This Management's Discussion and Analysis ("MD&A") prepared as at October 29, 2018, reviews the financial condition and results of operations of Delrey Metals Corp. ("Delrey" or the "Company") for the three and six month periods ended August 31, 2018 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, 2018 annual audited financial statements and related notes together with the Management's Discussion and Analysis and the unaudited condensed interim financial statements and related notes for the three month period ended May 31, 2018.

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

The Company was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office is located at 800 – 885 West Georgia Street, Vancouver, BC.

The Company's common shares were listed on the Canadian Securities Exchange on October 22, 2018, and will began trading on October 24, 2018, under the symbol "DLRY".

The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company will be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the Company's statement of financial position.

EXPLORATION AND EVALUATION ASSET

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into a Letter of Agreement (the "Agreement") whereby it will have the right to earn a 100% interest in the approximate 785-hectare Sunset Property including four existing mineral claims and a 2.0 kilometer area of influence measured from the outside perimeter of these mineral claims.

The Company will earn a 100% interest in the Property subject to a 2% NSR Royalty, by completing $1,000,000 in exploration, making cash payments of $15,000 (paid) and issuing 666,667 (issued) common shares of the Company to the Optionor.

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

By June 30, 2018	$ 100,000
By June 30, 2019	200,000
By June 30, 2020	700,000

<u>$1,000,000</u>

Excess expenditures from one year can be applied to the next period. If there is a shortfall in exploration in any one year, the Agreement can be maintained in good standings by making a payment in the equivalent cash, of the shortfall to the Optionor. On June 25, 2018, the $100,000 in exploration expenditure to incur by June 30, 2018 was extended to September 30, 2018.

RESULTS OF OPERATIONS

Loss for the period

The Company incurred a net and comprehensive loss of $(57,015) and $(136,673) for the three and six month periods ended August 31, 2018 respectively. As the Company was incorporated on October 18, 2017, prior year comparatives for discussion purposes are not available.

The Company incurred consulting fees totalling $28,800 and $52,800 for the three and six month periods ended August 31, 2018. These costs relate to general consulting associated with the development of a strategic plan for the Company.

The Company incurred filing fees of $9,982 for the six month period ended August 31, 2018. These costs were the initial fees paid to various regulatory agencies as the Company seeks a listing on the Canadian Securities Exchange.

The Company incurred $7,253 in office related costs during the six month period ended August 31, 2018. These costs are one-time expenditures to set up an office for the Company.

Professional fees were $3,366 and $51,479 for the three and six month periods ended August 31, 2018. These costs relate to legal fees associated with the Company's Initial Public Offering and accounting related fees.

Total assets

Total assets of the Company were $798,928 as at August 31, 2018 compared to assets totaling $606,453 as at February 28, 2018. The increase in assets can generally be attributed to the issuance of 3,600,000 shares for proceeds of $270,000.

Total liabilities

As at August 31, 2018, the current liabilities of the Company were $18,273 compared to liabilities of $9,125 as at February 28, 2018. The increase in liabilities is a result of the timing of payments to the Company's vendors.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the three most recently completed quarters:

Quarter Ended	Revenues	Net (loss)	Net (loss) per share [1]
August 31, 2018	$nil	$(57,015)	$(0.00)
May 31, 2018	$nil	$(78,075)	$(0.01)
February 28, 2018	$nil	$(19,321)	$(0.00)
November 30, 2017	$nil	$(162)	$(0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generate 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 2018 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 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 period ended August 31, 2018 was $712,655 compared to a working capital of $579,328 as at February 28, 2018. The increase can be attributed the aforementioned private placement for gross proceeds of $270,000 on the issuance of 3,600,000 shares during the current period.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash balance of $683,754 as at August 31, 2018 compared to a cash balance of $562,418 as at February 28, 2018. The increase can be attributed the aforementioned private placement for gross proceeds of $270,000 on the issuance of 3,600,000 shares.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

Delrey does not use hedges or other financial derivatives.

Financing Activities

On October 24, 2018, the Company announced it had completed its initial public offering ("IPO") of 7.5 million common shares in the capital of the company at a price of 20 cents per share for total gross proceeds of $1.5-million.

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 share of the Company at a price of $0.20 per share for a period of 24 months from the date of issuance.

The proceeds of the financing will be used by the company to finance its exploration program on its 785-hectare Sunset Mining Property situated in the Vancouver mining division, located near Pemberton, B.C., and for general working capital purposes.

During the three month period ended August 31, 2018, the Company issued 3,600,000 common shares at $0.075 for proceeds of $270,000.

During the three months ended May 31, 2018, 666,667 common shares were issued by the Company as payment for the Sunset Mining Property.
During the fiscal year ended February 28, 2018, the Company had issued an aggregate of 12,116,001 common shares at for gross proceeds of $632,450. In connection with the issuance of these common shares, the Company incurred share issuance costs of $15,693.

No warrants or options were exercised during the three and six month periods ended August 31, 2018.

Subsequent to the period ended August 31, 2018, the Company granted stock options to directors, officers and consultants for the purchase of up to 2,388,000 common shares of the Company, pursuant to the Company's stock option plan. The options are exercisable for a period of five years at an exercise price of $0.25 per share. All of the options vest immediately as of the date of grant.

SECURITIES OUTSTANDING

As at August 31, 2018, the Company had 16,382,668 common shares issued and outstanding.

As at the date of the MD&A, the Company had 23,882,668 common shares issued and outstanding.

As at August 31, 2018, the Company had no warrants or stock options outstanding.

As at the date of this MD&A, the Company had 3,063,000 stock options 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:

On November 7, 2017, the Company entered into a Letter of Agreement (the "Agreement") whereby it will have the right to earn a 100% interest in the approximate 785-hectare Sunset Property including four existing mineral claims and a 2.0 kilometer area of influence measured from the outside perimeter of these mineral claims.

Terms of the Agreement require the Company to pay $15,000 (paid) and to issue 666,667 (issued) shares of the Company at a deemed price of $0.075 to Michael Blady, an Optionor of the property and, a director of the Company.

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.

Significant areas requiring the use of management estimates relate to the useful lives of capital assets, reserves used in calculating depletion, accretion and ceiling tests, the assumptions used in determining the fair value of asset retirement costs and the assumptions used in determining the fair value of non-cash stock-based compensation. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years could differ from these estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2016. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2017.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Categories of Financial Assets and Financial Liabilities

Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, and (3) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets, "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Amounts Receivable	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. Amounts receivables consists of input tax credits receivable from the Government of Canada.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2018, the Company had a cash balance of $683,754 to settle current liabilities of $18,273.

Market risk

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

a) Interest rate risk
The Company has cash balances which are not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. As of August 31, 2018, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk
As at August 31, 2018, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. The foreign currency risk is not significant.

FINANCIAL INSTRUMENTS

The fair value of the Company's amounts receivable, accounts payable and accrued liabilities, due to a related parties and loans 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.