



NR-18-11

May 3, 2018

Velocity Closes First Tranche of Private Placement for Gross Proceeds of \$1.3 million

Vancouver, British Columbia – Velocity Minerals Ltd. (TSXV: VLC) ("Velocity" or the "Company") announces the closing of the first tranche of its non-brokered private placement announced on March 22, 2018 (the "Financing").

The first tranche of the Financing raised aggregate gross proceeds of \$1,324,365 through the issuance of 6,621,824 units (each, a "Unit") at a price of \$0.20 per Unit. All securities issued in connection with the Financing are subject to a hold period of four months and one day in Canada. Each Unit consists of one common share in the capital of the Company (each, a "Share") and one-half of one common share purchase warrant, with each whole warrant (each, a "Warrant") entitling the holder to purchase one Share at a price of \$0.30 per Share for a period of 12 months from the issue date. The expiry of the Warrants will be accelerated if the closing price of the Shares on a stock exchange in Canada is at least \$0.50 for a minimum of 10 consecutive trading days during the term commencing after four months and one day from the issue date (the "Triggering Event"). The expiry of the Warrants will be automatically accelerated upon the occurrence of the Triggering Event and the holders' rights to exercise their Warrants will automatically expire and terminate at 4:00 p.m. (Vancouver time) 30 days following notice by the Company to the holders of the occurrence of the Triggering Event.

In connection with the Financing, the Company paid aggregate finder's fees consisting of \$21,350 in cash and 106,750 non-transferrable finder's warrants (each, a Finder's Warrant"). Each Finder's Warrant entitles the holder thereof to purchase one Share at a price of \$0.20 per Share for a period of 12 months from the issue date. Leede Jones Gable Inc. received finder's fees consisting of \$10,850 cash and 54,250 Finder's Warrants, and PI Financial Corp. received finder's fees consisting of \$10,500 cash and 52,500 Finder's Warrants.

The Company intends to use the net proceeds from the Financing to fund ongoing work at its Balkan Gold Project, the cornerstone of which is the recently announced Exploration and Mining Alliance (the "Alliance") with Bulgarian mining company Gorubso Kardzhali AD (see news release dated February 22, 2018). In addition to exclusive access to an operating Carbon-In-Leach (CIL) processing plant, the Company has negotiated option agreements on multiple exploration projects and an operating gold mine within an approximately 10,000km² Alliance area in southeast Bulgaria.

Stock Option Grant

The Company also announces that it has granted 1,300,000 common share stock options (each, an "Option") to various employees and consultants of the Company and its affiliates. The Options entitle the holder to purchase Shares at a price of \$0.18 per Share for a period of 24 months from the issue date. With this issuance, the Company has granted a total of 5,750,000 Options.

About Velocity Minerals Ltd.

Velocity is a gold exploration and development company focused on projects in Bulgaria. The Company'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 public companies.

On Behalf of the Board of Directors

"Keith Henderson"

President & CEO

For further information, please contact: Keith Henderson
Phone: +1-604-484-1233
E-mail: info@velocityminerals.com
Web: www.velocityminerals.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release 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*. All statements in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, any statements regarding beliefs, plans and expectations regarding the future, including, the closing of the Private Placement, the Company's expectation that it will be able to enter into agreements to acquire interests in additional mineral properties, the discovery and delineation of mineral deposits/resources/reserves on the Balkan Gold Project, and the anticipated business plans and timing of future activities of the Company, including the Alliance. Although the Company believes that the statements beliefs, plans, expectations and intentions contained in this news release are reasonable, it can give no assurance that those the statements beliefs, plans, expectations and intentions will prove to be correct. Forward-looking statements are typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions 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, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of gold and precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, accidents,

labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents, approvals or authorizations, TSX Venture Exchange acceptance of any current or future property acquisitions or financings and other planned activities, the timing and possible outcome of any pending litigation, environmental issues and liabilities, and risks related to joint venture operations, and other risks and uncertainties disclosed in the Company's latest Management's Discussion and Analysis and filed with certain securities commissions in Canada. All of the Company's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Readers are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this news release and the Company undertakes no obligation to update any of the forward-looking statements in this news release or incorporated by reference herein, except as otherwise required by law.