

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: DLRY

Number of Outstanding Listed Securities: 34,926,605

Date: May 2019

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.

Form 211 Clearance from FINRA and DTC Eligibility

By News Release issued May 9, 2019, the Issuer announced that its submission of Form 211 to FINRA had been cleared and the Issuer's shares now qualify for trading in the United States on the OTC Pink Market. The Issuer has also secured DTC eligibility by the Depository Trust Company for its shares traded on the OTC Pink Market, under the symbol "DLRYF".

Positive Phase II Results from Blackie, Star and Porcher Properties

By News Release issued on May 16, 2019, the Issuer announced the results from a Phase II prospecting program recently completed on its wholly-owned Star, Porcher and Blackie properties located along tide-water near Prince Rupert, British Columbia. A total of 125 rock samples were collected by the Issuer's personnel from the three properties (Porcher - 61, Star - 43, Blackie - 21) with assays returning as high as 0.513% V₂O₅ (49.3% Fe, 4.01% Ti). Prospecting focused on the strongest magnetic anomalies that were mapped during the Phase I airborne magnetic surveys, and in all cases ground truthing confirmed that these anomalies are caused by variably mineralized vanadium-rich titaniferous magnetite. The Issuer is very encouraged by the consistency of V₂O₅, titanium and iron enrichment identified by the Phase II work program on all three properties and has submitted five-year area-based permit applications which will allow the Issuer to establish up to 40 drill sites on the Blackie, Porcher and Star properties.

Blackie Highlights:

- Selective outcrop sample results up to 0.513% V₂O₅, with 5 of the 21 samples returning >0.30% V₂O₅, and 21 of the 22 samples returning >0.10% V₂O₅¹
- Strong V₂O₅ enrichment was mapped over an approximately 800m x 300m area centered on the magnetic anomaly identified by the Phase I survey.

Porcher Highlights:

- Selective outcrop sample results up to 0.422% V₂O₅, with 11 of 61 rock samples returning >0.20% V₂O₅ along a strike length of 1 km.¹
- An approximately 2.8km x 1.8km strong magnetic anomaly remains to be ground truthed in the southern portion of the property.

Star Highlights:

- Assay results are highlighted by 11 of the 43 selective outcrop samples returning >47% Fe (up to 61.2%) from exposed northwest-southeast oriented semi-massive to massive magnetite outcrops along a strike length of approximately 4.7km.¹
- V₂O₅ enrichment in massive magnetite samples returned as high as 0.10% V₂O₅.
- Strong V-in-stream sediment results ranging from a low of 447 ppm up to 637 ppm V₂O₅, suggest higher V₂O₅ concentrations in bedrock may occur elsewhere on the property below forest cover.

¹ *Grab samples are selective in nature and not necessarily representative of the mineralization hosted on the property.*

Definitive Agreement on Four Corners Project

By News Release dated May 21, 2019, the Issuer announced that it had now entered into a definitive property option agreement with respect to the right and option to acquire an 80% interest (the "Option") in and to certain mineral licenses which comprise the Four Corners Project, as more fully described below (the "Four Corners Project"), from Triple Nine Resources Ltd. (the "Optionor") and to establish a joint venture therewith (the "Joint Venture").

In order to exercise the Option and acquire up to an 80% interest in the Four Corners Project, the Issuer has agreed to pay the Optionor an aggregate cash payment of \$450,000

(the “Cash Payment”). In addition to the Cash Payment, the Issuer has agreed to issue the Optionor an aggregate of 12,000,000 common shares in the capital of the Issuer. Additionally, the Issuer has agreed to incur an aggregate of \$5,000,000 in exploration and development activities on or in relation to the Project.

Upon the exercise of the Option, the Joint Venture will be formed. The Joint Venture will be governed in accordance with the terms of a joint venture agreement, the form of which is attached to the Definitive Agreement. In addition to customary joint venture terms, the Joint Venture Agreement includes the following rights and obligations:

- (a) the Issuer will initially have a participating interest in the Four Corners Project of 80% and the Optionor will initially have a carried interest in the Four Corners Project of 20% until the date that is 120 days after the delivery of a feasibility report on the Four Corners Project, following which the Optionor’s interest will automatically convert into a participating interest in the Four Corners Project of 20%;
- (b) after conversion of the carried interest, the Issuer and the Optionor will each bear their respective proportionate share of all costs and liabilities arising under the Joint Venture Agreement in proportion to their respective interests in the Four Corners Project;
- (c) subject to certain exceptions, the Issuer and the Optionor will each have the right to appoint two representatives to the management committee for the Joint Venture and has agreed to together jointly appoint one additional third party representative for a total of five representatives; and
- (d) the Issuer shall be the initial operator of the Joint Venture until it resigns, is removed in accordance with the Joint Venture Agreement, or its interest in the Four Corners Project falls below 50%.

Following exercise of the Option, the Optionor will retain a 3% net smelter royalty (the “NSR”) on the Four Corners Project. The Issuer will have the right to purchase 0.5% of the NSR for a payment of \$1,000,000 within 10 days of delivery of a feasibility study with respect to the Four Corners Project in accordance with NI 43-101 and a further 0.5% of the NSR for an additional payment of \$2,000,000 within 30 days of making a production decision with respect to the Project (repurchase of 1.0% and payment of \$3,000,000 in the aggregate).

The Four Corners Project now comprises 7655.0 hectares with the recent acquisition of the new claims increasing the contiguous land package by 51%. It is located in southwestern Newfoundland and Labrador, 25km east of the town of Stephenville. The Four Corners Project is host to vanadium enriched titaniferous magnetite (iron) mineralization which shows encouraging historical evidence for significant and consistent vanadium accumulations across the five main target zones.

The Project also boasts excellent infrastructure and is transected along its entire length by the Burgeo Highway (Route 480) and a 33 megawatt powerline. It is located only 40km (along Route 480), east of the deep-water ice-free Port Harmon Complex. Newfoundland

and Labrador is consistently rated as being one of the top mining jurisdictions in Canada and worldwide by the Fraser Institute.

The flagship target, the Keating Hill East Zone, was mapped by the Geological Survey of Canada to be at least 4,500m in length with variable widths between 400m to 1,100m and extending from surface to 590m depth, where it remains open, representing a very large potential target. An airborne EM (electromagnetic) survey conducted in 2011 by Geotech Ltd. greatly added to the potential of the Project with the identification of four new targets, increasing the potential mineralized strike length to greater than 16km. Preliminary surface sampling confirms the same style of mineralization found at the Keating Hill East Zone is producing the geophysical anomalies and follow-up work is planned for 2019. Selective samples across the mineralized strike length assayed >40% Fe, 5% Ti, and 0.30% V₂O₅ with individual assays returning as high as 56.92% Fe, 15.13% Ti, and 0.39% V₂O₅.

SRK completed preliminary magnetic characterisation work which returned very encouraging metallurgical results. The Standard Davis Tube results from a vanadium rich titaniferous magnetite 2010 drill core sample assayed 29.1% Fe, 9.8% Ti, and 0.232% V₂O₅ with concentrate samples returning an impressive 0.643% V₂O₅ (initial runs producing a concentrate with an equally impressive >90% recovery of Vanadium).

Successful Re-Assay Of Four Corners Project Historic Drill Core

By News Release issued May 28, 2019, the Issuer announced the lithium metaborate fusion and ICP-MS with 4-acid digestion assay results for nine drill core samples from the 2010 and 2011 drilling programs on the Four Corners Project, located in Newfoundland and Labrador. The lithium metaborate fusion assay method allows for a more complete digestion of certain mineral species versus the 4 acid-digestion method which has been used to assay all historic drill core samples processed on the project to date. For the nine samples collected by the Issuer's technical team during a recent visit to the Four Corners Project, the lithium metaborate fusion results were consistently higher versus the ICP-MS with 4 acid-digestion method, with the fusion assays returning on average 21% higher V₂O₅ (ranging from a 14% to 28% increase). The Issuer is very pleased with the results which have unlocked additional vanadium potential not fully recognized on the project to date. Lithium metaborate fusion for vanadium will be the preferred assay technique used on all drill core for the planned 2019 drill program, and the Issuer is considering complete re-assay of select historic drill holes in advance of this program.

Highlights

- The lithium metaborate fusion assay method in all cases increased V₂O₅ recovery over ICP-MS with 4 acid-digestion ranging from a 14% to 28% increase.
- Iron results from the check assay selective sample suite ranged from 19.16% Fe₂O₃ up to 48.61% Fe₂O₃ with an average grade of 35.07% Fe₂O₃.
- Titanium results from the check assay selective sample suite ranged from 5.09% TiO₂ up to 14.50% TiO₂ with an average grade of 10.28% TiO₂.
- Vanadium results from the check assay selective sample suite ranged from 0.10% V₂O₅ up to 0.32% V₂O₅ with an average grade of 0.22% V₂O₅.
- Two selective roadcut outcrop rock samples from the Keating Hill East Zone collected by company Q.P., Scott Dorion, during the FCP site visit ran 43.75% and 44.03% Fe₂O₃, 13.75% and 11.98% TiO₂, and 0.32% and 0.30% V₂O₅ respectively.¹

¹ *Grab samples are selective in nature and not necessarily representative of the mineralization hosted on the property.*

The Issuer also announced that it had completed an in depth review of the 2012 SRK Consulting (Canada) Inc., and ALS Ammtec magnetic characterisation and metallurgical report completed on the Four Corners Project 2010 drill core, in light of the recent surge of iron ore prices above 100\$USD/tonne. The review was conducted in order to gain a better understanding of all possible saleable products from Keating Hill East Zone titanomagnetite samples. Utilizing Standard Davis Tube assay methods, the composite sample assayed 29.1% Fe, 9.80% TiO₂, and 0.23% V₂O₅, with the magnetic concentrate returning an impressive 63.10% Fe and 0.64% V₂O₅, indicating a strong fractionation of iron (~70% recovery) and vanadium (>90% recovery) into the magnetic concentrate. The Issuer is very pleased with the initial results reported and based on recommendations by the report will complete additional metallurgical optimization as well as preliminary market studies of potential iron, vanadium, and titanium products which could be produced.

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’s wholly-owned subsidiary, BC Vanadium Corp., owns a 100% 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 Issuer’s wholly-owned subsidiary, WEM Western Energy Metals Ltd., owns a 100 percent undivided, unencumbered legal and beneficial interest in both the Penece and the Blackie Vanadium properties (the “*WEM Properties*”), located in British Columbia. The WEM Properties cover a total area of 2,714 hectares and host vanadium mineralization within large bodies of titaniferous magnetite. Both properties are strategically located on tidewater, near to the small coastal cities of Port Hardy (Penece – 68km) and Prince Rupert (Blackie – 96km).

In April 2019, the Issuer completed airborne geophysics across its Porcher, Blackie and Star properties located near Prince Rupert, British Columbia. The results were very encouraging and outline sizeable magnetic anomalies on all three properties. This is highlighted by two, 3km x 2km & 2.7km x 1.8km, magnetic highs located on its wholly-owned Porcher property, a 11km long northwest-southeast trending magnetic high located

on its wholly-owned Star property, and a 1.5km x 800m magnetic high (up to 68,000nT raw) located on its wholly-owned Blackie property. A historic 2.14% V₂O₅ bedrock sample from the Blackie is believed to be coincident with the newly mapped geophysical anomaly (McDougall, 1984).¹

The three surveys were completed by Ridgeline Exploration Services Inc. out of Kelowna, B.C., and were flown in a systematic low-level grid pattern at 150-m line spacing. The average terrain clearance was 75m across all surveys and a total of 1,105.55 line-km (Porcher: 472.48 line-km; Star: 457.48 line-km; Blackie: 175.59 line-km) were flown.

Based on results from the surveys the Issuer increased to size of the Porcher property from 3,122.16 to 3,525.46-hectares, and the Star property from 3,646.8 to 4,618.3-hectares to fully encompass the newly discovered magnetic anomalies.

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.

Refer to Item 1 and Item 2 herein.

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.

Refer to Item 1 herein.

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.

Refer to 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.
- 1,200,000 common shares were issued at a deemed price of \$0.17 per share as partial consideration for the Issuer's option to acquire an 80% interest in the Four Corners Project, as more particularly described in Item 1 herein.**
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 June 4, 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
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