



NR-18-19

October 12, 2018

## **Velocity Closes Non-Brokered Private Placement For Gross Proceeds of \$1 Million**

**Vancouver, British Columbia** – Velocity Minerals Ltd. (TSXV: VLC) ("Velocity" or the "Company") announces the closing of its non-brokered private placement announced on October 2, 2018 (the "Financing").

The Financing raised aggregate gross proceeds of \$1,005,064 through the issuance of 6,700,433 units (each, a "Unit") at a price of \$0.15 per Unit. 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 \$0.20 per Share for a period of 36 months from the issue date. All securities issued in connection with the Financing are subject to a hold period of four months and one day in Canada.

Certain officers and directors of the Company (collectively, the "Related Parties") participated in the Financing pursuant to the terms described above, purchasing in aggregate 1,437,266 Units. These constitute related party transactions pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on Sections 5.5(a) and 5.7(1)(a) of MI 61-101 for an exemption from the formal valuation and minority shareholder approval requirements, respectively, as at the closing of the Financing, neither the fair market value of the Units issued in connection with the Financing, nor the fair market value of the consideration received by the Company for same, insofar as it involved the Related Parties, exceeded 25% of the Company's market capitalization.

In connection with the Financing, the Company paid aggregate finder's fees consisting of \$57,013 in cash and 380,084 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 \$0.15 per Share for a period of 12 months from the issue date. Leede Jones Gable Inc. received finder's fees consisting of \$52,375 cash and 349,167 Finder's Warrants, and Haywood Securities Inc. received finder's fees consisting of \$4,637 cash and 30,917 Finder's Warrants.

The proceeds of the Financing are intended to fund ongoing work at the Company's Rozino gold project (the "Project") in Bulgaria and for general working capital.

### ***About Velocity Minerals Ltd.***

Velocity is a gold exploration and development company focused on eastern Europe. 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 publicly listed companies.

The Company recently announced the results of a preliminary economic assessment on the Project, located in southeast Bulgaria (previous news release NR18-17, dated September 17, 2018). A technical report prepared pursuant to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* on the Project will be filed on SEDAR on or before October 31, 2018.

### ***About Bulgaria***

Bulgaria is a member of NATO (2004) and a member of the European Union (2007). The local currency (BGN) has been tied to the Euro since 1999 (1.956 BGN/EUR). The country is served by modern European infrastructure including an extensive network of paved roads. Bulgaria boasts an exceptionally low corporate tax rate of only 10%. The country's education system is excellent with good availability of experienced mining professionals in a favourable cost environment. Foreign mining companies are successfully operating in Bulgaria. The country's mining law was established in 1999 and updated in 2011. Mining royalties are low and compare favourably with more established mining countries.

On Behalf of the Board of Directors

*"Keith Henderson"*  
President & CEO

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:** This news release includes certain 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, other than statements of historical fact, included herein including, without limitation, statements regarding the use of proceeds from the Financing, the filing of a technical report prepared pursuant to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* on the Project on SEDAR 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 statements 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. In making the

forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that costs will remain stable over the relevant period, that market fundamentals will result in sustained precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Project in a timely manner, construction and continued operation of the Project, and the Company's projects generally, and the Company's ability to comply with environmental, health and safety laws.

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, operating and technical difficulties in connection with mineral exploration and development and mine development activities for the Project, 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 to fund the Company's business plan, future prices of precious metals, 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, the inability to or delay in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange for the Financing), 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 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 information. The Company undertakes no obligation to update any of the forward-looking information in this news release or incorporated by reference herein, except as otherwise required by law.