

NR-17-04

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Velocity Initiates Phase I Drilling at Advanced Rozino Gold Project, Southeast Bulgaria

Files NI 43-101 Technical Report for Rozino

Grants 3,500,000 Incentive Stock Options

Vancouver, British Columbia – Velocity Minerals Ltd. (TSXV: VLC.H) (“**Velocity**” or the “**Company**”) announces that it has initiated diamond drilling at the Company’s advanced Rozino Gold Project (“**Rozino**” or the “**Project**”). The Company has also filed on SEDAR a National Instrument 43-101 (“**NI 43-101**”) technical report (the “**Technical Report**”) for the Rozino deposit, located within the Tintyava prospecting and exploration licence, southeast Bulgaria. The Technical Report summarizes historical exploration at Rozino, including 142 diamond drill holes, totaling approximately 22,500m.

Drill Program

A total of 9 diamond drill holes (approximately 2,000m) are planned for Phase I at the Rozino Project (**Figure 1**), which is described in more detail below. The program is part of a larger drill program of up to 65 drill holes (approximately 12,000m), that is planned to be on-going through the remainder of 2017 and early 2018.

A total of 142 historical drill holes have been drilled on the Project, either vertically or oriented to the northeast, parallel to the predominant structural trends seen in outcrop. The last hole drilled on the project (2006) was completed following a structural review which identified a strong northwest control on mineralisation:

Drill hole R-245 was drilled perpendicular to the newly-interpreted northwest control on mineralization, and intersected 68m @ 3.15 g/t gold, including 11.39m @ 8.09 g/t gold. Hole R-245 confirmed that mineralization exists between the drill fences and the potential for additional broad intersects of near surface, high grade mineralization located between the existing drill fences is considered to be good to excellent. Velocity’s current drill program is testing this interpretation.

Rozino Project

Velocity (through a Bulgarian subsidiary) holds an option to acquire an undivided 70% legal and beneficial interest in the Tintyava property, free and clear of all liens and encumbrances, granted by Gorubso Kardzhali A.D. (“**Gorubso**”). The Rozino Project, which is the subject of the recently filed Technical Report, is located within the Tintyava property, which has an area of 163km². To exercise the option for the Tintyava property, the Company must pay the \$325,000 tender fee (paid) to the Ministry

of Energy of the Republic of Bulgaria and deliver an NI 43-101 preliminary economic assessment (“PEA”). The option is exercisable for a period of up to six years.

The Rozino Project is located 20km east of the 0.85 Moz Ada Tepe gold deposit, currently being developed by Dundee Precious Metals Inc., and 50km southeast of the city of Kardzhali, which is host to tailings and gold processing facilities operated by Gorubso (**Figure 2**).

Cautionary Note. Ada Tepe measured and indicated resource (2013); Upper Zone 5.0Mt @ 2.99g/t gold (0.482Moz, 0.6g/t COG) and Wall Zone 1.9Mt @ 6.13g/t gold (0.377Moz, 0.8g/t COG). Readers are cautioned that Ada Tepe is an adjacent property and that Velocity has no interest in or right to acquire any interest in the deposit, and that mineral deposits on adjacent or similar properties, and any production therefore or economics with respect thereto, are not in any way indicative of mineral deposits on Velocity’s properties or the potential production from, or cost or economics of, any future mining of any of Velocity’s mineral properties.

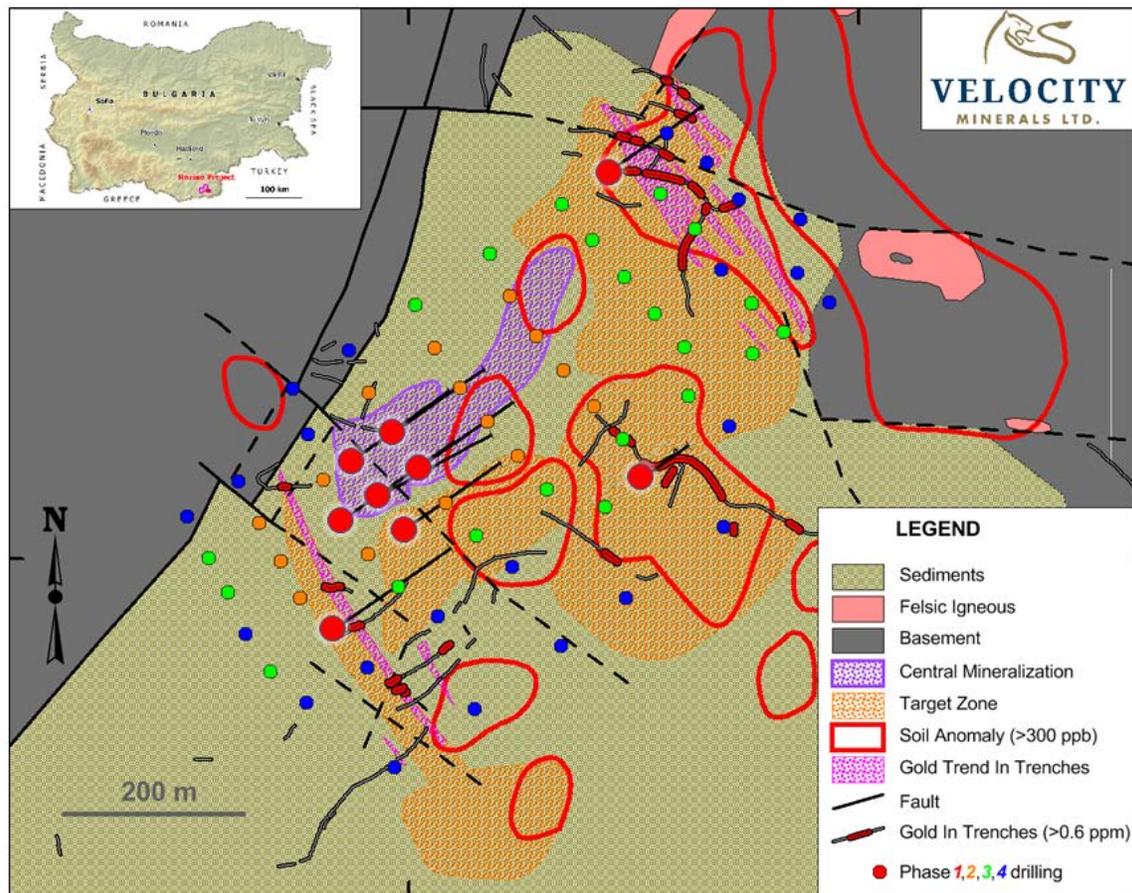


Figure 1: Planned drilling at Rozino. Phase One (9 drill holes, 2,000m) is highlighted with large red circles. Six holes will drill northeast within the central zone of mineralization with a view to testing for higher grade mineralization between historical drill fences. Three holes will test mineralization identified at surface in historical trenches. Historical drilling not shown.

The Rozino Project was first explored in the 1980’s by the Bulgarian state company Asenovgrad Geoengineering EAD, which completed 86 vertical diamond drill holes for 14,289m. Available drill technology was limited to vertical drill holes, which in the context of steeply-dipping zones of mineralization was not a suitable approach. Hereward Ventures Ltd (“Hereward”) and Asia Gold Corp. (“Asia Gold”) began exploration in 2001 and completed 3 phases of drilling between 2004 and 2006,

completing 55 diamond drill holes for 7,995m. Diamond drilling was angled, but oriented to the northwest, parallel to the predominant outcropping structural trends and therefore less than optimal.

In 2005-2006 Asia Gold carried out a structural review and identified a strong northwest control on mineralisation and completed 2 drill holes to test this new idea. Drill hole R-245 was drilled towards the northeast, perpendicular to the newly-interpreted northwest control on mineralization, and intersected 68m @ 3.15 g/t gold, including 11.39m @ 8.09 g/t gold. Assuming steep mineralisation striking 145°, which is perpendicular to the azimuth of the drill hole, the true width of significant intercept is estimated to be approximately 43.5m, however, exact true thicknesses at Rozino are difficult to ascertain with the current level of available data.

In summary, over 20km of diamond drilling has been completed to-date and yet the Rozino deposit is still not well defined. Asia Gold's drill hole R-245 confirmed that mineralisation exists between the drill fences and the potential for additional wide intersects at high grades located between the existing drill fences is considered to be very good.

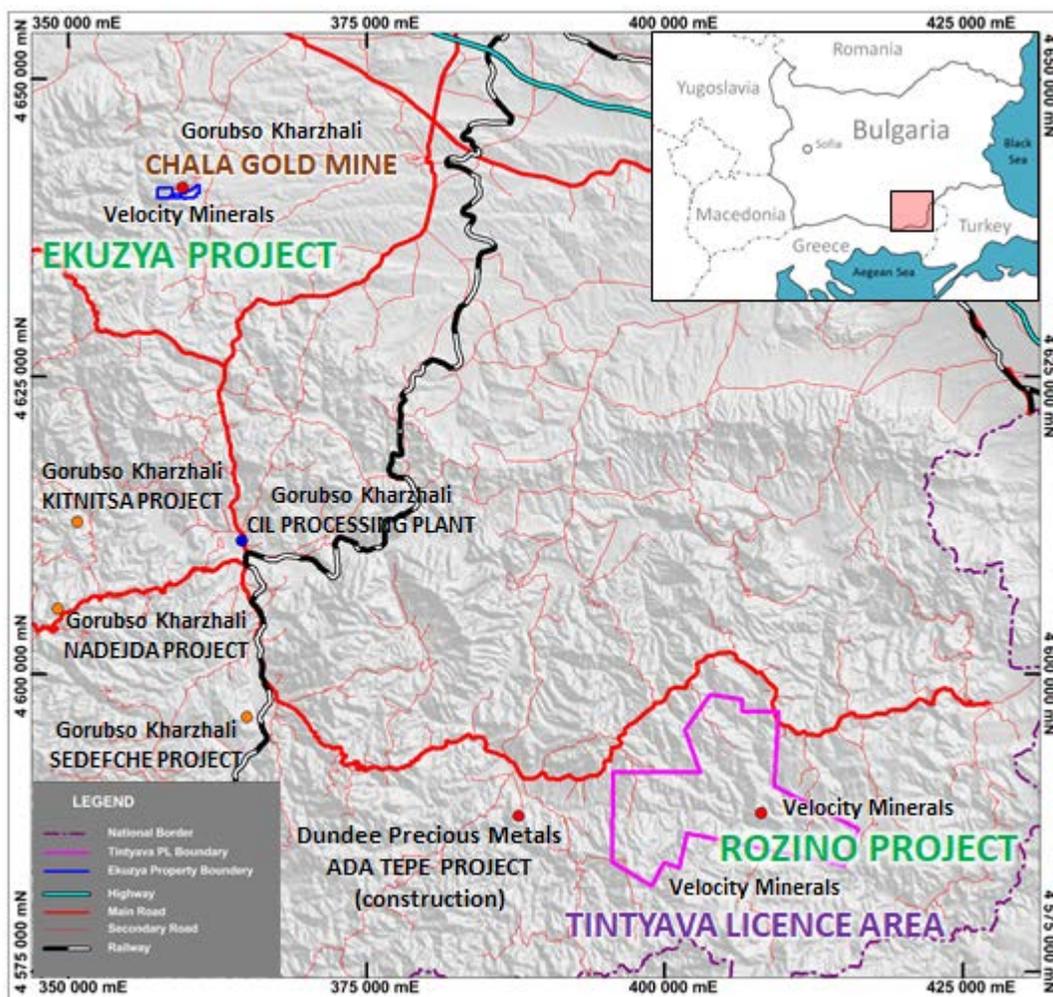


Figure 2: Location of the Rozino Project relative to Tintyava licence area, Ekuzya Project, Gorubso's CIL processing plant, and the Ada Tepe development project.

Exploration upside at Rozino is good. The area surrounding the drilled Rozino mineralization has historically been soil sampled and trenched with both methods providing coherent anomalies for follow-up. Historical trench results in particular are compelling (**Table 1**) and although only two historical drill holes (from 142 total) tested the trench anomalies, the results were positive. Due to the limited amount

of available data and variable orientation of trenches following irregular forest tracks and clearings, true thicknesses are at present difficult to ascertain. Trench locations are shown on Figure 1 together with the locations of trench intervals greater than 0.6g/t gold.

Table 1: Highlights from historical trench samples surrounding Rozino.

Trench	Interval
K59	17m @ 3.39 g/t
K56re	11m @ 3.09 g/t
K56	12m @ 5.80 g/t
K55re	11m @ 4.20 g/t
K-118	14m @ 4.29 g/t
K-109	12m @ 3.46 g/t
K-114	27m @ 2.07g/t Au
K-113	13m @ 1.84 g/t
K-117	48m @ 1.41 g/t
K52	20.20m @ 1.53g/t

The Rozino Project is a typical Low Sulphidation Epithermal gold deposit hosted within Palaeogene sediments as disseminations, replacement and vein mineralisation. The mineralogy of the Rozino deposit is simple, consisting mainly of pyrite.

Several historical metallurgical tests were completed at Rozino. The most recent was reported by Wardell Armstrong on a single series of agitated cyanide extraction tests and the results returned average recoveries from 3 samples based on cyanide in pulp and cyanide in leach extraction of 94.7% and 97.7% respectively.

The Technical Report includes recommendations for the first year of exploration including the purchase of satellite imagery and high resolution topographic data, reprocessing of historical airborne and ground geophysics, survey of historic drill collars, additional systematic trenching including over untested soil anomalies, heel-to-toe drilling oriented to the northeast (perpendicular to the northwest control on mineralization), additional metallurgical testing in preparation for further resource drilling and PEA, as well as implementation of appropriate QA/QC procedures and set-up of standard operating procedures.

Readers are encouraged to review the Technical Report filed on SEDAR. It can be found on www.SEDAR.com by searching for Velocity Minerals Ltd. and by selecting 'Technical Reports – NI 43-101' under document type. The report was filed on July 27, 2017. A further NI 43-101 technical report describing the Company's Ekuzya Project was filed on July 20, 2017.

Option Grant

The Company also announces that it has granted stock options to certain officers, employees and consultants of the Company and its affiliates to purchase up to 3,500,000 common shares of the Company in accordance with the terms of the Company's stock option plan. The stock options are exercisable on or before July 31, 2022, and each option is exercisable for one common share of the Company at a price of \$0.31 per share.

Qualified Person

James Hogg, MSc, BSc, MAIG, is the author of the Technical Report and an independent qualified person within the meaning of NI 43-101. Mr. Hogg has reviewed the scientific and technical information from the Technical Report included in this news release and has approved the disclosure herein.

Stuart A. Mills, Msc, BSc, CGeol, the Company's Vice President Exploration and a qualified person as defined by NI 43-101, has reviewed the scientific and technical information related to the drill program included in this news release, and has approved the disclosure herein. Mr. Mills is not independent of the Company.

About Velocity Minerals Ltd.

Velocity is a gold exploration and development company focussed on eastern Europe. The Company's management and board includes mining industry professionals with over 100 years of 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 and bringing real value to shareholders.

The Company's portfolio of advanced gold exploration assets is currently in Bulgaria, which is a member of the European Union (2007) and an attractive destination for mining investment. 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 like Canada, Peru and Chile. Bulgaria also boasts an exceptionally low corporate tax rate of only 10% and 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.

Local knowledge and experience are essential components of mining investment in a foreign jurisdiction. Velocity Minerals has entered into a number of option agreements with Gorubso Kardzhali A.D., an established and respected mining company in Bulgaria. Gorubso operates the underground Chala Gold Mine (2006) and the Kardzhali Carbon In Leach (CIL) processing plant (2011), which produces gold dore. Gorubso is the first and only company in Bulgaria to have secured a permit for cyanide-related processing of gold ores. Velocity's management has a long-standing relationship with Gorubso as well as significant previous experience in Bulgaria and elsewhere in the region.

On Behalf of the Board of Directors

"Keith Henderson"

President & CEO

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: future exploration and testing carried out on the Ekuzya and Tintyava properties; use of funds; and the future business and operations of Velocity. 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. 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 Ekuzya and Tintyava properties, including the geological mapping, prospecting and sampling programs for the projects, the fact that the Company's interests in the Ekuzya and Tintyava properties are only options and there is no guarantee that the interests, if earned, will be certain, actual results of exploration activities, including the program, 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, 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 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.

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.