



# Exploration In Bulgaria

TSX-V: VLC  
OTCQB: VLCJF  
Frankfurt: VMSP

SEPTEMBER 2022





# Forward Looking & Cautionary Statements

**Forward Looking and Cautionary Statements** This presentation contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and U.S. securities legislation, including the United States *Private Securities Litigation Reform Act of 1995* concerning the business, operations and financial performance and condition of Velocity Minerals Ltd. (the “Company”). All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources and/or reserves on the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as “pro forma”, “plans”, “expects”, “may”, “should”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “potential” or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward looking information. Such risks and other factors include, among others, the ability of the Company to obtain sufficient financing to fund its business activities and plans, operating and technical difficulties in connection with mineral exploration and development and mine development activities for Company's projects generally, including the geological mapping, prospecting and sampling programs for the Company's projects, actual results of exploration activities, including the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital, future prices of precious metals, tantalum and lithium, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under the heading “Risk Factors” in the Company's most recent annual management's discussion and analysis and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward looking information in this presentation or incorporated by reference herein, except as otherwise required by law.

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The SEC has adopted final rules, effective February 25, 2019, to replace SEC Industry Guide 7 with new mining disclosure rules under subpart 1300 of Regulation S-K of the U.S. Securities Act (the “SEC Modernization Rules”). The SEC Modernization Rules replace the historical property disclosure requirements included in SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be substantially similar to international standards. The SEC Modernization Rules will become mandatory for U.S. reporting companies beginning with the first fiscal year commencing on or after January 1, 2021.

**Currency** All amounts in this presentation are expressed in Canadian dollars, unless otherwise stated.

THIS PRESENTATION IS NOT INTENDED AS, AND DOES NOT CONSTITUTE, AN OFFER TO SELL SECURITIES OF THE COMPANY. The TSX Venture Exchange has not reviewed and do not accept responsibility for the accuracy or adequacy of this presentation, which has been prepared by the Company.

## Building a Multi-Asset Gold Production Profile



### 'Hub & Spoke' Development Strategy

Open pit mining of  
satellite deposits and  
processing in a  
central plant



### Bulgarian Partner with Existing Gold Processing Plant

Operating and  
permitting expertise



### Rozino Project Revised Prefeasibility<sup>1</sup> Study

After-tax NPV<sub>5%</sub> of  
\$163 million and  
after-tax IRR of 27.4%  
(Dec 2021)



### Growth Potential

Pipeline of projects and  
project generation  
program



### Sustainability

Commitment to explore  
sustainably



### Two Corporate Shareholders

Dundee Precious Metals  
and Artemis Gold

Notes: All amounts in this presentation are expressed in Canadian dollars, unless otherwise stated.

1) Base case parameters assume a gold price of US\$1,500/ounce and an exchange rate (CAD\$ to US\$) of 0.75. Tintyava Property (Rozino) ownership; 70% Velocity, 30% Gorubso Kardzhali AD. Financial results on 100% equity basis.

## 'Hub & Spoke' Development Strategy

### OPEN PIT MINING OF SATELLITE DEPOSITS & PROCESSING IN A CENTRAL PLANT

Staged open pit mining of satellite deposits

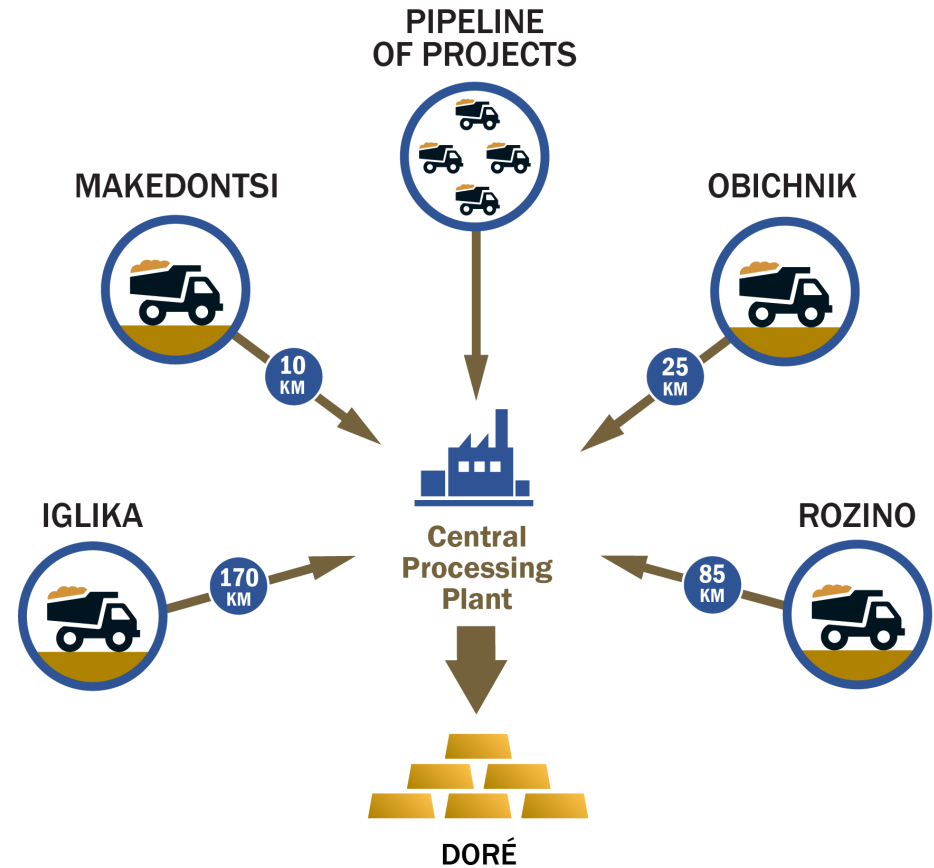
On-site flotation plant to produce concentrate

Trucking of concentrate on existing roads

Further processing in existing off-site processing plant

Gold doré production

EXISTING PROCESSING PLANT  
WITH POTENTIAL TO PRODUCE  
>200,000 OUNCES PER YEAR





## Two Corporate Shareholders

### Dundee Precious Metals (TSX: DPM)

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\$6.7 million Strategic Investment in November 2020

8% ownership in Velocity issued and outstanding shares

Right to one Velocity Board seat upon increasing ownership to 15%

### Mid-tier Gold Producer in Bulgaria

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Operate Ada Tepe open pit mine and Chelopech underground mine

Ada Tepe located 40km by road from Rozino project

Ada Tepe commercial production achieved in June 2019

2021 production: 132,964oz (Annual Report 2021)

2022 guidance: 81,000 – 99,000 oz (Annual Report 2021)

Reserves (P&P): 4.26Mt at 4.8 g/t for 658,000oz (DPM Technical Report Nov 2020)

2026: Last year in production schedule (DPM Technical Report Nov 2020)

### Artemis Gold Inc. (TSXV: ARTG)

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\$13.1 million invested since March 2019

32% ownership in Velocity issued and outstanding shares

### 'Hub & Spoke' Success – Proven Track Record

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Artemis team founded and sold Atlantic Gold Corporation and its low cost 'Hub & Spoke' gold operation in Canada to St. Barbara Limited (ASX:SBM) in July 2019 for over \$800 million

Atlantic recognized many of the key characteristics of its operations in Canada in Velocity's Bulgarian properties

Chris Batalha, CFO of Artemis, is a Velocity Director



# Capital Structure

ISSUED & OUTSTANDING	160,278,919
Warrants	0
Options	7,204,000
FULLY DILUTED (Aug 1, 2022)	167,482,919

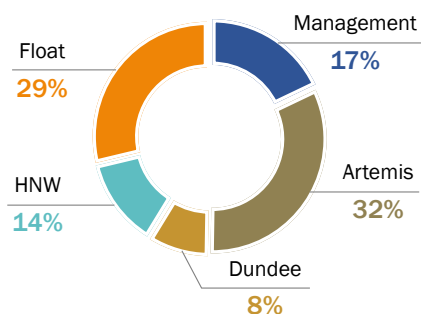
Share Price (Sept 1, 2022)  
**\$0.20**

52 Week High-Low  
**\$0.45 - \$0.18**

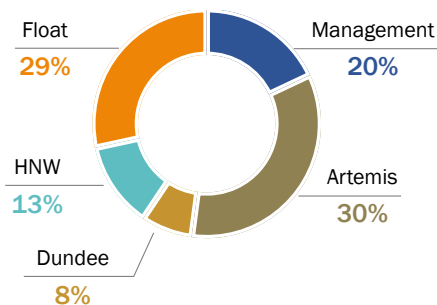
Last Private Placement  
(closed Nov 24, 2020)  
**\$8.9 M**

Market Capitalization  
**\$32 M**

ISSUED & OUTSTANDING



FULLY DILUTED



ANALYST COVERAGE

**BEACON**  
Securities Limited

CAPITAL MARKETS  
**HAYWOOD**

WATCHLIST / NOTES

BMO  Capital Markets

**cg** / Canaccord  
Genuity  
Capital Markets

# Bulgaria – Mining Friendly Jurisdiction

## Mining Investment in Bulgaria

EU member since 2007, member of NATO since 2004

10% corporate tax rate

Tenure of Exploration Permits - 7 years (3+2+2)

Tenure of Mining Concession – Max. 25 years

Mining law established 1999, updated 2011, draft 2020

Mining royalty – negotiated with government (0.8 – 2.5 %) compare favourably to established mining jurisdictions like Canada, Chile and Peru

Experienced mining professionals

Low cost operating environment

Dundee Precious Metals operating two gold mines





## Existing Processing Plant

### Shortened Permitting Timelines

On-site development at Rozino requires permitting for mining, flotation, and storage of benign waste materials

Off-site processing plant permitted and operating

### Capital Cost Efficiencies

Reduces total capital cost requirements for Rozino

### Processing Plant Capacity

Sufficient capacity to process concentrate from Rozino

### Upside Potential

Excess design capacity for potential future development of projects in the region

Velocity aiming to discover and define additional mineralized material at satellite deposits



*Historical Gorubso Base Metal Flotation Plant*



*Modern-Day Gorubso Gold Processing Plant*

# Velocity Projects



Rozino: 70% interest. Obichnik: 70% interest. Makedontsi: 70% interest. Iglika: 100% interest.



Rozino Project – 40km by Road to Ada Tepe Mine



Ada Tepe Mine, Dundee Precious Metals

## Revised Prefeasibility<sup>1</sup> Highlights (December 2021)

After-tax NPV<sub>5%</sub>  
**US\$123 M**

After-tax IRR  
**27.4%**

All-in Sustaining Costs  
**US\$755 per oz.**

Cash Cost  
**US\$699 per oz.**

Total Estimated Capital Cost  
**US\$94.8 M**

Pre-production Capital Cost  
**US\$87.1 M**

Probable Mineral Reserve<sup>1</sup>  
11.8M t @ 1.22 g/t Au, 0.5 COG  
**464,000 oz**

Life of Mine Production  
**368,000 oz.**

Steady State Annual Production  
**59,400 oz.**

Recovery to Doré  
**79.3%**

(1) See Revised Prefeasibility and Mineral Reserve disclosure notes in Appendix.



## ROZINO REVISED PREFEASIBILITY STUDY

# Financial Results and Sensitivities

### Financials

After-tax NPV<sub>5%</sub> of \$163 (US\$123) million an after-tax IRR of 27.4%

### Capital

Total capital costs of US\$94.8 million (incl. 11% contingency)

Pre-production capital costs of US\$87.1 million (incl. 11% contingency)

### Operating Cost

All-in sustaining cost<sup>2</sup> of US\$755 per ounce gold

Cash cost<sup>3</sup> of US\$699 per ounce gold

### Gold Price Base Case

US\$1,500 per ounce gold

### Sensitivities

Most significant sensitivity to gold price, capex and opex

	Sensitivities	After-Tax IRR%	After-Tax NPV <sub>5%</sub> (US\$M)
CAPEX	-25%	46.5%	158
	<b>Base Case</b>	<b>27.4%</b>	<b>123</b>
	+25%	15.3%	77
OPEX	-25%	37.9%	186
	<b>Base Case</b>	<b>27.4%</b>	<b>123</b>
	+25%	13.8%	47
Gold Price	US\$1,125 (-25%)	10.2%	27
	<b>Base Case US\$1,500</b>	<b>27.4%</b>	<b>123</b>
	US\$1,875 (+25%)	41.4%	218

Gold Price	US\$1,125/oz	US\$1,500/oz	US\$1,875/oz	US\$2,250/oz
After-Tax NPV <sub>0</sub> (US\$M)	\$58	<b>\$179</b>	\$301	\$423
After-Tax NPV <sub>5</sub> (US\$M)	\$27	<b>\$123</b>	\$218	\$314
After-Tax NPV <sub>0</sub> (\$M)	CAD \$77	<b>CAD \$239</b>	CAD \$401	CAD \$563
After-Tax NPV <sub>5</sub> (\$M)	CAD \$35	<b>CAD \$163</b>	CAD \$291	CAD \$419
After Tax IRR %	10.2%	<b>27.4%</b>	41.4%	53.5%

#### Notes:

(1) Base case parameters assume a gold price of US\$1,500/ounce and an exchange rate (CAD\$ to US\$) of 0.75. Tintyava Property (Rozino) ownership; 70% Velocity, 30% Gorubso Kardzhali AD.  
Financial results on 100% equity basis.

(2) All-In Sustaining Cost (AISC) is defined as all cash costs related to production costs such as mining, processing, refining, site administration, and NSR royalty to final product (direct and indirect), and mine closure and rehabilitation. Sustaining capital costs related to continuing the business including development and equipment required to sustain production are included. Taxes, working capital, M&A, disposals, and acquisitions as well as new mine development capital costs are excluded.

(3) Cash Costs include production costs such as mining, processing, refining, site administration, and NSR royalty, divided by gold ounces sold to arrive at a cash cost per gold ounce sold.

# Pipeline of Projects and Project Generation Program

## Rozino

Revised prefeasibility returning an after tax IRR of 27.4%

## Obichnik

Resource estimate

## Makedontsi - Dangovo

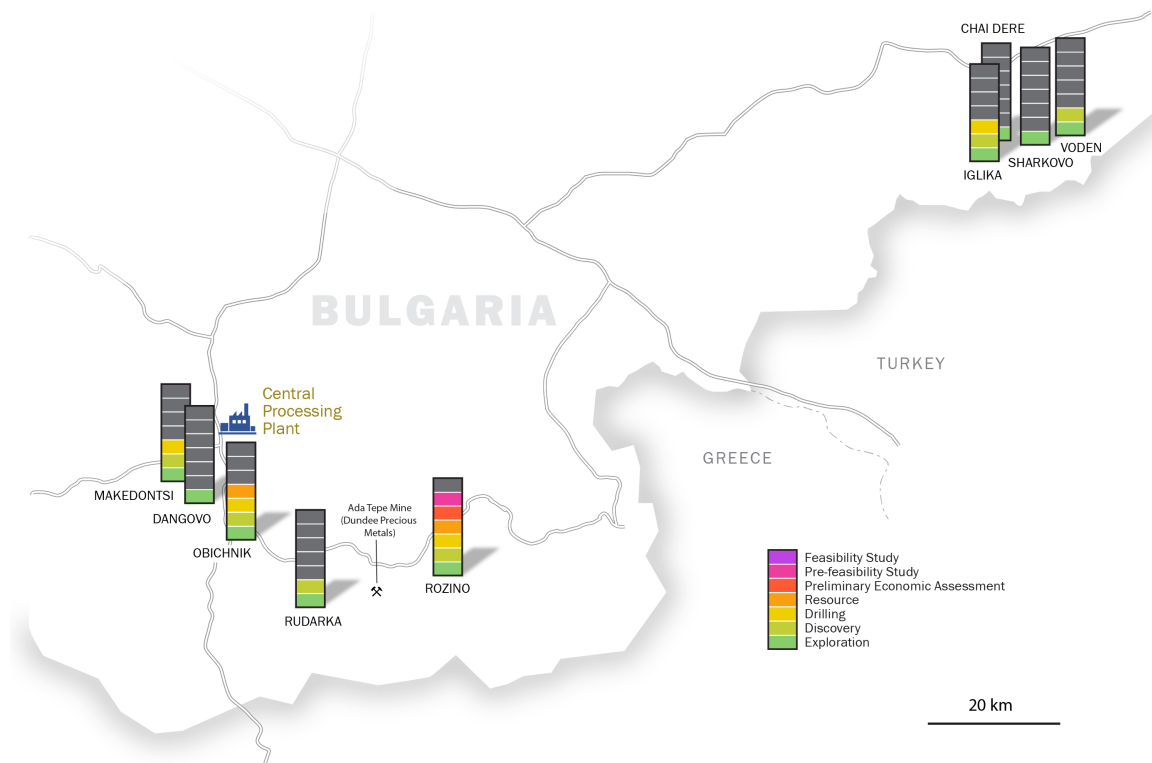
Mineralization intersected below thin limestone cover

## Iglik

Drill program in prospective mineral belt

## Project Generation and Applications

Throughout southern & central Bulgaria



**BUILDING A MULTI-ASSET PRODUCTION PROFILE**

## EXPLORATION ROZINO

# Potential for Resource Expansion

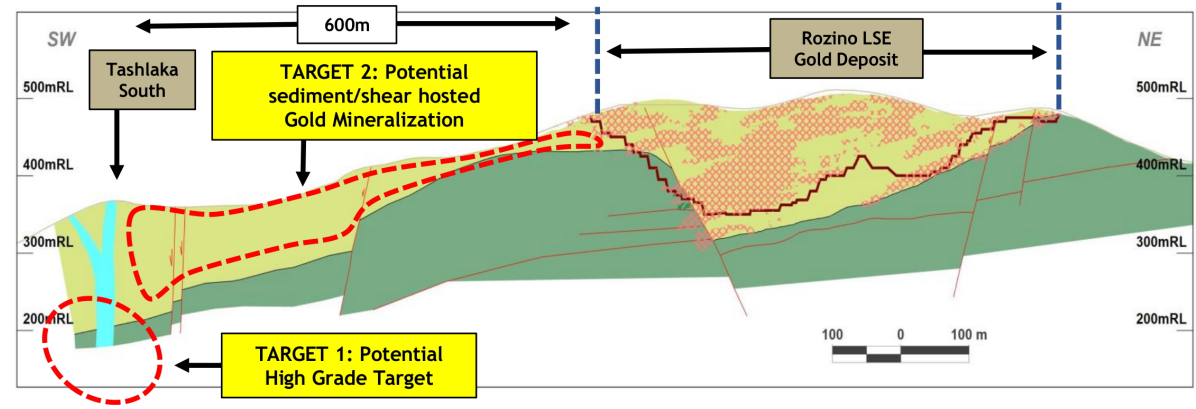
### Rozino Exploration

Benefiting from extensive existing data, the Rozino deposit and exploration upside has been under review.

Two exploration targets identified:

1. Tashlaka South, potential high-grade underground mineralization. Historical mapping and drilling discovered low-grade gold mineralization at top of system. Lower, potentially higher-grade portions of system never tested by drilling.
2. Rozino South, potential Rozino-grade mineralization within package of Rozino-host-rock untested by drilling. Potential for near-surface gold mineralization.

An initial program of 1,400m drilling is planned.



*Section through the Rozino gold deposit showing the location of untested drill targets to the south, including potential high-grade at Tashlaka South.*



## Potential for Historical Resource Expansion

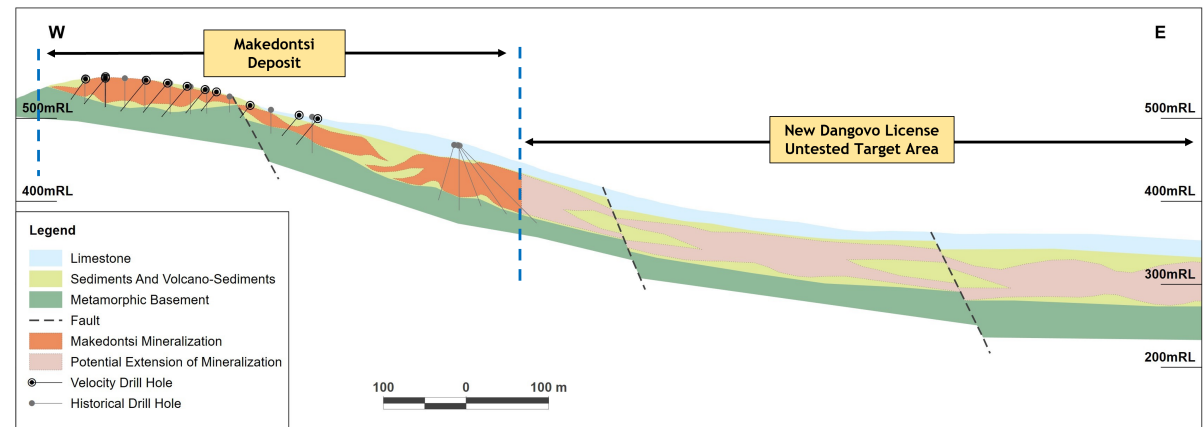
### Drill-Testing New Dangovo License

Dangovo prospecting license is issued, and work program and drilling permitted as of Q3 2022.

The contiguous Makedontsi deposit is a historical epithermal gold deposit where mineralization outcrops at surface.

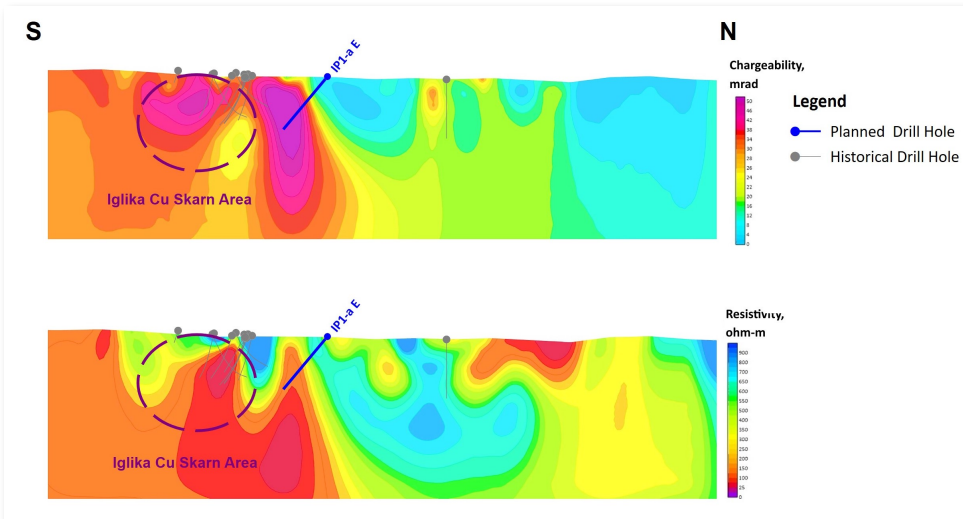
Acquisition of the Dangovo license allows the potential extension of this mineralization to be tested to the east, where Velocity's geophysical surveys indicate the potential for structures controlling gold mineralization.

An initial program of 2,000m drilling is planned.



*Section through the historical Makedontsi gold deposit and the neighbouring Dangovo exploration license, highlighting the potential for additional disseminated mineralization.*

## Drill-Ready Targets at Igluka Gold – Copper Project



*Geophysical sections showing chargeability and resistivity responses at the historical Igluka Skarn and untested geophysical targets to the north.*

### High-Priority Geophysical Targets

The Igluka prospecting licence is large, exceeding 100km<sup>2</sup>.

Velocity has completed extensive geological mapping, geochemical sampling of rocks and soil, as well as extensive magnetic and induced polarization geophysical surveying.

This multi-disciplined approach to exploring a greenfield property has resulted in multiple high-quality drill targets.

Velocity intends to test two higher-priority geophysical targets, beginning with untested geophysical anomalies close to the historical Igluka copper skarn.

# Management & Board

## CHRIS BATALHA | Director

Certified Professional Accountant with over a decade of experience in accounting, finance, corporate governance, tax, budgeting and M&A with a number of mining exploration and development companies

Currently CFO of Artemis Gold and CFO of Oceanic Iron Ore Corp.

Holds CPA and CA designations and a Bachelor of Commerce Degree from the University of British Columbia

## MARK CRUISE | Director

Career in mineral exploration and mine development spans 25 years

Previously CEO at New Pacific Metals Corp

Former CEO and Co-founder at Trevali Mining where he built the 10th largest global zinc producer attaining a +\$1B market capitalization under his stewardship

Formerly roles with Anglo American, Pasminco and various junior TSX-listed companies

## MIKE HOFFMAN | Director

35 years of practice in the mining industry, including engineering, mine operations, corporate development, contracting and construction

Various engineering and mine operating position in northern Canada and South America

Currently Chair and director of 1911 Gold and director at Eastman Resources. Former Chair of Trevali Mining

Professional engineer in province of Ontario. Member Institute of Corporate Directors

## KEITH HENDERSON | CEO, Director

25 years global experience in large range of commodities. BSc (Hons) and MSc Geology

CEO at Latin Metals (TSX-V: LMS) prospect generator in South America. Former CEO Dorato Resources.

Previously VP Exploration at Cardero Resource Corp. with critical role in sale of iron deposit for \$100M cash and various other acquisitions and dispositions

Former Senior Geologist at Anglo American

## DANIEL MARINOV | VP Operations, Director

Previously VP Exploration at Trevali Mining

At Anglo American, Project Manager for Michiquillay porphyry copper-gold-moly deposit, Peru

Senior geologist with global experience at Anglo American and Rio Tinto. Bulgarian national

## DARREN MORGANS | CFO

Canadian CPA, CA with almost 20 years experience working with Canadian and Australian publicly listed resource companies

Former CFO of Perpetua Resources Corp. (formerly Midas Gold). Previously Controller and Secretary for Terrane Metals prior to its acquisition by Thompson Creek Metals

Career began with PwC after obtaining a Bachelor of Commerce from the University of Queensland





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**Velocity Minerals Ltd.**  
890 – 999 West Hastings Street  
Vancouver, BC V6C 2W2  
Phone: 604 484 1233  
E-mail: [info@velocityminerals.com](mailto:info@velocityminerals.com)