



NEWS RELEASE

CLOSING OF ACQUISITION OF MINERAL PROPERTY INTERESTS IN BULGARIA

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July 21, 2017 - Vancouver, British Columbia – Velocity Minerals Ltd. (TSXV: VLC.H) (“**Velocity**”) is pleased to announce that it has closed its Share Purchase and Sale Agreement with 1077076 B.C. Ltd., (“**TargetCo**”), and the shareholders of TargetCo, such that Velocity has acquired all of the outstanding shares of TargetCo in exchange for 18,000,000 common shares of Velocity, with the effect that TargetCo is now a wholly-owned subsidiary of Velocity (the “**Acquisition**”). Velocity now holds (through TargetCo) options to acquire interests in the Tintyava property and the Ekuzya property located in south-eastern Bulgaria. See Velocity’s news releases of February 6, 2017 and June 1, 2017 for full details of the Acquisition and the related mineral property interests. In connection with the closing of the Acquisition, Velocity’s common shares will resume trading on the TSV Venture Exchange under the symbol “VLC” on July 25, 2017.

The following material changes also occurred in conjunction with closing of the Acquisition:

1. The 18,000,000 common shares of Velocity issued to the four shareholders of TargetCo (the “**Vendors**”) are subject to a Surplus Escrow Agreement (within the meaning of applicable TSXV policies) to be released as to 5% upon closing, 5% upon six months after closing, an additional 10% upon 12 and 18 months following closing, an additional 15% upon 24 and 30 months following closing, and the balance of 40% upon 36 months following closing. In addition, 600,000 shares of Velocity were issued to Henk van Alphen as a finder’s fee for arranging the Acquisition.
2. The concurrent private placement of Velocity units at \$0.25 per unit has been closed, and an aggregate of 8,857,000 units were issued for total gross proceeds of \$2,214,250 (the “**Financing**”). Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable for 12 months at \$0.40 per share, provided that in the event the closing price of Velocity’s shares on the TSX Venture Exchange is equal to or greater than \$0.60 per share for ten consecutive trading days at any time following four months after the date of Closing, Velocity may reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice. Aggregate finders’ fees of \$94,448 and 377,790 finders’ warrants were paid by Velocity. Each finder’s warrant entitles the holder to acquire one share of Velocity at \$0.25 over 24 months.
3. A total of 14,000,000 previously issued warrants were transferred by the holders to the four Vendors, for no additional consideration. All of the 14,000,000 warrants have been exercised by the Vendors (at \$0.075) such that Velocity received exercise proceeds of \$1,050,000. Subsequently a total of 5,000,000 of such shares were sold at market value. The remaining 9,000,000 shares are held in escrow pursuant to the terms of a Value Security Escrow Agreement to be released as to 10% on closing, and an additional 15% every six months thereafter over 36 months.

4. The existing holders of 7,500,000 previously issued common shares of Velocity entered into lock-up agreements with Velocity, whereby those shares will be held in escrow and released as to one-third (2,500,000 shares) on each of the sixth, twelfth and eighteenth months following closing.

5. All of the directors of Velocity have resigned (except for Joseph Martin), and have been replaced by: Keith Henderson, Gord Doerksen, Mark Cruise, and Daniel Marinov. In addition, each of the officers of Velocity has resigned and have been replaced with Keith Henderson as CEO and President, Stuart Mills as Vice President – Exploration, and Blaine Bailey as CFO. Please refer to Velocity’s news release of February 6, 2017 for details of each of the new officers and directors.

Ekuzya Property

Velocity (through a Bulgarian subsidiary of TargetCo) holds an option to acquire an undivided 50% legal and beneficial interest in the Ekuzya property free and clear of all liens and encumbrances in consideration for incurring US\$1 million in exploration expenditures over a two year period, as to US\$500,000 in the first year and US\$500,000 in the second year; provided that if after Velocity has incurred the expenditures and there is a delay of more than 180 days in effecting the transfer of the earned interest in the property to Velocity or if at any time prior thereto Velocity elects not to exercise the option, then Velocity’s interest in the Property will be limited to the obligation of Gorubso to pay Velocity a 5% gross value commission on all metals discovered on the property as a result of Velocity’s exploration activities thereon.

Velocity has filed on SEDAR a technical report prepared under National Instrument 43-101 on the Ekuzya property (the “Technical Report”). The Technical Report is authored by James Hogg of Addison Mining Services Ltd. The Ekuzya property has an area of 2.13 km² and is located within the Chala Mining Concession (the “Concession”) held by Gorubso Kharzhali A.D. (“Gorubso”), and located in southeast Bulgaria, about 230km by road, east-southeast of the capital Sofia. The Ekuzya property is situated south and adjacent to the currently operating Chala gold mine (the “Chala Mine”), operated by Gorubso. Gorubso’s processing plant including a cyanide tank leach plant and tailings management facility is located at the town of Kardzhali, 35km by road from the Chala Mine. The mining concession is valid until 2031.

Ekuzya can be accessed year-round by four-wheel drive vehicle via a collection of existing forestry and historical drill roads. The Chala mine office is located in the small village of Gorno Bryastovo where mine staff totalling 210 employees operates three shifts per day, year-round operation. The Chala mine site contains basic ore handling infrastructure, an underground explosives magazine and various workshops for routine maintenance and repair. Run of mine ore is transported by trucks to Kardzhali for processing at Gorubso’s processing plant prior to crushing, milling, gravity concentration and on-site cyanide in leach (CIL) extraction, elution and production of gravity concentrate and dore.

To date, neither Velocity nor TargetCo has not completed any exploration on the Ekuzya property, other than activities related to due diligence, data compilation and site visits. All the results described below result from work completed by previous operators.

TargetCo has compiled all of the exploration data available within the Ekuzya property and has digitally captured the most significant information into a project database stored within a Micromine exploration and mining software system. Historical exploration within the Ekuzya property includes 79 base metal diamond core drill holes for 64,350m with no gold analysis and 17 gold diamond core drill holes for 15,095m.

The mineralisation at the Ekuzya property is an Intermediate Sulphidation Epithermal vein type gold – base metal deposit. Previous Soviet-style exploration appears to have been vigorous, systematic and based on a solid understanding of economic geology. The digital capture of these large data sets (more than 200 large format maps scanned and digitised) has enabled TargetCo to produce a reasonable model of mineralisation within the Ekuzya property with the result that the structural control on mineralisation has become apparent.

TargetCo has identified three target areas named Zone 5, Zone 5a, and Ekuzyata, where previous operators have reported significant gold results. The highest priority target is the potentially open pittable, stratabound epithermal vein and dissemination target at Ekuzyata. Previous trenching has identified a shallow dipping zone over a strike length of 500m and a down dip extent of at least 250m. Previous trenching returned multiple significant intercepts across the strike extent with 3.5m @ 6.0g/t in the west, 10.8m @ 2.2g/t in the centre of the target and 3.1m @ 3.6g/t in the east. True thicknesses at Ekuzyata are at present difficult to ascertain with the current level of available data. The stratabound mineralisation is present at multiple horizons and the potential for stacked mineralisation is considered to be good. Due diligence check sampling performed by the author of the Technical Report from re-opened trenches confirmed the occurrence, approximate location and association of mineralisation at the at Ekuzyata target. The target was partially drill tested by a previous operator of the property, Asenovgrad Geoengineering EAD, with four wide-spaced shallow diamond drill holes, confirming the sporadic nature of the mineralised zone at least 250m down dip.

Exploration recommendations set out in the Technical Report for the first year of exploration include acquisition of satellite imagery and topographic data, DGPS survey of historic exploration collars and trenches, soil sampling over the Ekuzyata target, systematic trenching of soil geochemistry anomalies, twinning of one drill hole, up to 8 drill holes at target Zone 5, and if appropriate, drill testing of Ekuzyata soil and trench anomalies.

The recommended budget for the first year of exploration of US\$510,000 includes 1,000m of diamond core drilling after the completion of soil sampling and trenching.

Tintyava Property

Velocity (through a Bulgarian subsidiary of TargetCo) 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 in consideration for the payment of the \$325,000 tender fee to the Ministry of Energy of the Republic of Bulgaria for an exploration and prospecting licence for Tintyava property. The option is exercisable for a period of six years by Velocity preparing (at its own cost) a preliminary economic assessment within the meaning of National Instrument 43-101 on the Tintyava property.

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

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: khenderson@velocityminerals.com

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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. Forward-looking

statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities; lack of investor interest in the Financing; requirements for additional capital; future prices of gold and precious metals; changes in general economic conditions; accidents, delays or the failure to receive board, shareholder or regulatory approvals, including the required permits; results of current exploration and testing; changes in laws, regulations and policies affecting mining operations; title disputes; and the fact that Velocity's interest in the Ekuzya and Tintyava properties is only an option and there is no guarantee that the interest if earned will be certain. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Velocity disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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