

VELA MINERALS LTD.

NEWS RELEASE

VELA MINERALS ANNOUNCES TERMINATION OF ADVANCED INTERACTIVE GAMING LIMITED TRANSACTION AND CONSOLIDATION AND UPDATES STATUS OF ROSSLAND PROPERTY

January 4, 2018 - Calgary, Alberta, Canada – **Vela Minerals Ltd.** “TSXV:VLA” (“**Vela**” or the “**Company**”), a BC junior mining corporation announces that the previously announced letter of intent (the “**LOI**”) with respect to the proposed merger of Vela with Advanced Interactive Gaming Ltd. (“**AIG**”), a software gaming development company governed by the laws of the Bermuda, has been terminated in accordance with its terms. Due to the termination of the LOI, the Company’s mineral exploration assets located in the Rossland area of British Columbia (the “**Rossland Property**”) have been vended back to the Company by the Company’s CEO for a return of the initial assignment price of \$1,000.

Since the date of the Company’s last filed technical report on the Rossland Property, prepared and filed in January 2012 in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), Vela had not done any work on the property. Concurrently with the execution of the LOI in July 2017, and as the Rossland Property was scheduled to expire in November 2017, the property was transferred to a director and officer of the Company for a purchase price of \$1,000.

Subsequently, the director performed a work program on the property between the dates of September 27 to October 1, 2017 which entailed minor prospect sampling in which 35 samples were collected and assayed, with the assay results pending. The work program effectively extended the claim on the property until July 1, 2018. An updated NI 43-101 Technical Report on the Rossland Property is anticipated to be completed by early January which will further extend the claim. All permits and surface rights on the Rossland Property are also current.

Consolidation

As previously approved by the shareholders of Vela, the Company plans to affect a consolidation of its common shares on a “one new for six old” basis (the “**Consolidation**”). The Company currently has 10,574,711 common shares issued and outstanding. Following the completion of the Consolidation and not taking into account any adjustments for rounding, the Company anticipates there will be approximately 1,762,451 common shares outstanding. The exercise price and number of common shares of the Company issuable upon the exercise of outstanding stock options, warrants or other convertible securities will be proportionately adjusted to reflect the Consolidation. The Company does not intend to change its name or seek a new stock trading symbol from the TSX Venture Exchange in connection with the Consolidation.

The Company will complete the necessary filings in order to give effect to the Consolidation on or about January 10, 2018. Once completed, a letter of transmittal will be sent by mail to shareholders advising them that the Consolidation has taken effect and instructing them to surrender the certificates evidencing their common shares for replacement certificates representing the number of common shares to which they are entitled as a result of the Consolidation. Until surrendered, each certificate formerly representing common

shares will be deemed for all purposes to represent the number of common shares to which the holder thereof is entitled as a result of the Consolidation.

The board of directors of the Company is of the view that the Consolidation will provide the Company with greater flexibility for future corporate activities, enhance the marketability of the common shares as an investment and lead to increased interest by a wider audience of potential investors, thereby increasing its ability to raise additional financing to fund operations in the near future.

Rossland Work Program

Following the consolidation, the Company plans to complete a financing in the minimum amount of \$500,000 (the “**Financing**”) for the purposes of providing working capital and to complete a work program on the Company’s Rossland Property. The proposed work program, as recommended by Mr. Peter Born, P.Geog and Qualified Person pursuant to NI 43-101, will consist of a 15 day program with minimal line cutting (line marking with minor limb clearing) to cover 20 line km. A grid of 16 km is proposed to be conducted at the Portland-Velvet/ Hunter-Douglas mine site regions and a 4 km grid at the Sunset Mine area. The work program is being conducted for the purposes of providing data necessary to allow the Company to identify test drill targets for its Rossland exploration plan and has an estimated budget in the approximate amount of \$100,000.

The Company is currently on notice from the TSX Venture Exchange (“**TSXV**”) for transfer of its listing to the NEX. Through the completion of the Work Program and the Financing, the Company intends to avoid the transfer of its listing and remain compliant with the continued listing requirements of the TSXV. Upon approval by the TSXV of the Consolidation and resumption of trading of the Company’s common shares on the TSXV, the common shares of the Company will resume trading on the TSXV on or about X, 2018. After a minimum of 10 trading days following the resumption of trading, the Company plans to announce the terms of its proposed Financing.

About Vela

Vela is a junior mining company with exploration interests in the Rossland area of British Columbia, Canada.

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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.

Forward Looking Statements

This news release contains forward-looking statements relating to the timing and completion of the Proposed Transaction, the future operations of Vela and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, the future plans and objectives of Vela, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Vela’s expectations are risks detailed from time to time in the filings made by Vela with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Vela. As a result, Vela cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this news release are made as of the date of this news release and Vela will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.