

Velox Energy Materials Closes Private Placement of \$1.5 Million

All amounts expressed are in Canadian dollars

Toronto, Ontario--(Newsfile Corp. - December 6, 2023) - [Velox Energy Materials Inc.](#) (TSXV: VLX) ("**Velox**" or "**the Company**") is pleased to announce that, [following the announcement last week](#), it has received all the sub-agreements to close a non-brokered private placement of 30,000,000 Units for gross proceeds of \$1.5 million ("**the Placement**") with a subscription price of \$0.05 per Unit. Each Unit consists of one Common Share and one Common Share Purchase Warrant ("Warrant").

Each Warrant entitles the holder to purchase one Common Share of the Company at \$0.075 for a period of 24 months from Closing Date, subject to certain Warrant expiry acceleration terms. The Company reserves and maintains the right to accelerate the expiry of the Warrants, in whole or in part, upon providing notice of acceleration if the 20-day volume-weighted average price of the Common Shares on the Company's primary stock exchange is greater than \$0.15 per Common Share. The Units were issued on December 5, 2023.

The proceeds from the Placement will be used to progress the development of Velox's flagship North Queensland Vanadium Project ("**NQVP**"), with planned activities for NQVP including:

- Metallurgical testwork, sampling and baseline flowsheet optimization
- Mineral Resource update for the Cambridge Deposit
- Aircore drilling to delineate high-grade zones at the Cambridge Deposit
- Global Mineral Resource updates; and
- Environmental studies

In addition, the Company will use the proceeds towards a planned dual listing on the ASX via a CDI listing in early 2024.

In connection with the closing, the Company will pay a cash fee of \$90,000 and issue 900,000 warrants (the "**Finders' Warrants**") to eligible Finders. Each Finder Warrant entitles the holder to acquire one common share at a price of \$0.075 per share for a period of 24 months from the Closing Date.

The participation by two directors of the Company in the financing for C\$175,000 or 3,500,000 Units constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(b) and Section 5.7(1)(b) of MI 61-101, respectively, on the basis that (i) no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101 and (ii) the fair market value of the securities issued to related parties pursuant to the financing does not exceed \$2,500,000, along with the other applicable circumstances contained in section 5.7(1)(b) of MI 61-101.

In accordance with applicable Canadian securities laws, all securities issued pursuant to the Private Placement will be legended with a hold period of four months and one day from the date of issuance.

Completion of the Private Placement and payment of any finder's fees remain subject to the receipt of all necessary regulatory approvals, including approval of the Toronto Venture Stock Exchange (the "TSXV").

Qualified Person

The Velox Energy Materials scientific and technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) and reviewed and approved on behalf of Velox Energy Materials by Michael Griffiths, FAusIMM, Director & VP Exploration for Velox Energy Materials, a Qualified Person.

About Velox Energy Materials

Velox Energy Materials is a publicly traded energy materials company developing and progressing high-value assets in resource and research-friendly jurisdictions. The Company's priority focus is the advanced NQV Project in Queensland, Australia. The NQV Project hosts the Cambridge Deposit with an Indicated Mineral Resource of 61.33 Mt @ 0.34% V₂O₅ and 234.6 ppm MoO₃ along with an Inferred Mineral Resource of 144.87 Mt @ 0.33% V₂O₅ and 241.9 ppm MoO₃ (Dufresne et al., 2022). The Company is targeting shallow, high-grade mineralisation that can be developed using low-cost mining and processing options.

The Company additionally owns Kotai Energy and the option to acquire 100% of the intellectual property rights associated with the Solid-State Hydrogen Storage Project from Curtin University in Western Australia. Kotai is focused on the commercialisation of technology that can produce high-pressure hydrogen following transport as an inert powder.

In October 2023, the Company applied for a package of tenements that are prospective for lithium in eastern Quebec.

Please visit our website at www.veloxenergymaterials.com.au for further information.

Investor Relations Contacts

Iryna Zheliasko
Investor Relations - Canada
Office: (+1) 647-249-9298
Email: iryina@grovecorp.ca

Andrew Rowell
Investor Relations - Australia
M: +61 400 466 226
Email: andrew@whitenoisecomms.com

Forward-Looking Statements

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

This news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Statements about the dual listing are all forward-looking information. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/189968>