

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

*Carlyle Commodities Corp. (the “Company”)
620 – 1111 Melville Street,
Vancouver, BC V6E 3V6*

Item 2. Date of Material Change

December 17, 2020

Item 3. News Release

The news release was issued on December 17, 2020 through Newsfile Corp.

Item 4. Summary of Material Change

The Company has entered into and closed an amalgamation agreement dated December 16, 2020 with Isaac Mining Corp. (“IMC”), an arm’s length private British Columbia corporation, and 1269597 B.C. Ltd., a wholly-owned subsidiary of Carlyle, pursuant to which Carlyle acquired all of the issued and outstanding securities of IMC by way of “three-cornered” amalgamation.

Item 5.1 Full Description of Material Change

See Schedule “A” attached hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Morgan Good, Chief Executive Officer, 604-715-4751

Item 9. Date of Report

December 18, 2020



620 – 1111 Melville Street, Vancouver, BC V6E 3V6

News Release

CARLYLE ACQUIRES ISAAC MINING CORP., THE NEWTON GOLD PROJECT AND OVER \$2,000,000 IN CASH

December 17, 2020

CSE:CCC | FSE:1OZ | OTC:DLRYF

CARLYLE COMMODITIES CORP. (CSE:CCC, FSE:1OZ, OTC:DLRYF) (“Carlyle” or the “Company”) is pleased to announce that it has entered into and closed (the “Closing”) an amalgamation agreement dated December 16, 2020 (the “Agreement”) with Isaac Mining Corp. (“IMC”), an arm’s length private British Columbia corporation, and 1269597 B.C. Ltd. (“NewCo”), a wholly-owned subsidiary of Carlyle, pursuant to which Carlyle acquired (the “Transaction”) all of the issued and outstanding securities of IMC by way of “three-cornered” amalgamation.

Isaac Mining Corp.

Incorporated in September of 2020, IMC is a private British Columbia mineral exploration corporation which owns 100% of the Newton Gold Project (the “Newton Gold Project” or the “Project”) located in the Clinton Mining Division of the Province of British Columbia.

Morgan Good, Chief Executive Officer of Carlyle, commented, “*Carlyle and its team are excited to have closed on this amalgamation with Isaac Mining and the acquisition of a 100% undivided interest in The Newton Gold Project, which is on trend with Artemis Gold’s (TSVX:ARTG) permitted open-pit Blackwater gold deposit in B.C., and we feel past exploration at Newton has merely scratched the surface of its true potential. Also, Isaac was successful in closing more than \$2M in funding sufficiently capitalizing the treasury while eliminating financing risk and positioning the Company for success as it heads into the new year.*”

With the addition of the Newton Gold Project (as defined below), Carlyle has added another quality and promising property to its portfolio of development and exploration assets. Following Closing, Carlyle now has 9 mineral properties in its portfolio in Mexico and B.C., covering an aggregate of approximately 43,500 hectares including options to purchase 100% interests in the Cecilia Gold Project located in the State of Sonora, Mexico, and the promising Sunset property located in the Vancouver Mining Division near Pemberton, British Columbia, for which Carlyle has a current National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) technical report (the “Sunset Technical Report”). For more information on Carlyle’s various exploration assets or the Sunset Technical Report, please see the Company’s profile on SEDAR.

Transaction Summary

Pursuant to the Agreement, Carlyle acquired all of the issued and outstanding IMC Shares by way of a “three-cornered” amalgamation (the “**Amalgamation**”) whereby NewCo and IMC amalgamated pursuant to the provisions of the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name “Isaac Newton Mining Corp.”, a wholly owned subsidiary of the Company. Accordingly, each of the common shares of IMC (each, an “**IMC Share**”) were cancelled and, in consideration for such IMC Shares, each IMC shareholder (collectively, the “**IMC Shareholders**”) received one (1) common share in the capital of Carlyle (each, a “**Share**”) at a deemed price of \$0.25 per Share for every IMC Share held by such shareholder. An aggregate of 20,562,000 Shares (each, a “**Consideration Share**”) were issued to the IMC Shareholders in exchange for their respective IMC Shares, having an agreed value of \$5,140,500, as well as an aggregate of 9,531,000 Replacement Warrants (as further described below).

The Newton Gold Project

The Newton Gold Project lies within British Columbia’s exciting new gold belt, which includes Artemis Gold Inc.’s (**TSXV:ARTG**) very large Blackwater Gold Project, which includes a measured+indicated resource estimated at 11.7 million ounces gold and 122 million ounces of silver (*Blackwater Gold Project British Columbia NI 43-101 Technical Report on Pre-Feasibility Study*: authored by Sue Bird, Daniel Fontaine, Tracy Meintjes, Marc Schulte and John Thomas, August 26, 2020; www.artemisgoldinc.com). Blackwater is located approximately 185 km to the northeast of Newton and is one of Canada’s largest open-pit gold deposits and one of the world’s largest environmental assessment (EA) approved gold development projects. The age and geological characteristics of the gold mineralization at Newton demonstrate striking similarities to the mineralization at Blackwater.

The Newton Gold Project covers approximately 23,000 contiguous hectares of generally flat-lying topography, located approximately 100 km west-southwest of Williams Lake in south-central British Columbia, Canada. The area is accessible year-round by a 2.5-hour drive from Williams Lake, using Highway 20 and maintained logging roads.

The Newton Gold Project includes more than 30,000 m of drilling, and a 2012 historic mineral resource estimated at the inferred confidence level for 1.6 million ounces gold (Au), and 7.7 million ounces silver (Ag), as reported in a NI 43-101 technical report effective dated December 19, 2012 entitled “*Technical Report on the Initial Mineral Resource Estimate for the New Project, Central British Columbia, Canada*”, prepared by Reno Pressacco, M.Sc.(A), P.Geo., for Amarc and filed under Amarc’s profile on www.sedar.com (the “**Newton Technical Report**”). This inferred mineral resource estimates a grade of 0.44 g/t Au and 2.1 g/t Ag. at a cut-off grade of 0.25 g/t Au. The mineralization is typical of bulk-tonnage, low to intermediate sulphidation, disseminated epithermal gold-silver deposit. Mineralization occurs within an 800 x 400 m area defined by drilling to depths of 560 m, but primarily of depths only down to 300 m, representing a fraction within a larger 7 square kilometer hydrothermal system as defined by an induced polarity chargeability anomaly. Drill results reported in the Newton Technical Report suggest that the gold and silver mineralization may be expandable with additional possibilities to discover structurally controlled zones of higher-grade gold.

The Newton Technical Report historic estimate is the most recent mineral resource estimate for the Newton Gold Project and was prepared prior to Isaac acquiring the property from Amarc pursuant to a Mineral Purchase Agreement dated October 17, 2020. No qualified person (“**QP**”) (as such term is defined

in NI 43-101) working for either Isaac or the Company has done sufficient work to classify the historic estimate as a current mineral resource, and neither Isaac nor the Company is treating the historic estimate as current mineral resources. The Company also does not imply that information or results from the Newton Gold Project, either at present or in the future, will be similar to that of Artemis' Blackwater project.

Amarc has retained a 2.0% of the net smelter returns royalty from all products that are mined or extracted from, or that otherwise originate from the mineral claims which comprise the Newton Gold Project. There is also a 2.0% of the net smelter returns royalty on certain mineral claims at the Newton Gold Project in favour of two underlying owners, which can be purchased at any time for \$2,000,000.

Concurrent Financing

Prior to the Closing, IMC issued an aggregate of 8,062,000 units (each, an **"IMC Unit"**) at a price of \$0.25 per IMC Unit for gross aggregate proceeds of \$2,015,500 (the **"Pre-Transaction Financing"**). Each IMC Unit consists of one IMC Share and one half of one IMC Share purchase warrant (each, an **"IMC Warrant"**), with each full IMC Warrant entitling the holder to purchase one additional IMC Share at an exercise price of \$0.50 per IMC Share for a period of 3 years from the date of issue, provided that if the closing price of the IMC Shares on any stock exchange on which the IMC Shares are then listed is at a price greater than \$1.00 for a period of 10 consecutive trading days, IMC will have the right to accelerate the expiry date of the IMC Warrants by giving written notice to the holders of the IMC Warrants by news release or other form of notice permitted by the certificate representing the IMC Warrants that the IMC Warrants will expire on the date that is not less than 30 days from the date of such notice.

In connection with the Closing, each IMC Warrant which issued and outstanding immediately prior to the effective time of the Amalgamation (inclusive of those IMC Warrants issued under the Pre-Transaction Financing) was cancelled and its holder received, in exchange therefor, one warrant (each, a **"Replacement Warrant"**) to purchase one Share. The Replacement Warrants are on the same terms and conditions as the cancelled IMC Warrants, as further described above.

Following the Closing, Carlyle has 45,609,516 Shares issued and outstanding and, in connection therewith, Amarc, the vendor of the Newton Gold Project to Isaac, now holds more than 12.0% of the issued and outstanding Shares and subject to early warning reporting obligations under National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. Subject to finalization of agreement Amarc will act as operator of the exploration programs moving forward at the Newton Gold Project, utilizing the depth of their experience and expertise, particularly in British Columbia, further enhancing the relationship between Carlyle and HDI affiliated companies.

The Company relied on Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions* for an exemption from the prospectus requirements for the issuance of the Consideration Shares to the IMC Shareholders. Prior to Closing, IMC paid a cash finder's fee of \$116,250 to an eligible finder in connection with the Transaction.

Termination of Net Profit Interest Royalty

In connection with the Transaction, Carlyle has entered into a termination agreement (the **"Termination Agreement"**) with Amarc and AgraFlora Organics International Inc. (formerly Newton Gold Corp.) (**"AgraFlora"**) pursuant to which the Company agreed to purchase for cancellation a residual 5% net profit interest royalty (the **"NPI Royalty"**) on the Newton Gold Project held by AgraFlora. In consideration for

the acquisition and termination of the NPI Royalty, Carlyle agreed to issue AgraFlora non-transferrable warrants (each, a “**Warrant**”) to purchase 200,000 Shares (each, a “**Warrant Share**”) at an exercise price of \$0.50 per Warrant Share for a period of 3 years from the date of issuance, subject to the terms and conditions contained in the certificate representing the Warrants.

All securities issued or issuable in connection with the Termination Agreement or the Warrants are subject to a statutory hold period expiring four months and a day from the date of issue.

Qualified person

Harrison Cookenboo Ph.D., P.Geol., and a QP by the standards of Canadian National Instrument 43-101, has reviewed the scientific and technical information that forms the basis for this news release and has approved the disclosure herein.

About Carlyle

Carlyle is a mineral exploration company focused on the acquisition, exploration and development of mineral resource properties. The Company has an option to earn a 100% interest in the Cecilia Gold-Silver Project located in the State of Sonora, Mexico. Carlyle formed a strategic partnership with HDI and has formed a 50-50 joint venture with HDI affiliate United Mineral Services Ltd. on the Mack Project and has an option to earn a 50% interest in the Jake project, both located in B.C., as well owns 100% of The Newton Gold Project in the Clinton Mining Division of B.C. The Company also wholly owns the Star, Porcher, Penece and Blackie Fe-Ti-V properties located along tidewater in western B.C. and holds an option to earn a 100% interest in the promising Sunset property located in the Vancouver Mining Division near Pemberton, B.C. Carlyle is based in Vancouver, B.C., and is listed on the Canadian Securities Exchange (“**CSE**”) under the symbol “**CCC**”.

ON BEHALF OF THE BOARD OF DIRECTORS OF

CARLYLE COMMODITIES CORP.

“Morgan Good”

Morgan Good
Chief Executive Officer

For more information regarding this news release, please contact:

Morgan Good, CEO and Director
T: 604-715-4751
E: morgan@carlylecommodities.com
W: www.carlylecommodities.com

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: “believes”, “expects”, “anticipates”, “intends”, “estimates”, “plans”, “may”, “should”, “would”, “will”, “potential”, “scheduled” or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or

achieved. Accordingly, all statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, any statements or plans relating to the Newton Gold Project by the Company, the geological or strike similarities between the Newton Gold Project and Artemis' Blackwater project, Amarc acting as operator for exploration programs at Newton Gold Project, or the future exploration endeavours of Carlyle. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, but are not limited to, material divergence in the geological or strike similarities between the Newton Gold Project and Artemis' Blackwater project, Amarc not acting as operator for exploration programs at Newton Gold Project, the inability of the Company to execute and raise funds necessary to complete its planned future activities and proposed business plans. The novel strain of coronavirus, COVID-19, also poses new risks that are currently indescribable and immeasurable. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, future prices of gold or other precious metals, changes in the financial markets and in the demand for gold or other precious metals, changes in laws, regulations and policies affecting the mineral exploration industry, risks related to the acquisition of the Newton Gold Project and the Company's investment and operation in the mineral exploration sector in Canada and abroad, as well as the risks and uncertainties which are more fully described in the Company's annual and quarterly management's discussion and analysis and other filings made by the Company with Canadian securities regulatory authorities under the Company's profile at www.sedar.com. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.

These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements.

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. All scientific and technical information in this presentation regarding the Newton Gold Project is derived from the Newton Technical Report prepared by Reno Pressacco, M.Sc.(A), P.Geo., for Amarc and filed under Amarc's profile on www.sedar.com.

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).