



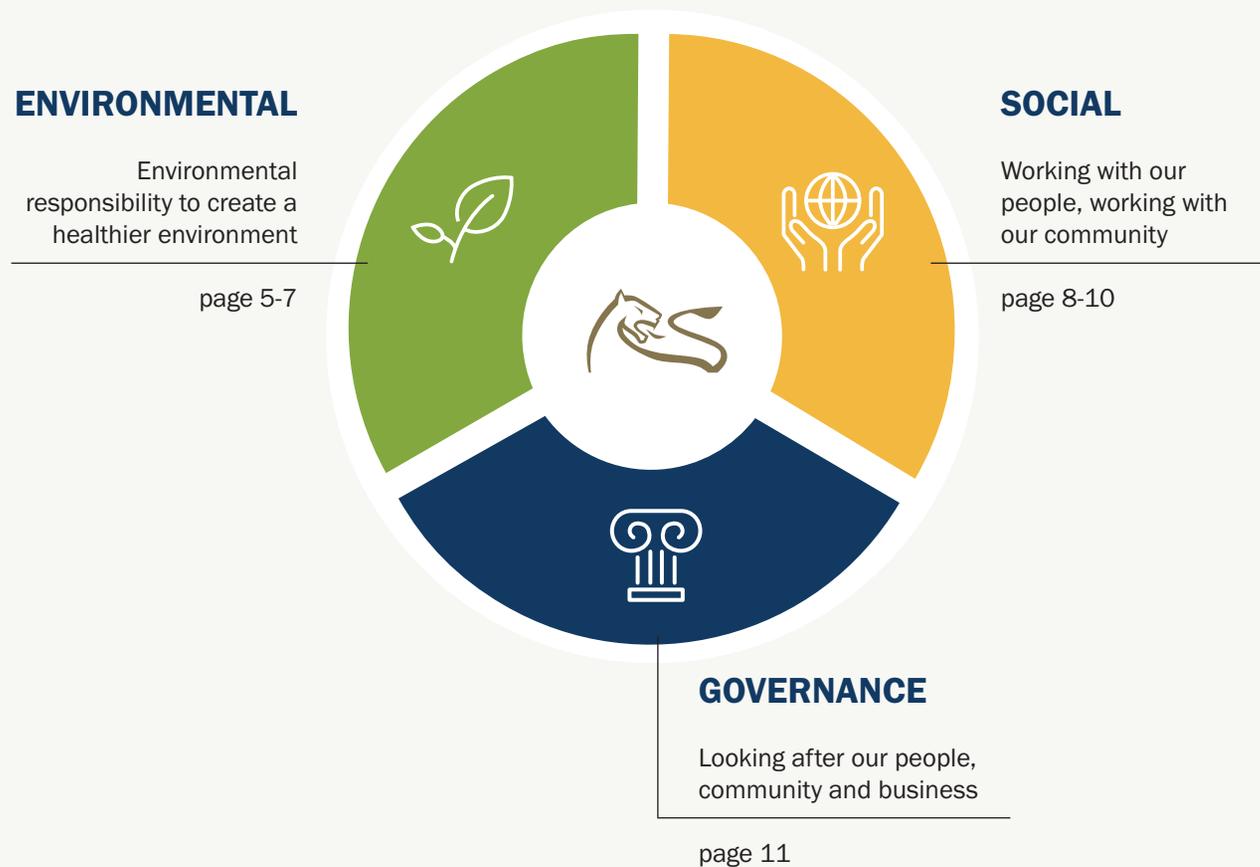
2021 ESG REPORT



OUR COMMITMENT TO EXPLORE SUSTAINABLY

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

We incorporate environmental, social and governance (ESG) matters into our exploration and development activities in Bulgaria.



MESSAGE FROM THE CEO

I am proud to present Velocity's 2021 Environmental, Social and Governance Report – our second annual ESG Report. The 2021 ESG Report reflects the Company's ongoing commitment to contribute to a sustainable exploration and mining industry where we work in Bulgaria.

Our leadership is focused on sustainable exploration and development. We are a team of multi-taskers. We use our skills to define and ultimately extract mineral resources at our projects. We also apply other critical skills to ensure the environment is always protected, and our people and community continue to thrive.

In the 2021 ESG report we maintain our focus on reducing emissions, protecting diversity, as well as the safety and training of our people.

The 2021 report has been expanded to include, among many activities, volunteering at Earth Day, establishing bees at our project, providing healthcare to employees and receiving international standards certification.

We welcome feedback so please let us know what you think.

Keith Henderson
President & CEO



VELOCITY IN BULGARIA

Velocity is Canadian exploration and development company focused on southeastern Bulgaria. Velocity's strategy is to develop a low cost centralized "Hub and Spoke" operation whereby multiple projects within this emerging district produce concentrates for trucking to a central processing plant for production of doré.

Velocity's management and board includes mining industry professionals with combined experience spanning Europe, Asia, and the Americas as employees of major mining companies as well as founders and senior executives of junior to mid-tier public companies. The team's experience includes all aspects of mineral exploration, resource definition, feasibility, finance, mine construction and mine operation as well as a track record in managing publicly listed companies.



ENVIRONMENTAL

We conduct our exploration activities while minimizing the environmental impact of our activities.

Parallel activities focus on protecting biodiversity and creating opportunities to create a healthier environment.

Accomplishments in 2021

-  Participated in Earth Day and World Cleanup Day
-  Installed 100 beehives on our Rozino site
-  Acquired ISO 14001:2015 certification - Environmental Management Systems

Participating in Earth Day and World Cleanup Day

Velocity participated in Earth Day activities in April 2021 by helping clean up the village of Gugutka in the Rhodope mountains near the town of Ivaylovgrad. More than 100 bags of plastic, glass and metal were collected by participants from Velocity with help from local residents, hunters, foresters and municipal officials. Participation was supported by the Deputy Mayors of Gugutka and Byal Gradets villages.

The initiative was also registered with World Cleanup Day held on September 18, 2021.

“It was a joint effort in the ‘little’ village of Gugutka to help contribute to the successes of the ‘big’ World Cleanup Day,” stated a geologist from the Company. “We made a positive impact in an urban centre where we live, work and spend our leisure time.”



DID YOU KNOW?



EARTH DAY

On April 20-22, 2021, the world came together for three days of climate action to Restore Our Earth™. EARTHDAY.ORG's theme for Earth Day 2021 was Restore Our Earth, which focused on natural processes, emerging green technologies, and innovative thinking that can restore the world's ecosystems.



WORLD CLEANUP DAY

A new record was set at the fourth World Cleanup Day held on September 18, 2021 - over 190 countries and territories participated.

The 24-hour green wave of cleanups, socially distanced and safe, was stretched across the planet beginning in Fiji and ending in Hawaii.



Bees at Rozino Co-exist With Exploration Activities

During 2021, the Company installed 100 beehives in two locations adjacent to the Rozino deposit. Honey bees are highly sensitive to their environment and their co-existence with our exploration activities is consistent with our light environmental footprint. In 2022, with help from the local community, we expect to harvest the first Rozino organic honey.



ISO 14001:2015 Certification – Environmental Management Systems

ISO 14001:2015 is an international standard developed by the International Organization for Standardization (ISO). It specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. ISO 14001:2015 is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.



DID YOU KNOW?

ISO

ISO, International Organization for Standardization, is an independent, non-governmental international organization with a membership of 167 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

[iso.org](https://www.iso.org)





Emissions from Exploration Activities

We are committed to reducing Green House Gas (GHG) emissions from exploration activities.



0.0438 CO₂

equivalent per hour (t/h) in 2021
2020: 0.0470

Protecting Biodiversity

We rehabilitate the land disturbed by exploration drilling. Full rehabilitation of all drill sites includes mechanical recontouring and installation of measures to limit soil losses through surface water run-off. Biological reclamation involves restoring the native grass and tree cover.



1,900

tree saplings were planted in 2021
2020: 3,500





SOCIAL

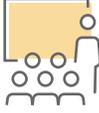
We treat our people with respect and encourage professional and personal growth in a safe workplace.

We inspire our employees to not only improve themselves but to also identify opportunities for the Company to enhance the local and larger communities where they work, live and play.

Our People in 2021

33
workers employed
2020: 53

62
indirect workers in Bulgaria
2020: 129



6,000+
hours of training
completed in Bulgaria
2020: 6,000+

97%
of our workers are Bulgarian
2020: 90%



21%
of our workers are women
2020: 19%

Training Completed in Bulgaria 2021

-  Health and Safety
-  Off-road driving
-  Defensive driving
-  Exploration, mining and geology software
-  First-aid
-  Community relations
-  Environmental protection studies at the University of Forestry Sofia



Safety Performance in Bulgaria in 2021



47,368

Employee hours worked
2020: 49,036

41,279

Contractor hours worked
2020: 71,544

88,647

Total hours worked
2020: 120,580

1

Non-lost time incidents
2020: 0

0

Lost time incidents
2020: 1

0

Lost time incident frequency rate
2020: 1.17

Accomplishments in 2021



Provided extended healthcare to all workers in Bulgaria



Supported national services and local cultural events



Expanded recycling program to include collection of aluminum cans



Provided construction materials for village harbour



Acquired ISO 45001:2018 certification
- Occupational Health and Safety Management Systems

Responses to COVID-19 in 2021

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

ISO 45001:2018 Certification – Occupational Health and Safety Management Systems

ISO 45001:2018 is an international standard developed by the International Organization for Standardization (ISO). It specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.





Supporting Mountain Rescue Service

After workers completed off-road driving training provided by the Mountain Rescue Service (MRS) of the Bulgarian Red Cross (BRC), the Company donated modern winches for two of the MRS' offroad vehicles, to help reduce rescue times.

DID YOU KNOW?

MOUNTAIN RESCUE SERVICE

The Mountain Rescue Service was created in November 1933 by members of the Bulgarian Alpine Club, the Bulgarian Mountaineering Union, the Youth Mountaineering Union and the Sofia Ski Club. Today the MRS is an important unit in the Bulgarian Red Cross aimed at reducing the number of accidents in the mountains. Over 540 volunteers, 32 rescue teams and 23 trained dogs work with the MRS.

540
volunteers

32
rescue teams

Supporting Thracian Child Day

The Company donated gardening equipment to help maintain the important Day of the Thracian Child memorial site.

DID YOU KNOW?

DAY OF THE THRACIAN CHILD MEMORIAL

In 1996 a memorial was erected in the Ilieva Niva area located on the outskirts of the village of Glumovo in the municipality of Ivaylovgrad. The memorial commemorates the more than 40,000 Bulgarian refugees and their children who perished during the Balkan War of 1913. The memorial is visited every year on June 1st, Children's Day, and the Day of the Thracian Child festival is held.

Photo - Ilieva Niva Thracian Memorial, village of Glumovo.



Collecting Aluminum Cans

As part of World Cleanup Day in September 2021, the Company expanded its recycling program and began an initiative to collect aluminum cans in the village of Gugutka. An oil drum was converted into a collection container and placed next to a local shop.

The recycling of aluminum cans expanded the Company's 2020 initiative to recycle plastic and paper in Ivaylovgrad. Thousands of plastic bottles are collected in recycling bins built by the Company and paper packaging is collected from local shops.

200kg
of aluminum recycled in 2021

4,170kg
of plastic and paper recycled in 2021
2020: 230kg



GOVERNANCE

Our corporate governance policies set the foundation for success of our people, community, and business.

Corporate Governance Policies Adopted in 2021

- ✓ Audit Committee Charter
- ✓ Code of Business Conduct and Ethics
- ✓ Whistleblower Policy
- ✓ Anti-Corruption Policy
- ✓ Insider Trading Policy
- ✓ Corporate Disclosure Policy

Employees were provided training on corporate governance policies.

Board Committees in 2021

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

ISO 9001:2015 Certification – Quality Management Systems

ISO 9001:2015 is an international standard developed by the International Organization for Standardization (ISO). It lays down the Quality Management System requirements of an organization. ISO 9001 is used by organizations to demonstrate their capacity to present consistently products and services meeting client and regulatory requirements. It is the most popular ISO standard for which any organization, large or small, and regardless of its area of operations, may be certified.





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Photo: Reforestation at Rozino with planting of native tree saplings

