This Management's Discussion and Analysis ("MD&A") prepared as at June 27, 2019, reviews the financial condition and results of operations of Delrey Metals Corp. ("Delrey" or the "Company") for the year ended February 28, 2019 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's February 28, 2019 annual audited financial statements and related notes..

The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the unaudited condensed interim financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the unaudited condensed interim financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

Delrey Metals Corp. (the "Company") was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 4302 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 800 – 885 West Georgia Street, Vancouver, BC. The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") on October 24, 2018, under the symbol "DLRY". The Company's consolidated financial statements include the financial statements of the following subsidiaries:

Company	Place of Incorporation	Effective Interest
BC Vanadium Corp. ("BCVC")	British Columbia	100%
WEM Western Energy Metals Ltd. ("WEM")	British Columbia	100%

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

The Company's consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its investments at amounts favorable to the Company. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management estimates there is sufficient working capital as at February 28, 2019 to continue current operations for the next twelve months. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During the year ended February 28, 2019, the Company:

- entered into and closed a share exchange agreement with BC Vanadium Corp. ("BCVC"), a private arm's length corporation, to acquire all of the issued and outstanding shares 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, located in northwestern British Columbia;

- entered into and closed a share exchange agreement with WEM Western Energy Metals Ltd. ("WEM"), a private arm's length corporation, to acquire all of the issued and outstanding shares capital of WEM. Pursuant to the terms of the Share Exchange Agreement, the Company issued 4,250,000 common shares of the Company and repaid debt of $10,000 owed to a creditor of WEM. WEM owns a 100-per-cent undivided, unencumbered legal and beneficial interest in both the Peneece and the Blackie vanadium properties, located in British Columbia.

- granted 2,388,000 stock options to various officers, directors, and consultants valued at $448,650 using the Black-Scholes Option Pricing Model. Each option entitles the holder to purchase a common share of the Company at a price of $0.25 for a period of five years from grant;

- closed its initial public offering ("IPO) by issuing 7,500,000 common shares at a price of $0.20 per common share for gross proceeds of $1,500,000. In conjunction with the IPO, the Company paid total cash commissions of $135,000 and granted an aggregate of 675,000 agents' options, each of which entitles the holder thereof to purchase one common share of the Company at a price of $0.20 per common share for a period of 24 months from the date of issuance. The Company incurred additional closing and legal fees of $175,140;

- completed a private placement by issuing 3,600,000 common shares at a price of $0.075 per common share for gross proceeds for $270,000; and

- issued 666,667 common shares with a fair value of $0.075 per common share, for a total value of $50,000, in connection with the Sunset Mining Property agreement.

Subsequent to the year ended February 28, 2019, the Company:

- granted an aggregate of 500,000 stock options to various consultants with a life of 5 years and exercise price of $0.25;

- entered into a mineral property option agreement to acquire an undivided 80% right, title, and interest in the Four Corners Project, located in west-central Newfoundland, as discussed below. The Company has made initial payments on the option by paying $50,000 and issuing 1,200,000 common shares; and

- granted 600,000 stock options to a consultant with a life of 5 years and exercise price of $0.13. These options were subsequent exercised for proceeds of $78,000.

EXPLORATION AND EVALUATION ASSETS

A continuity of the Company's exploration and evaluation assets for the year ended February 28, 2019 is as follows:

		Sunset		Star / Porcher		Blackie / Peneece		Total
Acquisition costs:								
Balance, October 18, 2017	$	-	$	-	$	-	$	-
Additions		15,000		-		-		15,000
Balance, February 28, 2018		15,000		-		-		15,000
Additions		50,000		730,000		500,000		1,280,000
Balance, February 28, 2019		65,000		730,000		500,000		1,295,000
Exploration costs:								
Balance, October 18, 2017		-		-		-		-
Supplies and other		3,000		-		-		3,000
Balance, February 28, 2018		3,000		-		-		3,000
Field Personnel		59,000		-		-		59,000
Sampling		21,182		-		-		21,182
Supplies and other		2,615		-		-		2,615
Travel and meals		17,698		-		-		17,698
Balance, February 28, 2019		103,495		-		-		103,495
Balance, February 28, 2018	$	18,000	$	-	$	-	$	18,000
Balance, February 28, 2019	$	168,495	$	730,000	$	500,000	$	1,398,495

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into an agreement, whereby it will have the right to earn a 100% interest in the Sunset Property consisting of four mineral claims.

The Company will earn a 100% interest in the Property subject to a 2% Net Smelter Royalty, by completing $1,000,000 in exploration, making cash payments of $15,000 (paid) and issuing 666,667 common shares (issued during the year ended February 28, 2019) of the Company to the optionor.

The Company will incur $1,000,000 of exploration on the property as follows:

By September 30, 2018	$	100,000	*(completed during the year ended February 28, 2019)*
By June 30, 2019		200,000	
By June 30, 2020		700,000	
	$	1,000,000	

BCVC Projects, British Columbia

On December 6, 2018, pursuant to the terms of a share purchase agreement between the Company and the shareholders of BCVC, the Company acquired 100% of issued and outstanding common shares of BCVC in exchange for 5,500,000 common shares of the Company valued at $1,980,000 and agreement to repay $10,000 in BCVC's existing payables. The acquisition of BCVC was accounted for as an asset acquisition. The Company determined that of the 5,500,000 common shares issued, 3,500,000 common shares with a fair value of $1,260,000 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 2,000,000 common shares issued were considered as the purchase price consideration of BCVC. BCVC owns a 100% interest in the Star and the Porcher vanadium properties, located in northwestern British Columbia.

WEM Projects, British Columbia

On December 12, 2018, pursuant to the terms of a share purchase agreement between the Company and the shareholders of WEM, the Company acquired 100% of issued and outstanding common shares of WEM in exchange for 4,250,000 common shares of the Company valued at $1,041,250 and agreement to repay $10,000 in WEM's existing payables. The acquisition of WEM was accounted for as an asset acquisition. The Company determined that of the 4,250,000 common shares issued, 2,250,000 common shares with a fair value of $551,250 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 2,000,000 common shares issued were considered as the purchase price consideration of WEM. WEM owns a 100% interest in the Blackie and the Peneece vanadium properties, located in northwestern British Columbia.

Four Corners Project, Newfoundland

Subsequent to the year ended February 28, 2019, the Company entered into a mineral property option agreement to acquire an undivided 80% right, title, and interest in the Four Corners Project, located in west-central Newfoundland. The option will be deemed to be exercised by the Company upon the Company:

a) paying the following amounts to the optionor:

- $25,000 upon entry into the term sheet (paid subsequent to February 28, 2019);
- $25,000 upon executing the option agreement (paid subsequent to February 28, 2019);
- $50,000 on or before the first anniversary date;
- $50,000 on or before the second anniversary date;
- $50,000 on or before the third anniversary date; and
- $250,000 on or before the earlier of the fourth anniversary date or the 30th day after completion of an approved exploration program.

b) issuing the following amounts of common shares to the optionor:

- 1,200,000 upon executing the option agreement (issued subsequent to February 28, 2019);
- 2,600,000 on or before the first anniversary date;
- 3,600,000 on or before the second anniversary date;
- 2,600,000 on or before the third anniversary date; and
- 2,000,000 on or before the fourth anniversary date.

c) incurring the following exploration expenditures:

- $1,000,000 on or before the first anniversary date;
- $2,000,000 on or before the second anniversary date;
- $1,000,000 on or before the third anniversary date; and
- $1,000,000 on or before the fourth anniversary date.

SELECTED ANNUAL INFORMATION

	Year ended February 28, 2019	Period from incorporation on October 17, 2018 to February 28, 2018
Total Assets	$ 2,873,694	$ 606,453
Shareholders' equity	2,496,168	597,328
Revenue	-	-
Comprehensive Loss	(3,099,707)	(19,483)
Basic and diluted loss per share	(0.16)	(0.01)

RESULTS OF OPERATIONS

During the year ended February 28, 2019, the Company incurred a loss of $3,099,707 (period from incorporation on October 18, 2017 to February 28, 2018 - $19,483). Significant expenditures include the following:

Consulting fees – increased to $170,000 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $7,500) and represent corporate consulting fees in support of the Company as it proceeds with acquisition and exploration activities.

Investor relations fees – increased to $396,207 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil). As the Company has become public, it has undergone significant investor relations and shareholder communications programs to promote and support healthy growth.

Management fees – increased to $83,500 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil) and represents fees paid to the Company's Chief Executive Officer, Chief Financial Officer, and corporate secretary.

Office Costs – increased to $17,993 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $205) and represent various general and administrative costs required in setting up and maintaining the Company's corporate head office.

Professional fees – increased to $64,093 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $11,717) and relate primarily to accounting fees billed by the Company's former Chief Financial Officer and for corporate legal fees provided in support of the Company's public listing.

Rent – increased to $42,500 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil) as the Company entered into a lease agreement for its corporate head office in Vancouver, BC during the current period.

Share-based payments – increased to $2,259,900 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil) and represent a non-recurring, non-cash expense related to the fair value of 2,388,000 stock options granted to various officers, directors, and consultants during the year valued at $448,650 and an aggregate of 5,750,000 common shares issued to the former shareholders of BCVC and WEM on the acquisitions of the entities that Company considered to be compensatory in nature with a value of $1,811,250.

Transfer agent and filing fees – increased to $40,861 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil) and relate to fees incurred on its prospectus and public listing.

Travel and entertainment – increased to $18,340 for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $nil) and relate to expenditures required for business development and the identification of strategic acquisition targets.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for all completed from incorporation:

	February 28, 2019	November 30, 2018	August 31, 2018
Total Assets	$ 2,873,694	$ 1,849,823	$ 798,928
Shareholders' equity	2,496,168	1,846,673	780,665
Revenue	-	-	-
Comprehensive Loss	(2,349,967)	(613,067)	(57,015)
Basic and diluted loss per share	(0.07)	(0.03)	(0.00)
	May 31, 2018	February 28, 2018	October 18, 2017 to November 30, 2017
Total Assets	$ 601,508	$ 606,453	$ 112,538
Shareholders' equity	567,670	597,328	112,338
Revenue	-	-	-
Comprehensive Loss	(79,658)	(19,321)	(162)
Basic and diluted loss per share	(0.01)	(0.00)	(162.00)

FOURTH QUARTER RESULTS

During the fourth quarter of the year ended February 28, 2019, the scope of the Company's operating expenditures was comparable with the third quarter. Subsequent to public listing in October 24, 2018, the Company has focused its efforts on supporting and maintaining its common shares and has thereby incurred higher investor relations fees. The Company has sought to obtain multiple projects for exploration and evaluation and during the fourth quarter it acquired two companies each holding two vanadium projects in British Columbia, for which the Company recognized share-based payments of $1,811,250 during the fourth quarter. Other operating activities during the quarter included management and consulting efforts involved in the pursuit and assessment of these acquisition targets.

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generated any cash flow from operations. Delrey's financial success relies on management's ability find economically recoverable reserves in its exploration and evaluation asset.

In order to finance the acquisition of assets or a business and corporate overhead, the Company will be dependent on investor sentiment remaining positive towards the junior companies, and towards Delrey Metals Corp., in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior exploration companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2019 audited financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company plans on financing its continued activities through equity financings. It is anticipated as general sentiment towards junior exploration companies remains positive, the Company can raise the necessary capital to secure and finance the acquisition of assets or a business. Debt financing has not been used to fund asset and business acquisitions; the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company.

The Company's working capital for the year ended February 28, 2019 was $1,089,077 compared to a working capital of $579,328 as at February 28, 2018. The increase can be primarily attributed to the private placement for gross proceeds of $270,000 on the issuance of 3,600,000 common shares during the current period along with the IPO for gross proceeds of $1,500,000 on the issuance of 7,500,000 common shares.

Cash and Financial Conditions

The Company had a cash balance of $1,231,092 as at February 28, 2019 compared to a cash balance of $562,418 as at February 28, 2018.

Operating activities: The Company used $704,651 in operations for the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 – generated loss of $36,393).

Investing activities: The Company used $130,322 in investing activities for the year period ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 – $18,000) related to expenditures on furniture and fixtures and computer equipment of $9,827 (2018 - $nil) to furnish the Company's head office and $120,495 (2018 - $18,000) in exploration and evaluation activities on the Company's Sunset property.

Financing activities: The Company generated $1,503,647 from financing activities during the year ended February 28, 2019 (period from incorporation on October 18, 2017 to February 28, 2018 - $616,811). Proceeds included a total of $1,770,000 generated from the IPO and private placements and $18,787 from option exercises, less share issuance costs of $285,140. During the comparative period, the Company generated funds through share issuances.

SECURITIES OUTSTANDING

As at the date of this MD&A the Company has 35,526,606 (February 28, 2019 – 33,726,605) common shares outstanding, and 3,444,063 (February 28, 2018 – 2,944,063) stock options outstanding. As at the date of this MD&A and February 28, 2019, the Company did not have any warrants outstanding.

OUTLOOK

It is anticipated that in the continued and foreseeable future, Delrey will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although Delrey has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future.

Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

	Management fees	Accounting fees	Consulting fees	Share-based payments	Total
Chief Executive Officer[(1)]	$ 62,500	$ -	$ 49,049	$ 37,575	$ 149,124
Chief Financial Officer	9,000	-	-	-	9,000
Former Chief Financial Officer	-	18,938	-	4,697	23,635
Non-executive directors	-	-	25,000	75,150	100,150
	$ 71,500	$ 18,938	$ 74,049	$ 117,422	$ 281,909

(1) Consulting fees comprise $49,049 in financing fees included in share issuance costs.

There were no key management personnel payments for the comparative year ended February 28, 2019.

As at February 28, 2019, $669 (2018 - $nil) was included in trade payables and accrued liabilities for fees owed to related parties and $20,000 (2018 - $nil) was included in prepaid expenses for amounts prepaid to related parties for travel advances and March 2019 management fees.

The terms of the Sunset Property agreement included a property option payment of $9,000 to Michael Blady, an optionor of the property and a director of the Company. Under the terms of the agreements, the Company issued 300,000 common shares of the Company to Michael Blady on April 1, 2018.

PROPOSED TRANSACTIONS

There are currently no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business before the board of directors for consideration.

CRITICAL ACCOUNTING ESTIMATES

Delrey Metals Corp. prepares its financial statements in accordance with International Financial Reporting Standard ("IFRS") and requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carry value of the exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended February 28, 2018 except for the adoption of IFRS 9 as discussed below.

We have adopted the new IFRS pronouncement for financial instruments as at March 1, 2018, in accordance with the transitional provisions outlined in the respective standard and described below. The adoption of the new IFRS pronouncement has not resulted in adjustments in previously reported figures and no change to the opening deficit balance as at March 1, 2018, under the IFRS 9 transition provisions.

Overview of Changes in IFRS 9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

Under IFRS 9, on initial recognition, a financial asset or liability is classified at amortized cost or at fair value (either through other comprehensive income ("FVOCI") or profit or loss ("FVPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income (FVOCI).

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.
Classification and Measurement Changes

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS 39)	New (IFRS 9)
Financial Assets:		
Cash and cash equivalents	FVPL	FVPL
Receivables	Amortized cost	Amortized cost
Reclamation deposit	Amortized cost	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

There has been no change in the measurement categories, carrying values or to previously reported figures of our financial instruments. The adoption of the Standard did not have a significant impact on the financial statements.

Impairment of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The Company has determined that the application of IFRS 9's impairment requirements as at March 1, 2018 does not result in any additional impairment allowances.

New standards not yet adopted

Certain pronouncements were issued by the IASB or IFRIC that are not mandatory for accounting periods beginning on or after March 1, 2019. They have not been early adopted in these consolidated financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

The Company will be adopting IFRS 16 on March 1, 2019 using the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. For all leases, the lease liability will be measured at March 1, 2019 as the present value of any future minimum lease payments discounted using the appropriate incremental borrowing rate. The associated right of use assets will be measured at the amount equal to the lease liability on March 1, 2019. The Company's accounting for finance leases remained substantially unchanged.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1:quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3:inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, reclamation bond, and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Receivables, reclamation bond, and accounts payable and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and reclamation bond are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Trades payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at February 28, 2019, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

FINANCIAL INSTRUMENTS

The fair value of the Company's amounts receivable and trades payable and accrued approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Delrey Metals Corp.'s control, including but not limited to: general economic and business conditions, information included or implied in the various independently produced and published technical reports; cash flow projections; currency fluctuations; commodity price fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR at www.sedar.com.

Although Delrey Metals Corp. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Delrey's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Delrey will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this MD&A. The Company will update forward-looking statements and information if and when, and to the extent required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Delrey Metals Corp. can be found on the SEDAR website at www.sedar.com.