

Delrey Signs Definitive Agreement on the Four Corners Vanadium-Iron-Titanium Project in Newfoundland

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Increases Land Position by over 50%

Vancouver, May 21, 2019 - [Delrey Metals Corp.](#) (CSE: DLRY) (FSE: 1OZ) (OTC: DLRYF) ("Delrey" or the "Company") is pleased to announce that, further to its news release on March 21, 2019 and subsequent clarification of that news release dated March 22, 2019, it has entered into a definitive property option agreement (the "Definitive Agreement") 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 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 East Zone, with a potential strike length in excess of 4.5 kilometers, as well as four other Fe-Ti-V mineralized zones on the Project which have never been drill tested.
- Global firm SRK Consulting (US) Inc. ("SRK") report notes positive vanadium recoveries of >90% in 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 and Labrador, 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 select 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.
- Work in 2012 by SRK noted a highly favourable hillside mining architecture exists on the project.
- Excellent community relations with strong support for the development of the Project.
- 2019 field season will include drilling aimed at expanding Fe-Ti-V mineralization at the Keating Hill East Zone, as well additional exploration over the four other target zones on the Project.

Morgan Good, President and Chief Executive Officer of the Company, commented: "Finalizing the Definitive Agreement with Triple Nine Resources on The Four Corners Project, and the increase in the overall land package, cements Delrey's position within the strategic [Energy Metals Corp.](#) sector. We recently completed a visit to the Project and had the opportunity to spend time with not only Vic French and the Triple Nine Resources team, but also several senior government officials from the Department of Natural Resources. Newfoundland and Labrador is a world class mining and exploration jurisdiction abundant with opportunities within the natural resource space. We have a plan in place to move quickly on unlocking the projects value through systematic exploration, while taking advantage of the excitement and increased interest within the vanadium and iron ore sectors. The Keating Hill East Zone in particular, as well as the four other high priority target zones on the property, will be the exploration focus for the 2019 season."

Land Position Increase By Over 50%

The Company is also pleased to announce it has acquired two additional claims, totaling 2576.7 hectares, bringing the overall contiguous land package to 7655.0 hectares. The new claims now capture the entirety of the roughly 4km x 4.7km Four Corners magnetic anomaly, and the Bullseye magnetic anomaly which has a coincident historic selective outcrop sample which assayed 48.18% Fe₂O₃, 8.93% TiO₂, and 0.327% V₂O₅. This overall land package at The Four Corners Project now provides Delrey with further opportunity to add value to the asset through regional exploration around the company's flagship Keating Hill East Zone.

About the Project

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 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).

Terms

The commercial terms of the Definitive Agreement are summarized below.

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") which was paid upon entry of the term sheet on March 18, 2019;
- (b) \$25,000 on or before the effective date of the Definitive Agreement (the "Effective Date");
- (c) \$50,000 on or before the first anniversary of the Effective Date;
- (d) \$50,000 on or before the second anniversary of the Effective Date;
- (e) \$50,000 on or before the third anniversary of the Effective Date; and
- (f) \$250,000 on the earlier of (i) the date that is on or before the fourth anniversary of the Effective Date 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 on the Effective Date;
- (b) 2,600,000 Shares on or before the first anniversary of the Effective Date;
- (c) 3,600,000 Shares on or before the second anniversary of the Effective Date;
- (d) 2,600,000 Shares on or before the third anniversary of the Effective Date; and

(e) 2,000,000 Shares on or before the fourth anniversary of the Effective Date.

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 Effective Date;
- (b) \$2,000,000 in Exploration Expenditures on or before the second anniversary of the Effective Date;
- (c) \$1,000,000 in Exploration Expenditures on or before the third anniversary of the Effective Date; and
- (d) \$1,000,000 in Exploration Expenditures on or before the fourth anniversary of the Effective Date (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.

Optionor Participation Right

The Optionor shall have the right to maintain its proportional equity interest in the Company, subject to certain conditions and exempted issuances, for the period from the Effective Date 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.

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 "Joint Venture Agreement"), the form of which has been attached to the Definitive Agreement. In addition to customary joint venture terms, the Joint Venture Agreement includes the following rights and obligations:

- (a) the Company will initially have a participating interest in the Project of 80% and the Optionor will initially have a carried interest in the Project of 20% until the date that is 120 days after the delivery of a feasibility report on the Project, following which the Optionor's interest will automatically convert into a participating interest in the Project of 20%;
- (b) after conversion of the carried interest, the Company 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 Project;
- (c) subject to certain exceptions, the Company 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 Company 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 Project falls below 50%; and

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 delivery 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 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).

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 to earn

a 80% interest in the Four Corners Project located in Newfoundland and Labrador. The Four Corners Project is a Fe-Ti-V exploration project with positive historical drilling, metallurgy, and development economics. The Company also wholly owns the Star, Porcher, Penece and Blackie Fe-Ti-V properties located along tidewater in 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

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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 Ltd.](#), 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.

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