

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: DLRY

Number of Outstanding Listed Securities: 35,526,605

Date: January 2020

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.

There are no new developments to report for the month of January 2020.

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 subsequently increased the 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 newly discovered magnetic anomalies.

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).

The Issuer recently completed a Phase II prospecting program 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.

The Issuer completed a Phase I airborne geophysics survey across its wholly-owned Fe-Ti-V Penece property located near Port Hardy, British Columbia. The results were encouraging and outlined a sizeable, ~4.5km x ~3.5km, strong northwest-southeast trending magnetic anomaly, approximately 7,000nT in amplitude. The survey was completed by Ridgeline Exploration Services Inc. out of Kelowna, British Columbia, and was flown in a systematic low-level grid pattern at 150m line spacing. The average terrain clearance was 75m across the entire survey area and a total of 402 line-km were flown.

Based on the results from the survey, the Issuer increased the size of the Penece property by 482.9-hectares to 1983.3-hectares, to fully encompass the newly discovered strong magnetic anomaly. The results from the survey will be used in helping the Issuer's technical team plan a Phase II work program, which will include prospecting, mapping and rock sampling over the geophysical anomalies.

In May 2019, the Issuer 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 agreed to pay the Optionor an aggregate cash payment of \$450,000 (the “*Cash Payment*”). In addition to the Cash Payment, the Issuer 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.

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 comprises 7,655.0 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.

On 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 V_2O_5 (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.

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.

On July 16th, 2019, the Issuer announced the plans for its 2019 drill program on the Four Corners Project. The Issuer plans to drill a total of 5000m from 20 drill pads at its flagship Keating Hill East Zone, which is designed to test over 3.5km of strike length. The holes will be drilled at a spacing of roughly 300m along strike between fence lines, with two vertical drill holes per fence-line, located roughly 150m apart. The Issuer will also be conducting follow up prospecting and sampling on its Bullseye, Four Corners, Keating Hill West, and newly discovered Keating Hill North Zones, with plans for late season drilling on the most promising targets identified.

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.

None

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 February 3, 2020.

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.	January 2020	20/02/03
<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	https://delreymetals.com/	