

**FORM 51-102F3**  
**Material Change Report**

**Item 1. Name and Address of Company**

*Delrey Metals Corp. (the “Company”)  
3707 – 1111 Alberni Street  
Vancouver, BC V6E 0A8*

**Item 2. Date of Material Change**

*December 6, 2018*

**Item 3. News Release**

*The news release was issued on December 7, 2018 through Newsfile Corp.*

**Item 4. Summary of Material Change**

*The Company closed a share exchange agreement dated December 6, 2018 (the “Share Exchange Agreement”) with BC Vanadium Corp., a private arm’s length corporation (“BCVC”), to acquire all the issued and outstanding share capital of BCVC. Pursuant to the terms of the Share Exchange Agreement, the Company issued 5,500,000 common shares of the Company and repaid debt of \$10,000 owed to a creditor of BCVC.*

*BCVC owns a 100 percent undivided, unencumbered legal and beneficial interest in both the Star and the Porcher Vanadium properties (the “Properties”), located in northwestern British Columbia. The Properties cover a total area of 6,740 hectares and host vanadium mineralization within large bodies of titaniferous magnetite. The Properties are strategically located on tidewater, near to the small logging community of Oona River on Porcher Island.*

**Item 5.1 Full Description of Material Change**

*See attached news release dated December 7, 2018.*

**Item 5.2 Disclosure for Restructuring Transactions**

*Not applicable.*

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

*This Report is not being filed on a confidential basis.*

**Item 7. Omitted Information**

*None.*

**Item 8. Executive Officer**

*Morgan Good, Chief Executive Officer, 604-620-8904*

**Item 9. Date of Report**

*December 7, 2018*



3707-1111 Alberni Street, Vancouver, British Columbia V6E 0A8

## News Release

# Delrey Metals Announces Acquisition of Two B.C. Vanadium Projects; Strengthens Portfolio Within Strategic Battery Metals Sector

December 7, 2018

CSE:DLRY | FSE:1OZ

**DELREY METALS CORP. (CSE:DLRY, FSE:1OZ)** (“Delrey” or the “Company”) is pleased to announce it has entered into and closed a share exchange agreement dated December 6, 2018 (the “**Share Exchange Agreement**”) with BC Vanadium Corp., a private arm’s length corporation (“**BCVC**”), to acquire all the issued and outstanding share capital of BCVC. Pursuant to the terms of the Share Exchange Agreement, the Company issued 5,500,000 common shares of the Company (each, a “**Share**”) and repaid debt of \$10,000 owed to a creditor of BCVC. All securities issued pursuant to the Share Exchange Agreement will be subject to a four month statutory hold period.

BCVC owns a 100 percent undivided, unencumbered legal and beneficial interest in both the Star and the Porcher Vanadium properties (the “**Properties**”), located in northwestern British Columbia. The Properties cover a total area of 6,740 hectares and host vanadium mineralization within large bodies of titaniferous magnetite. The Properties are strategically located on tidewater, near to the small logging community of Oona River on Porcher Island.

### **About the Porcher and Star Vanadium Projects:**

The Properties are comprised of large-scale ultramafic complexes which are intruded by gabbroic bodies hosting iron-titanium-vanadium (Fe-Ti-V) mineralization within massive titaniferous magnetite. Historic samples collected from the gabbro’s range from 0.34 to 0.84% V<sub>2</sub>O<sub>5</sub>. Two of the gabbro bodies mapped on surface display lateral extents of 5.3km x 0.8km and 4.0km x 0.6km. Reconnaissance stream sediment surveys conducted on the Properties returned vanadium values in the 99<sup>th</sup> percentile of all British Columbia’s Regional Geochemistry Survey (RGS) databases.

### **Highlights:**

- Strong magnetic high anomalies, up to 7km x 5km, indicate that the historic mapping likely underestimated the size of the Fe-Ti-V bearing magnetite bodies and good upside potential exists for expansion.
- The Properties are located in a historic mining district. The Surf Point Mine, located on the northwest corner of Porcher Island, operated from 1919 through to 1939, before shutting down at the onset of World War II.

- Both Properties are easily accessible by boat or helicopter and workable year round. Active barge-logging is underway within the project areas, which has created a network of logging roads and allows for low cost exploration and development.
- An initial work program including a high-resolution airborne magnetic survey is planned in the near term on both Properties.

Morgan Good, President and CEO of Delrey commented: *“We are extremely excited to announce the acquisition of these two vanadium projects into Delrey’s growing portfolio. We look forward to completing high resolution magnetic surveys on the projects and continuing to generate news flow for the Company during the winter months. The vanadium redox battery market is still in its infancy and demand is set to grow exponentially over the coming years. With the vanadium price at all-time highs and forecasted to continue rising, Delrey is well positioned to capitalize on this emerging market.”*

The Company also plans to actively continue its pursuit of additional strategic battery energy metals assets for its portfolio as the burgeoning sector expands.

### **About Vanadium**

Vanadium is one of the largest percentage gainers among the battery metals group (Li, Co, Ni, Cu) since early 2017 climbing from under \$5/lb to over \$30/lb where it currently trades. This ductile, malleable and corrosion resistant transition metal has a wide range of use cases and can be found in automobiles, pipelines, jet engines, redox flow batteries and as an alloy in steel production, among others. Currently 90% of global vanadium production is used as an alloy in the manufacturing of steel, with the grade of the steel proportional to its vanadium content. New regulations recently emplaced by the Standardization Administration of China (SAC) have eliminated Grade 2 steel rebar production in China, replacing it with Grades 3, 4, and 5, which each consume progressively more vanadium. Global industrial growth and increased building standards in earthquake prone areas are forecasted to keep demand for vanadium strong.

The emerging market for Vanadium Redox Flow Batteries (“VRBs”) is showing tremendous potential. VRBs are non-flammable, reusable over semi-infinite cycles and are shown to not degrade for more than 20 years, which make them an efficient alternative to traditional lithium-ion batteries for grid power storage. The energy generated by renewable sources such as wind and solar is not constant over time and presents an excellent use case for VRBs to store excess power generated during peak production periods, which can be utilized during seasons with low wind or sun exposure. While the battery technology is in its early stages, the recent commissioning of the world’s largest ever battery, a 200MW/800MWh vanadium flow battery in Dalian, China, is proof that the fledgling technology is progressing at a fast rate. Currently VRBs account for only 2% of global vanadium demand, while many estimates are forecasting the market share for VRB’s to increase substantially as the emerging VRB space continues to grow.

### **Qualified person**

Scott Dorion, P.Geo., is the designated Qualified Person of the Company as defined by National Instrument 43-101 and has reviewed and approved the technical information contained in this release.

### **Cautionary Notes**

Note that these estimations precede National Instrument 43-101, are repeated for historical reference only, and are not to be relied upon. A qualified person has not done sufficient work to classify the historical

estimate as current mineral resources or reserves; and the issuer is not treating the historical estimate as current mineral resources or reserves. Nevertheless, the estimates were completed by competent individuals to the standard of the day, and are considered to be relevant to future exploration of the property.

### **About Delrey**

Delrey is a mineral exploration company focused on the acquisition, exploration and development of mineral resource properties, specifically in the strategic energy minerals space. The Company has an option agreement to purchase a 100% interest in the highly prospective Sunset property situated in the Vancouver Mining Division and located near Pemberton, British Columbia. In addition to its acquisition of the Star and Porcher Vanadium properties in BC, Delrey intends to review and acquire projects showing potential for materials used in the energy storage and electric vehicle markets. Delrey is based in Vancouver, British Columbia, and is listed on the CSE under the symbol “DLRY” and on the FSE under the symbol “1OZ”.

### **ON BEHALF OF THE BOARD OF DIRECTORS OF DELREY METALS CORP.**

*“Morgan Good”*

Morgan Good  
President and Chief Executive Officer

### **For more information regarding this news release, please contact:**

Morgan Good, CEO and Director

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*Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

### **Cautionary Note Regarding Forward-Looking Statements**

*Certain statements contained in this news release, constitute “forward-looking information” as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including, but are not limited to, general business and economic uncertainties. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, which could result in delays, or cessation in planned work, that the Company’s financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company’s expectations, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company’s Management’s Discussion and Analysis reports filed under the Company’s profile at [www.sedar.com](http://www.sedar.com). There can be no*

*assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.*