

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Delrey Metals Corp. (the "Issuer").

Trading Symbol: DLRY

Number of Outstanding Listed Securities: 33,726,605

Date: December 31, 2018

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

By News Release dated December 7, 2018, the Company announced that it entered into 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 in the capital stock 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 "BCVC Properties"), located in northwestern British Columbia. The BCVC Properties cover a total area of 6,740 hectares

and host vanadium mineralization within large bodies of titaniferous magnetite. The BCVC Properties are strategically located on tidewater, near to the small logging community of Oona River on Porcher Island.

The BCVC 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% V₂O₅. 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 99th percentile of all British Columbia's Regional Geochemistry Survey (RGS) databases.

Highlights of the BCVC Properties are:

- 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 BCVC 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 BCVC 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 BCVC Properties.

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.

2. Provide a general overview and discussion of the activities of management.

The Issuer is a mineral exploration company focused on the acquisition, exploration and development of mineral resource properties, specifically in the strategic battery metals sector. The Issuer has an option agreement to purchase a 100% interest in the highly prospective Sunset Property (the "Property"), which consists of 4 mineral claims comprising a total of approximately 785.31 hectares located in the Vancouver Mining Division approximately 15km north of Whistler, British Columbia, and 108km north of Vancouver, British Columbia. In order to earn the interest in the property, the Issuer must complete \$1,000,000 in exploration by June 30, 2020 (\$100,000 by September 30, 2018 (completed); \$200,000 by June 30, 2019; and \$700,000 by June 30, 2020), make cash payments of \$15,000 by April 1, 2018 (completed), and issue 666,667 Shares by April 1, 2018 (completed).

The Issuer continues to actively pursue additional strategic battery metals assets to add to its portfolio as the burgeoning sector rapidly expands.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Please see Item 1 herein.

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

None

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Refer to the Issuer's Listing Statement dated October 23, 2018 as filed with the CSE and under the Issuer's profile on www.sedar.com.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 3, 2019.

Morgan Good
Name of Director or Senior Officer

“Morgan Good”
Signature

CEO
Official Capacity

Issuer Details <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> YY/MM/D
Delrey Metals Corp.	December 2018	19/01/03
<i>Issuer Address</i>		
#3707 – 1111 Alberni Street		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
Vancouver, B.C., V6E 0A8	N/A	(604) 620-8904
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
Morgan Good	CEO	(604) 620-8904
<i>Contact Email Address</i>	<i>Web Site Address</i>	
morgan@delreymetals.com		