share-based compensation:				
Share-based compensation	74,593	68,492	144,321	102,803
Total remuneration	\$ 279,372	\$ 261,536	\$ 553,879	\$ 826,465

Consulting fees of \$58,882 and \$115,499 are included in exploration and evaluation assets for the three and six months ended June 30, 2026, respectively (2025 - \$51,992 and \$105,279), and \$9,059 and \$11,324 are included in project evaluation costs for the three and six months ended June 30, 2026 respectively (2025 - \$17,282 and \$30,604).

As at June 30, 2026, \$763,779 due to key management personnel has been accrued and included in trade and other payables (December 31, 2024 - \$760,000).

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Six months ended June 30,	
	2026	2025
Acquisition of right-of-use asset	\$ -	\$ (2,641)
Depreciation capitalized to exploration and evaluation assets	28,190	11,679
Change in receivables, related to exploration and evaluation assets	-	(419,528)
Change in trade and other payables included in exploration and evaluation assets	318,460	409,921
Share-based compensation included in exploration and evaluation assets	38,757	31,598
Standby letter of credit fees paid (note 4)	(91,151)	-
Interest received	292,275	4,241
Income taxes paid	-	(272,279)

12. 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, trade and other payables, and advances from partner for exploration.

As at June 30, 2026, the carrying values of receivables, trade and other payables, and advances for exploration approximate their fair values due to their short terms to maturity. The Company's cash and cash equivalents 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 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. Management believes that the credit risk concentration with respect to receivables is equal to its carrying value. Receivables comprises amounts due from the Government of Canada and Bulgaria. As of June 30, 2026, the Company's exposure to credit risk in Canada and Bulgaria is minimal.

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 June 30, 2026, the Company had a cash and cash equivalents balance of \$1,668,168 (December 31, 2025 - \$3,037,016) and receivables of \$146,285 (December 31, 2025 - \$238,278) to settle trade and other payables, advances for exploration, and current lease liabilities of \$2,074,339 (December 31, 2025 - \$3,191,286). All of the Company's trade and other payables are subject to normal trade terms, with the exception of a \$740,000 accrual payable to key management personnel (December 31, 2025 - \$740,000), which is payable upon removal of the restrictions on the cash from the first transaction deposit.

As of June 30, 2026, the Company had a restricted cash balance of \$23,446,500 (US\$ 16,500,000 (Note 4)(December 31, 2025-\$22,614,900 (USD 16,500,000)), 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 \$148,460 (December 31, 2025 - \$147,438) in connection with bank guarantees for exploration programs (Note 4).

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. The Company's access to financing is always uncertain. There can be no assurance of continued access to funding. The Company will seek to complete further equity financing to continue its programs on its exploration and evaluation assets.

12. FINANCIAL RISK MANAGEMENT (cont'd ...)

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 risks 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 or Euro. As at June 30, 2026, the Company had cash funds denominated in the United States dollars and the Euro. A 10% fluctuation between the Canadian dollar against these foreign currencies, would result in \$65,300 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.

13. 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 six months ended June 30, 2026.

14. SEGMENT INFORMATION

As at June 30, 2026, all of the Company's long – term assets are in Bulgaria, except for an exploration and evaluation asset with a carrying balance of \$201,388 (December 31, 2025- \$43,647) in respect to the Miriofito property in Greece (Note 7(g)).