



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

News Release

DELREY ANNOUNCES SIGNING OF TERM SHEET ON THE FOUR CORNERS VANADIUM-IRON-TITANIUM PROJECT IN NEWFOUNDLAND AND LABRADOR

RETAINS OMNI8 MEDIA TO MANAGE MARKETING AND COMMUNICATIONS INITIATIVES

March 21, 2019

CSE:DLRY | FSE:1OZ | US:DLRYF

DELREY METALS CORP. (CSE:DLRY, FSE:1OZ, US: DLRYF) (“Delrey” or the “Company” - https://www.commodity-tv.net/c/search_adv/?v=298835) is pleased to announce the signing of a non-binding term sheet (the “Term Sheet”) with respect to the right and option to acquire an 80% interest (the “Option”) in and to certain mineral licences which comprise the Four Corners Project, as more fully described below (the “Project”), from Four Corners Mining Corporation/Triple Nine Resources Ltd. (the “Optionor”) and to establish a joint venture therewith (the “Joint Venture”).

Highlights of the Four Corners Project:

- Strong drill defined vanadium mineralization at the Keating Hill Zone, with a potential strike length in excess of 4.5 kilometers, as well as four other vanadium mineralized zones on the Project which have never been drill tested.
- Independent interpretation and modeling by SJ Geophysics demonstrates that 5 target zones on the Project could potentially host in excess of 10 billion tonnes of mineralized rock.
- Work in 2012 by global firm SRK Consulting (US) Inc. (“SRK”) noted a highly favourable hillside mining architecture exists on the project.
- SRK report notes positive vanadium recoveries of 90% from preliminary metallurgical tests.
- The Burgeo Highway provides access to an ice-free deep water port within 40 km of the Project, as well as a commercial airport and industrial service centre at Stephenville, Newfoundland, which could act as a potential brownfield site for primary and secondary processing.
- Low exploration and development costs with no need for helicopter or camp support, and an additional rebate of up to 50% of exploration expenditures from the Newfoundland and Labrador government under the Junior Exploration Assistance Program.

- Newfoundland and Labrador consistently rated as one of the top mining jurisdictions in the world by the Fraser Institute.
- Excellent community relations with strong support for the development of the Project.
- Drilling planned for 2019 to add to the currently defined vanadium mineralization at Keating Hill as well as test four other large targets zones on the Project.

Victor French, President and COO of Four Corners Mining Corporation/Triple Nine Resources Ltd. states: *“The Four Corners Vanadium project is one of the largest and most accessible vanadium projects in North America. We are excited to work with a company that will help to truly unlock the potential of this unique project and develop it into the next big exploration success for Newfoundland and Labrador.*

Morgan Good, President and Chief Executive Officer of the Company, commented: *“This latest acquisition provides further exposure for Delrey and its shareholders within the battery metals sector, which are driving the global change in energy storage. Vanadium has historically been used mainly in the steel industry, but more recently demand from redox flow battery development has quickly expanded the requirements globally. Vanadium redox batteries are rapidly being established as the method of choice for large scale, long term, wind and solar produced energy storage where space is abundant. We’re excited to be in a strong position with the Four Corners Project acquisition in a favorable jurisdiction like Newfoundland and Labrador, as the potential size and scale of this asset is remarkable.”*

About the Project:

The Project is a 5,157 hectare property located in western Newfoundland, 25km east of the town of Stephenville. The Project is host to vanadium enriched titaniferous magnetite (iron) mineralization which shows encouraging historical evidence for significant and consistent vanadium accumulations across the Project.

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 a paved highway, 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 original 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. A recent airborne EM (electromagnetic) survey conducted in 2011 by Geotech Ltd. greatly added to the potential of the Project with the identification of three new targets, increasing the potentially mineralized strike length to greater than 12km. Preliminary surface sampling confirms the same style of mineralization found at the Keating Hill East is producing the new conductive anomalies and follow-up work is planned for 2019. Representative samples across the mineralized zone 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 has completed preliminary magnetic characterisation work which returned very encouraging metallurgical results. The Standard Davis Tube assay techniques performed on a marginal vanadiferous titanomagnetite assayed 29.1% Fe, 9.8% Ti, and 0.232% V₂O₅ with concentrate samples returning an impressive 0.643% V₂O₅ and initial runs producing a concentrate with an equally impressive >90% recovery of Vanadium.

Terms

The commercial terms of the Term Sheet are summarized below. Provisions of the Term Sheet relating to matters such as confidentiality, the Deposit (as defined below), the Due Diligence Period (as defined below) and specified other matters are binding, but otherwise the Term Sheet is non-binding.

Cash Payments

In order to exercise the Option and acquire up to an 80% interest in the Project, the Company has agreed to pay the Optionor an aggregate cash payment of \$450,000 (the “**Cash Payment**”) as follows:

- (a) a non-refundable \$25,000 cash deposit (the “**Deposit**”) upon entry of the Term Sheet, which Deposit will entitle the Company up to a 45 day due diligence and exclusivity period (the “**Due Diligence Period**”);
- (b) \$25,000 upon entry into a definitive option agreement containing standard representations, warrants and covenants of the parties (the “**Definitive Agreement**”);
- (c) \$50,000 on the first anniversary of the Definitive Agreement;
- (d) \$50,000 on the second anniversary of the Definitive Agreement;
- (e) \$50,000 on the third anniversary of the Definitive Agreement; and
- (f) \$250,000 on the earlier of (i) the fourth anniversary of the Definitive Agreement or (ii) within 30 days of completion of an exploration program as approved by the Technical Committee (as defined below).

Share Issuances

In addition to the Cash Payment, the Company has agreed to issue the Optionor an aggregate of 12,000,000 common shares in the capital of the Company (each, a “**Share**”) as follows:

- (a) 1,200,000 Shares upon entry into the Definitive Agreement;
- (b) 2,600,000 Shares on the first anniversary of the Definitive Agreement;
- (c) 3,600,000 Shares on the second anniversary of the Definitive Agreement;
- (d) 2,600,000 Shares on the third anniversary of the Definitive Agreement; and
- (e) 2,000,000 Shares on the fourth anniversary of the Definitive Agreement.

Exploration Expenditures

Additionally, the Company has agreed to incur an aggregate of \$5,000,000 in Exploration Expenditures (as defined below) as follows:

- (a) \$1,000,000 in exploration and development activities on or in relation to the Project (the “**Exploration Expenditures**”) on or before the first anniversary of the Definitive Agreement;
- (b) \$2,000,000 in Exploration Expenditures on or before the second anniversary of the Definitive Agreement;
- (c) \$1,000,000 in Exploration Expenditures on or before the third anniversary of the Definitive Agreement; and

- (d) \$1,000,000 in Exploration Expenditures on or before the fourth anniversary of the Definitive Agreement (the “**4th Year Exploration Program**”) and delivery of a Prefeasibility Study with respect to the Project by the Company at the Company’s cost in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and CIM Standards on or before 12 months from receipt of exploration results from the 4th Year Exploration Program.

Joint Venture

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 has yet to be determined and will be settled and attached to the Definitive Agreement. In addition, the parties have agreed the Joint Venture will provide for standard dilution and a right of first refusal regarding the sale or transfer of one party’s interest in the Joint Venture.

Net Smelter Royalty

Following exercise of the Option, the Optionor will retain a 3% net smelter royalty (the “**NSR**”) on the Project. The Company will have the right to purchase 0.5% of the NSR for a payment of \$1,000,000 within 10 days of the production of a feasibility study with respect to the Project in accordance with NI 43-101 and a further 0.5% of the NSR for an additional payment of \$2,000,000 within 60 days of making a production decision with respect to the Project (repurchase of 1.0% and payment of \$3,000,000 in the aggregate).

Optionor Participation Right

Pursuant to Term Sheet, the parties have agreed to include terms in the Definitive Agreement which provide that the Optionor shall have the right to maintain its proportional interest in the Joint Venture, subject to certain conditions, until the later of: (a) the exercise of the Option; (b) the termination of the Definitive Agreement; and (c) such date that the Optionor ceases to hold at least 10% of the Company’s total issued and outstanding Shares on a non-diluted basis.

Option Grant

The Company also pleased to announce that it has granted stock options (the “**Options**”) to certain consultants for the purchase of up to 500,000 Shares pursuant to the Company’s Stock Option Plan. The Options are exercisable for a period of five (5) years at an exercise price of \$0.25 per Share and vest immediately.

Appointment of Marketing and Communications Firm

Delrey is also pleased to announce that it has retained Omni8 Communications Inc. (“**Omni8 Media**” or “**Omni8**”) to assist with the Company’s corporate communications and marketing activities. The agreement with Omni8 is for 12 months and commenced on March 1, 2019. Under the terms of the agreement, Omni8 will receive \$7,500 per month for its services. Omni8 has also been granted 200,000 stock options (the “**Omni Options**”) exercisable for a period of five (5) years at an exercise price of \$0.25 per Share and vest immediately.

About Omni8 Media

Omni8 Media is a creative agency that strives to think outside the box. Omni8 are experts in branding, messaging, digital marketing, and content creation. Omni8 maintains an extensive proprietary list of service providers and marketing initiatives covering every aspect of public company communications.

Omni8 Media has spent over a decade working in the Canadian capital markets building a global network of finance professionals, deal makers and marketers. Omni8 has worked with dozens of companies in varied industries in investor relations, corporate communications, public relations, corporate and business development, crisis management, financing and M&A. Through all of this, Omni8 has developed broad connections to work with in North America and Europe.

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 located in the Vancouver Mining Division and near Pemberton, British Columbia. The Company has also recently acquired the 6,740 hectare Star and Porcher Vanadium properties and the 2,714 hectare Penece and Blackie properties located in north-western British Columbia. Delrey will continue to review and acquire projects showing potential for materials used in the energy storage and electric vehicle markets. The Company is based in Vancouver, British Columbia, and is listed on the CSE under the symbol "DLRY".

Qualified person

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

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
T: 604-620-8904
E: info@delreymetals.com
W: www.delreymetals.com

In Europe:
Swiss Resource Capital AG
Jochen Staiger
info@resource-capital.ch
www.resource-capital.ch

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. 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.

Historical information contained in this news release cannot be relied upon as the Company’s Qualified Person, as defined under NI 43-101 has not prepared nor verified the historical information.

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.