



NR-20-04

February 12, 2020

## Velocity Closes Non-Brokered Private Placement For Gross Proceeds of \$5.78 Million

**Vancouver, British Columbia** – Velocity Minerals Ltd. (TSXV: VLC) (“Velocity” or the “Company”) announces the closing of its previously announced non-brokered private placement (the “Financing”) (see news releases dated January 23, 2020 and February 4, 2020).

The Financing raised aggregate gross proceeds of \$5,787,075 through the issuance of 14,467,687 units (each, a “Unit”) at a price of \$0.40 per Unit. Each Unit consists of one common share in the capital of the Company (each, a “Common Share”) and one-half of one common share purchase warrant, with each whole warrant (each, a “Warrant”) entitling the holder thereof to purchase one Common Share at a price of \$0.55 per Common Share for a period of 18 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.

In connection with the Financing, the Company paid aggregate finder's fees consisting of \$92,260 in cash and issued 215,250 non-transferrable finder's warrants (each, a “Finder's Warrant”). Each Finder's Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.40 per Common Share for a period of 12 months from the issue date. Leede Jones Gable Inc. received finder's fees consisting of \$32,480 cash and 65,800 Finder's Warrants, Haywood Securities Inc. received finder's fees consisting of \$56,700 cash and 141,750 Finder's Warrants, Sprott Capital Partners GP Inc. received finder's fees consisting of \$1,680 cash and 4,200 Finder's Warrants, and Canaccord Genuity Corp. received finder's fees consisting of \$1,400 cash and 3,500 Finder's Warrants.

“As a result of the strong investor demand for the Financing we have effectively doubled the size of the originally-announced financing. We are very pleased with the vote of confidence from our existing and new stakeholders, which we see as support for the Company's strategy in Bulgaria,” stated Keith Henderson, Velocity's President & CEO. “In particular, we are happy to see the exercise of *pro rata* participation rights by Artemis Gold Inc., which has increased its shareholdings of Velocity to approximately 21.6% of Velocity's issued and outstanding Common Shares, and its partially diluted position to 39.1%. We are also pleased by the participation by KF Business Ventures in the Financing, which, together with its joint actor, Robert Kopple, have increased their shareholdings of the Company to approximately 15% and their partially diluted position to 17.7%.”

The proceeds of the Financing are intended to fund ongoing work at the Company's gold projects in Bulgaria and for general working capital.

### Early Warning Disclosure – Artemis Gold Inc.

Pursuant to the Financing, Velocity issued to Artemis Gold Inc. (“Artemis”), and Artemis purchased from Velocity, 5,166,887 Units at a price of \$0.40 per Unit (the “Artemis Units”). The acquisition by Artemis of the Artemis Units occurred pursuant to the exercise of a participation right by Artemis provided to Artemis under an investment agreement between Velocity, Artemis and Atlantic Gold Corporation dated January 16, 2019,

as amended (the "Investment Agreement"). The total consideration paid by Artemis for the Artemis Units was \$2,066,755.

Immediately prior to the closing of the Financing, Artemis beneficially owned and had control and direction over an aggregate of 19,095,516 Common Shares, representing approximately 19.5% of the issued and outstanding Common Shares of Velocity, Convertible Debentures in the principal amount of \$5,094,000 convertible into 20,376,000 Common Shares with a conversion price of \$0.25 until March 14, 2024 (the "Debentures"), and 9,300,000 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.25 per share from the date of issuance until March 14, 2022. Assuming conversion in full of the Debentures and the exercise of all of the Common Share purchase warrants held by Artemis, Artemis would have owned and had control and direction over 48,771,516 Common Shares, representing approximately 38.26% of the issued and outstanding Common Shares on a partially diluted basis.

Immediately after the closing of the Financing, Artemis beneficially owns and has control and direction over an aggregate of 24,262,403 Common Shares, representing approximately 21.61% of the issued and outstanding Common Shares of Velocity, Debentures in the principal amount of \$5,094,000 convertible into 20,376,000 Common Shares with a conversion price of \$0.25 until March 14, 2024, 9,300,000 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.25 per share from the date of issuance until March 14, 2022, and 2,583,443 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.55 per share from the date of issuance until August 12, 2021. Assuming conversion in full of the Debentures and the exercise of all of the Common Share purchase warrants held by Artemis, Artemis would own and have control and direction over 56,521,846 Common Shares, representing approximately 39.11% of the issued and outstanding Common Shares on a partially diluted basis.

The change in Artemis' securityholding percentage is approximately 2.11% (0.85% on a partially diluted basis) of the issued and outstanding Common Shares.

Artemis completed the Financing for investment purposes. Artemis will review its holdings in Velocity on a continuing basis and may from time to time and at any time, in their sole discretion, acquire or cause to be acquired additional equity or debt securities or other instruments of Velocity, or dispose or cause to be disposed such equity or debt securities or instruments, through open market transactions, private placements by Velocity and other privately negotiated transactions, or otherwise, in each case in accordance with Artemis' obligations to Velocity pursuant to the Investment Agreement and with applicable securities laws.

Artemis has the right to designate one individual to be nominated and, if elected, to serve as a director of Velocity provided Artemis holds at least 15% of the issued and outstanding Common Shares, with the number of nominees increasing to two directors if Artemis holds 30% or more of the issued and outstanding Common Shares. If the size of the board of directors of Velocity is increased or decreased from the current four directors, Artemis' nomination rights will be adjusted in accordance with the provisions of the Investment Agreement.

To obtain a copy of the early warning report filed by Artemis in accordance with National Instrument 62-103 *The Early Warning System and Related Take Over Bids* ("NI 62-103") and National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("NI 62-104") in connection with the closing of the Financing, please see Velocity's profile on the SEDAR website [www.sedar.com](http://www.sedar.com) or contact:

Artemis Gold Inc.  
Suite 3083, 595 Burrard Street  
Vancouver, British Columbia, V7X 1L3  
Attn: Chris Batalha, Corporate Secretary

Phone: (604) 558-1107

### Early Warning Disclosure – KF Business Ventures, LP

Pursuant to the Financing, Velocity issued to KF Business Ventures, LP (“KFBV”), and KFBV purchased from Velocity, 4,440,800 Units at a price of \$0.40 per Unit (the “KFBV Units”). The total consideration paid by KFBV for the KFBV Units was \$1,776,320.

Robert C. Kopple may be considered a “joint actor” with KFBV in that he is the president of the general partner of KFBV.

Immediately prior to the closing of the Financing, KFBV and Mr. Kopple beneficially owned and had control and direction over an aggregate of 12,414,912 Common Shares, representing approximately 12.7% of the issued and outstanding Common Shares of Velocity, 435,000 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.20 per share from the date of issuance until October 12, 2021, and 1,000,000 incentive stock options, each option entitling the holder to purchase one Common Share at a price of \$0.18 per share from the date of issuance until May 3, 2020. Assuming the exercise of all of the Common Share purchase warrants and options held by KFBV and Mr. Kopple, they would have owned and had control and direction over 13,849,912 Common Shares, representing 14.0% of the issued and outstanding Common Shares on a partially diluted basis.

Immediately after the closing of the Financing, KFBV and Mr. Kopple beneficially own and have control and direction over an aggregate of 16,855,712 Common Shares, representing approximately 15.0% of the issued and outstanding Common Shares, 2,220,400 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.55 per share from the date of issuance until August 12, 2021, 435,000 Common Share purchase warrants, each warrant entitling the holder to purchase one Common Share at a price of \$0.20 per share from the date of issuance until October 12, 2021 and 1,000,000 incentive stock options, each option entitling the holder to purchase one Common Share at a price of \$0.18 per share from the date of issuance until May 3, 2020. Assuming the exercise of all of the Common Share purchase warrants and options held by KFBV and Mr. Kopple, they would own and have control and direction over 20,511,112 Common Shares, representing 17.7% of the issued and outstanding Common Shares on a partially diluted basis.

The change in KFBV and Mr. Kopple’s securityholding percentage is approximately 2.3% (3.7% on a partially diluted basis) of the issued and outstanding Common Shares.

Either KFBV or Mr. Kopple may acquire additional securities of Velocity, or may sell some or all of the securities now held by them from time to time in the future, but neither has present intentions in either regard.

To obtain a copy of the early warning report filed by KFBV in accordance with NI 62-103 and NI 62-104 in connection with the closing of the Financing, please see Velocity’s profile on the SEDAR website [www.sedar.com](http://www.sedar.com) or contact:

KF Business Ventures, LP  
Suite 1500, 10866 Wilshire Boulevard  
Los Angeles, California 900224  
Attn: Robert C. Kopple, President of  
Kopple Financial, Inc., General Partner  
Phone: 1 (310) 475-1444

## About Velocity Minerals Ltd.

Velocity is a gold 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 gold district produce gold concentrates for trucking to a central processing plant for production of doré. The Company envisions staged open pit mining of satellite deposits and processing in a currently operating carbon-in-leach (CIL) plant. Velocity has a 70% joint venture interest in the Rozino gold project and has entered into option agreements to earn a 70% interest in the Obichnik, Makedontsi and Sedefche gold projects, with Gorubso Kardzhali A.D., an established and respected mining company in Bulgaria. 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.

On Behalf of the Board of Directors

"Keith Henderson"

President & CEO

For further information, please contact: Keith Henderson  
Phone: +1-604-638-3456  
E-mail: [info@velocityminerals.com](mailto:info@velocityminerals.com)  
Web: [www.velocityminerals.com](http://www.velocityminerals.com)

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*All amounts contained in this News Release are reported in Canadian dollars unless otherwise specified.*

**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 intended use of the proceeds from the Financing 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 "will", "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 market fundamentals will result in sustained gold demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company's Bulgarian gold projects in a timely manner, the availability of financing on suitable terms for the development, construction and continued operation of the Company's Bulgarian gold projects, 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 Company's Bulgarian gold projects, 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), 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.