Form 51-102F4

Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Carlyle Commodities Corp. (the "**Company**" or "**Carlyle**")
#620 – 1111 Melville Street
Vancouver, British Columbia, V6E 3V6

1.2 Executive Officer

The name, position and business telephone number of an executive officer who is knowledgeable about this significant acquisition and this Form 51-102F4 – *Business Acquisition Report* (this "**Report**") is as follows:

Morgan Good
Chief Executive Officer and President
Telephone: (604) 715-4751

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Pursuant to the terms of the Amalgamation Agreement dated June 14, 2021 (the **"Agreement**") among the Company, OWL Lake Resources Corp. ("**OWL**") and 1305339 B.C. Ltd. (**"Newco**"), a wholly-owned subsidiary of the Company, the Company completed the acquisition of all of the issued and outstanding common shares of OWL (each, an "**OWL Share**") by way of three-cornered amalgamation (the "**Acquisition**").

Incorporated in October of 2019, OWL is a private British Columbia mineral exploration corporation which owns 100% of the Owl Lake Property (the "**Owl Lake Property**") located on the Hemlo-Schreiber Greenstone Belt in the Thunder Bay South Mining Division in the Province of Ontario. For more information on the OWL Lake Property, see the Company's news release dated June 15, 2021 filed on SEDAR.

With the addition of the Owl Lake Property (as defined below), Carlyle has bolstered its mineral property portfolio by adding another quality and promising exploration asset. Following the closing of the Transaction (the "**Closing**"), Carlyle now has 5 mineral properties in its portfolio in B.C., Ontario and Mexico, 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.

2.2 Acquisition Date

The Acquisition was completed on June 14, 2021.

2.3 Consideration

Amalgamation Agreement

Pursuant to the Agreement, Carlyle acquired all of the issued and outstanding OWL Shares by way of a "three-cornered" amalgamation (the "**Amalgamation**") whereby NewCo and OWL amalgamated pursuant to the provisions of the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp.", a wholly owned subsidiary of the Company.

In consideration for the OWL Shares, the Company issued an aggregate of 13,714,269 common shares in the capital of the Company (each, a "**Share**"), representing one Share for every 3.5 OWL Shares issued and outstanding immediately prior to the closing of the Transaction. Each Share issued in connection with the Transaction is subject to a contractual lock-up whereby the shareholder shall not offer, issue, pledge, sell such Share except in accordance with the following release schedule: 25% on the date of closing (the "**Closing Date**"); 25% on the date that is 3 months after the Closing Date; 25% on the date that is 6 months after the Closing Date; and 25% on the date that is 9 months after the Closing Date.

At the time of closing of the Transaction, Carlyle had 65,184,210 Shares issued and outstanding.

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 Shares to the OWL Shareholders. Pursuant to the terms of a finder's fee agreement dated June 14, 2021, an arm's length finders (the "**Finder**") was issued an 935,713 Shares (collectively, the "**Finder's Shares**") at a deemed price of $0.13 per Finder's Share in connection with the Transaction. The Finder's Shares are subject to a statutory hold period of four months and a day.

2.4 Effect on Financial Position

Upon completion of the Acquisition, OWL became a wholly-owned subsidiary of the Company. The business and operations of OWL have been combined with those of the Company and are managed concurrently.

The Company has no current plans or proposals for material changes in its business affairs or the affairs of OWL which may have a significant effect on the financial performance and financial position of the Company.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The Acquisition by the Company was not with an informed person, associate or affiliate of the Company.

2.7 Date of Report

August 23, 2021

Item 3 Financial Statements

The audited financial statements of OWL for the fiscal years ended February 28, 2021 and February 29, 2020 and the unaudited interim financial statements of OWL for the three month period ended May 31, 2021 are attached hereto as Schedule "A" and, in addition thereto, the management discussions and analysis of OWL for the fiscal years ended February 28, 2021 and February 29, 2020 and the management discussions and analysis of OWL for the three month period ended May 31, 2021 are attached hereto as Schedule "B".

The Company has obtained the consent of the auditors to include the audit report on the audited financial statements of OWL for the fiscal years ended February 28, 2021 and February 29, 2020 contained in this Report.

Schedule "A"

OWL Financial Statements

[*See Attached*]

OWL LAKE RESOURCES CORP.

FINANCIAL STATEMENTS
(Expressed in Canada Dollars)

FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of Owl Lake Resources Corp.

Opinion

We have audited the financial statements of Owl Lake Resources Corp. (the "Company"), which comprise the statements of financial position as at February 28, 2021 and 2020, and the statements of loss and comprehensive loss, the statements of cash flow, and changes in shareholders' equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company's current liabilities exceeded its total assets by $438,513. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

August 12, 2021

OWL LAKE RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	February 28, 2021	February 29, 2020
ASSETS		
Current Assets		
Cash	$ 438,513	$ -
Total current assets	438,513	-
Exploration and evaluation assets (Note 4)	43,061	-
Total Assets	$ 481,574	$ -
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 20,239	$ -
Total Liabilities	20,239	-
Shareholders' Equity		
Share capital (Note 5)	443,244	1
Subscriptions received in advance (Note 5)	28,500	-
Deficit	(10,409)	(1)
Total Shareholders' Equity	461,335	-
Total Liabilities and Shareholders' Equity	$ 481,574	$ -

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 9)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 12, 2021

"Morgan Good" Director   *"Leighton Bocking"* Director

The accompanying notes are an integral part of these financial statements.

OWL LAKE RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended		February 28, 2021		February 29, 2020
GENERAL AND ADMINISTRATIVE EXPENDITURES				
Bank and interest charges	$	537	$	-
Consulting fees		4,068		-
Professional fees		5,803		-
Loss and comprehensive loss for the period	$	(10,408)	$	-
Loss per common share, basic and diluted	$	(0.00)	$	-
Weighted average number of common shares outstanding		17,200,001		-

The accompanying notes are an integral part of these financial statements.

OWL LAKE RESOURCES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended		**February 28, 2021**		**February 29, 2020**
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(10,408)	$	-
Changes in non-cash working capital items:				
Accounts payables and accrued liabilities		14,628		-
Net cash used in operating activities		4,220		-
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets		(37,450)		-
Net cash used in investing activities		(37,450)		-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares		448,000		-
Subscriptions received in advance		28,500		-
Share issuance costs		(4,757)		-
Net cash provided by financing activities		471,743		-
Change in cash for the year		438,513		-
Cash, beginning of the year		-		-
Cash, ending of the year	$	438,513	$	-
SUPPLEMENTAL CASH FLOW INFORMATION				
Exploration and evaluation assets included in accounts payable	$	5,611	$	-

The accompanying notes are an integral part of these financial statements.

(Expressed in Canadian Dollars)

	Share Capital				
	Shares	**Amount**	**Subscriptions received in advance**	**Deficit**	**Total**
Balance, February 29, 2020	1	$ 1	$ -	$ (1)	$ -
Shares issued for private placements	27,125,000	448,000	-	-	448,000
Subscriptions received in advance	-	-	28,500	-	28,500
Share issuance costs	-	(4,757)	-	-	(4,757)
Loss and comprehensive loss for the period	-	-	-	(10,408)	(10,408)
Balance, February 28, 2021	27,125,001	$ 443,244	$ 28,500	$ (10,409)	$ 461,335

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

OWL Lake Resources Corp. (the "Company") was incorporated on October 19, 2018 under the Business Corporations Act of British Columbia. The Company's head office address is 620 - 1111 Melville Street, Vancouver, BC. The registered office address is located at 620 - 1111 Melville Street, Vancouver, BC.

On June 14, 2021, the Company closed a "three-cornered" amalgamation agreement (the "Agreement") with 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of Carlyle and Carlyle Commodities Corp. ("Carlyle"), an arm's length public British Columbia corporation, whereby NewCo and OWL amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia) to form one corporation, which continued under the name "OWL Lake Resources Corp.", a wholly owned subsidiary of Carlyle.

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its investments at amounts favorable to the Company. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management estimates there is sufficient working capital as $418,274 at February 28, 2021 to continue current operations for the next twelve months. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

Use of Estimates and Critical Judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. BASIS OF PREPARATION *(cont'd…)*

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carry value of the exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and the classification of exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

Cash

Cash includes cash on hand and deposits held with financial institutions.

Financial instruments

<u>Financial assets</u>

Financial assets are classified as either financial assets at affair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss ("FVTPL") - financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in profit and loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

The Company's cash is recorded at FVTPL. The Company's amounts receivable are recorded at amortized cost.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit and loss.

Amortized cost: This category includes trade payables and accrued liabilities, which are recognized at amortized cost.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration expenditures reflect the capitalized costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Evaluation expenditures include the cost of:

i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,

ii) determining the optimal methods of extraction and metallurgical and treatment processes,

iii) studies related to surveying, transportation and infrastructure requirements,

iv) permitting activities, and

v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time-to-time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its interests in good standing.

From time-to-time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the entity instruments granted and the corresponding increase in equity. The Company capitalizes its acquisition costs and exploration and evaluation costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets *(cont'd…)*

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company will reassesses any unrecognized deferred tax assets. The Company will recognize any previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, common share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new common shares, common share warrants, or stock options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the year.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding (if any) at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties, oil and gas interests, and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Decommissioning provision *(cont'd…)*

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

Share-based payments

A stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Foreign currency translation

The functional and presentation currency, as determined by management, of the Company is the Canadian dollar. Transactions in currencies other than the functional currency of each entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the entity that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the year, which approximates those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Leases

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset.

As a lessee, we recognize a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases *(cont'd…)*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

As part of the initial application of IFRS 16, we have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

4. EXPLORATION AND EVALUATION ASSETS

Owl Lake Property, Ontario

On December 16, 2020, the Company acquired 715 claims in the Hemlo-Schreiber Greenstone Belt ("HSGB").

The claims were acquired through staking.

5. CAPITAL STOCK

Authorized capital stock

An unlimited number of common shares without par value, issuable in series.

Issued share capital

During the year ended February 28, 2021, the Company:

a) Issued 5,250,000 common shares for gross proceeds of $10,500;

b) Issued 21,875,000 common shares for gross proceeds of $437,500, less issuance costs of $4,757.

During the year ended February 29, 2020, the Company did not issue any shares.

Subscriptions received in advance

During the year ended February 28, 2021, the Company received subscriptions proceeds of $28,500 in advance for a non-brokered private placement of common shares completed subsequent to February 28, 2021 (Note 9).

Stock options

During the year ended February 28, 2021 & February 29, 2020, the Company has no options outstanding.

Warrants

During the year ended February 28, 2021 & February 29, 2020, the Company has no warrants outstanding.

6. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

During the years ended February 28, 2021, and February 29, 2020, the Company paid $nil in management fees to the director of the Company.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of amounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Amounts receivable and trade payables and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

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

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at February 28, 2021, the Company is not exposed to significant interest rate risk.

(Expressed in Canadian Dollars)

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management (cont'd…)

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the year ended February 29, 2021 and February 28, 2020 as follows:

		2021		2020
Loss before income taxes	$	(10,408)	$	-
Expected income tax (recovery)	$	(2,810)	$	-
Change in unrecognized deferred assets		4,094		-
Other		(1,284)		
Income tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

8. INCOME TAXES (cont'd…)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2021	**Expiry Date Range**
Share issue costs	1,028	2036-2039
Non-capital losses available for future period	3,067	2026-2035

9. SUBSEQUENT EVENTS

Subsequent to the year ended February 28, 2021, the Company:

a) Closed a non-brokered private placement of 30,800,000 common shares for proceeds of $616,000;

b) Completed its three-cornered amalgamation transaction with Carlyle and NewCo, a wholly-owned subsidiary of Carlyle, pursuant to which the Company amalgamated with NewCo pursuant to the provisions of the Agreement and the Business Corporations Act (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp." as a wholly owned subsidiary of the Carlyle.

c) Cancelled 2,250,000 seed shares at $0.002 per seed share and 7,675,000 common shares at $0.02 per common share.

OWL LAKE RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canada Dollars)

FOR THE THREE MONTHS ENDED MAY 31, 2021 AND 2020

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

OWL LAKE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)
AS AT

	May 31, 2021	February 28, 2021
ASSETS		
Current Assets		
Cash	$ 1,005,994	$ 438,513
Total current assets	1,005,994	438,513
Exploration and evaluation assets (Note 4)	43,061	43,061
Total Assets	$ 1,049,055	$ 481,574
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ -	$ 20,239
Total Liabilities	-	20,239
Shareholders' Equity		
Share capital (Note 5)	901,244	443,244
Subscriptions received in advance (Note 5)	158,500	28,500
Deficit	(10,689)	(10,409)
Total Shareholders' Equity	1,049,055	461,335
Total Liabilities and Shareholders' Equity	$ 1,049,055	$ 481,574

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 8)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 12, 2021

"Morgan Good" Director *"Leighton Bocking"* Director

The accompanying notes are an integral part of these financial statements.

OWL LAKE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

For the three months ended		May 31, 2021		May 31, 2020
GENERAL AND ADMINISTRATIVE EXPENDITURES				
Bank and interest charges	$	280	$	-
Loss and comprehensive loss for the period	$	(280)	$	-
Loss per common share, basic and diluted	$	(0.00)	$	-
Weighted average number of common shares outstanding		26,726,903		-

The accompanying notes are an integral part of these financial statements.

OWL LAKE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

For the three months ended		**May 31, 2021**		**May 31, 2020**
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(280)	$	-
Changes in non-cash working capital items:				
Accounts payables and accrued liabilities		(20,239)		-
Net cash used in operating activities		(20,519)		-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares		575,500		-
Subscriptions received in advance		158,500		-
Common shares cancelled		(158,000)		-
Net cash provided by financing activities		588,000		-
Change in cash for the period		567,481		-
Cash, beginning of the period		438,513		-
Cash, ending of the period	$	1,005,994	$	-
SUPPLEMENTAL CASH FLOW INFORMATION				
Exploration and evaluation assets included in accounts payable	$	-	$	-

The accompanying notes are an integral part of these financial statements.

OWL LAKE RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars - Unaudited)

	Share Capital								
	Shares		**Amount**		**Subscriptions received in advance**		**Deficit**		**Total**
Balance, February 29, 2020 and May 31, 2020	1	$	1	$	-	$	(1)	$	-
Shares issued for private placements	27,125,000		448,000		-		-		448,000
Subscriptions received in advance	-		-		28,500		-		28,500
Share issuance costs	-		(4,757)		-		-		(4,757)
Loss and comprehensive loss for the period	-		-		-		(10,408)		(10,408)
Balance, February 28, 2021	27,125,001	$	443,244	$	28,500	$	(10,409)	$	461,335
Shares issued for private placements	30,800,000		616,000		(28,500)		-		587,500
Subscriptions cancelled	(9,925,000)		-		-		-		(158,000)
Subscriptions received in advance	-		-		158,500		-		158,500
Loss and comprehensive loss for the period	-		-		-		(280)		(280)
Balance, May 31, 2021	48,000,001		901,244		158,500		(10,689)		(1,049,055)

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

OWL Lake Resources Corp. (the "Company") was incorporated on October 19, 2018 under the Business Corporations Act of British Columbia. The Company's head office address is 620 - 1111 Melville Street, Vancouver, BC. The registered office address is located at 620 - 1111 Melville Street, Vancouver, BC.

On June 14, 2021, OWL Lake Resources Corp. ("OWL") closed a "three-cornered" amalgamation agreement (the "Agreement") with 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of Carlyle and Carlyle Commodities Corp. ("Carlyle"), an arm's length public British Columbia corporation, whereby NewCo and OWL amalgamated pursuant to the provisions of the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Resources Corp.", a wholly owned subsidiary of Carlyle.

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its investments at amounts favorable to the Company. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management estimates there is sufficient working capital as $1,005,994 at May 31, 2021 (February 28, 2021 - $438,513) to continue current operations for the next twelve months. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements are compliant with IAS 34 and do not include all of the information required for full annual financial statements.

Use of Estimates and Critical Judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. BASIS OF PREPARATION *(cont'd…)*

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carry value of the exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and the classification of exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied in the Company's annual financial statements for the year-ended February 28, 2021. These condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements for the year ended February 28, 2021.

4. EXPLORATION AND EVALUATION ASSETS

Owl Lake Property, Ontario

On December 16, 2020, the Company holding consisted of 715 claims covering a total area of 15,158 ha, or 151.58 square km, and is one of the largest land positions covering the highly prospective Hemlo-Schreiber Greenstone Belt, all of which were recorded with the Ministry of Energy, Northern Development and Mines ("ENDM").

The claims were acquired by staking in the field with posts and location notices. All documents and fees to hold the 715 mining claims through December 16, 2020 were filed with ENDM.

5. CAPITAL STOCK

Authorized capital stock

An unlimited number of common shares without par value, issuable in series.

Issued share capital

During the three month period ended May 31, 2021, the Company:

a) Closed a non-brokered private placement of 30,800,000 common shares of the Company at a price of $0.02 per share for gross proceeds of $616,000;

b) Cancelled 2,250,000 seed shares at $0.002 per seed share and 7,675,000 common shares at $0.02 per common share.

During the year ended February 28, 2021, the Company:

a) Closed a non-brokered private placement of 5,250,000 common shares of the Company at a price of $0.002 per common share for gross proceeds of $10,500;

b) Closed a non-brokered private placement of 21,875,000 common shares of the Company at a price of $0.02 per common share for gross proceeds of $437,500, less issuance costs of $4,757, of which $432,743.

During the year ended February 29, 2020, the Company did not issue any shares.

Stock options

During the year ended February 28, 2021 & February 29, 2020, the Company has no options outstanding.

Warrants

During the year ended February 28, 2021 & February 29, 2020, the Company has no warrants outstanding.

6. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

During the three month periods ended May 31, 2021, and 2020, the Company paid $nil in management fees to the director of the Company.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of amounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Amounts receivable and trade payables and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

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

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at May 31, 2021, the Company is not exposed to significant interest rate risk.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management (cont'd…)

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

8. SUBSEQUENT EVENTS

Subsequent to the period ended May 31, 2021, the Company:

a) Completed its three-cornered amalgamation transaction with Carlyle and NewCo, a wholly-owned subsidiary of Carlyle, pursuant to which the Company amalgamated with NewCo pursuant to the provisions of the Agreement and the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp." as a wholly owned subsidiary of the Carlyle.

Schedule “B”

Management Discussions and Analysis of OWL

[*See Attached*]

OWL LAKE RESOURCES CORP.

(the "Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

Introduction

This Management's Discussion and Analysis ("**MD&A**") of OWL Lake Resources Corp is the responsibility of management and covers years ended February 28, 2021 and February 29, 2020. The MD&A takes into account information available up to and including August 12, 2021 and should be read together with the Corporation's financial statements in conjunction with this document. The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**").

Throughout this document the terms *we, us, our, and the Company* refer to OWL Lake Resources Corp. All financial information in this document is derived from the financial statements of the Company, which have been prepared in accordance with IFRS, except share and per share amounts, or unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com under Carlyle Commodities Corp.'s ("**Carlyle**") profile.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements." Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Please refer to "Risk Factors" below.

Description of Business

OWL Lake Resources Corp. was incorporated under the laws of the Province of British Columbia. The Company is principally engaged in the acquisition and exploration of resource properties. The Company's head office address is 620 - 1111 Melville Street, Vancouver, BC. The registered office address is located at 620 - 1111 Melville Street, Vancouver, BC.

The Company closed an amalgamation agreement dated June 14, 2021 (the "**Agreement**") with Carlyle, an arm's length public British Columbia corporation, and 1305339 B.C. Ltd. ("**NewCo**"), a wholly-owned subsidiary of Carlyle, whereby NewCo and OWL amalgamated pursuant to the provisions of the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Resources Corp.", a wholly owned subsidiary of Carlyle.

Performance Summary

As the Corporation was incorporated on October 19, 2018 it has not yet achieved profitable operations.

During and subsequent to the year ended February 28, 2021, the Company:

a) Closed a non-brokered private placement of 5,250,000 common shares of the Company at a price of $0.002 per common share for gross proceeds of $10,500;

b) Closed a non-brokered private placement of 21,875,000 common shares of the Company at a price of $0.02 per common share for gross proceeds of $437,500, less issuance costs of $4,757;

c) Closed a non-brokered private placement of 30,800,000 common shares of the Company at a price of $0.02 per share for gross proceeds of $616,000;

d) Completed its three-cornered amalgamation transaction with Carlyle and NewCo, a wholly-owned subsidiary of Carlyle, pursuant to which the Company amalgamated with NewCo pursuant to the provisions of the Agreement and the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp." as a wholly owned subsidiary of the Carlyle.

COVID-19 Update

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

While the Company's business operations continue to operate, if the COVID-19 situation were to deteriorate, it could have an adverse impact on our business, results of operations, financial position and cash flows.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements.

		February 29, 2020 (Audited)		February 28, 2021 (Audited)
Net income (loss)	$	-	$	(10,408)
Revenue		-		-
Basic and Diluted income (loss) per share		-		(0.00)
Total assets		-		481,574
Working capital		-		418,274

Discussion of Operations

Net Loss

For the year ended February 28, 2021, the Company recorded expenses of $10,408, which resulted in a net loss of $10,408 ($nil– February 29, 2020). The main factors that contributed to the loss in the year were professional fees of $5,803 and consulting fee of $4,068. Management anticipates that expenses will increase in connection with earning the Company's interest in the Property.

Assets

The Company's assets as at February 28,2021 were $481,574.

On December 16, 2020, the Company holding consisted of 715 claims covering a total area of 15,158 ha, or 151.58 square km, and is one of the largest land positions covering the highly prospective Hemlo-Schreiber Greenstone Belt, all of which were recorded with the Ministry of Energy, Northern Development and Mines ("**ENDM**").

The claims were acquired by staking in the field with posts and location notices. All documents and fees to hold the 715 mining claims through December 16, 2020, were filed with ENDM.

Summary of Quarterly Results

The following table summarizes the last quarters of the Company.

		November 30, 2020		February 28, 2021
Total assets	$	63,424	$	481,574
Working capital		62,379		418,274
Shareholders' equity		62,379		461,335
Revenue		-		-
Net loss		(1,122)		(9,286)
Net loss per share		(0.00)		(0.00)

Results of Operations for the three months periods ended February 29, 2020 and February 28, 2021

During the three month period ended February 28, 2021, the Company recorded expenses of $9,287, which resulted in a net loss of $9,287 ($nil– February 29, 2020). The main factors that contributed to the loss in the year were professional fees of $4,758 and consulting fee of $4,068. Management anticipates that expenses will increase in connection with earning the Company's interest in the Property.

Liquidity

As at February 28, 2021, the Company had a cash a balance of $438,513and working capital of $418,274 which consisted of current assets of $438,513 and current liabilities of $20,239.

Operating Activities: For the year ended February 28, 2021, the Company used $4,220 in operating activities.

Investing Activities: For the year ended February 28, 2021, the Company used $37,450 for investing activities.

Financing Activities: For the year ended February 28, 2021, the Company received $471,743 from financing activities.

Management intends to meet its liabilities by actively pursuing investors.

Related Party Transactions

Related parties and related party transactions impacting the financial statements, which are not disclosed elsewhere in the statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

During the years ended February 28, 2021, and February 29, 2020, the Company paid $nil in management fees to the director of the Company.

Outstanding Share Data

As at the date of this report the Company had 48,000,001 common shares issued and outstanding.

Share Purchase Warrants

The Company has no warrants outstanding as of the date of this MD&A.

Incentive Stock Options

The Company has no stock options outstanding as of the date of this MD&A.

Off-Balance Sheet Arrangements

At February 28, 2021, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans. The fair value of the Company's receivables, accounts payable and accrued liabilities, short-term loans and due to related parties approximate carrying value, which is the amount recorded on the statements of financial position, due to their short terms to maturity. The Company's other financial instrument, being cash under the fair value hierarchy, is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

Capital Risk Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns and/or benefits for shareholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the administration of its corporate affairs and to provide funds for the development of its business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company has no revenue generating operations and as such is dependent upon external financings to fund activities. In order to develop its business and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the size of the Company.

There were no changes in the Company's approach to capital management during the year ended February 28, 2021. The Company is not subject to externally imposed capital requirements.

Risk Factors

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 counterparty's inability to fulfill its payment obligations. The Company's receivables consists mainly of goods and services tax receivables due from the government of Canada. As at February 28, 2021, the Company's exposure to credit risk is minimal.

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 February 28, 2021, the Company had a cash balance of $438,513 to settle current liabilities of $20,239. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Management intends to meet its liabilities by actively pursuing investors.

Market risk

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

a) Interest rate risk

As at February 28, 2021, the Company was not subject to or exposed to any interest rate risk as it had no variable interest debt or investments.

b) Foreign currency risk

As at February 28, 2021, the Company is not exposed to foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at February 28, 2021, the Company was not exposed to any equity or commodity price risks.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's financial statements are prepared.

The Company's significant accounting judgements, estimates and assumptions are disclosed in Note 3 of the audited Financial Statements for the year ended February 28, 2021.

Significant Accounting Policies

The Company's accounting policies are the same as those applied in the Company's annual financial statements for the year ended February 28, 2021.

Risks and Uncertainties

Lack of Cash Flow

The Company does not expect to generate material revenue in the foreseeable future. The Company has paid no dividends on its shares since inception and does not anticipate doing so in the foreseeable future. Historically, the major source of funds available to the Company is through the sale of its securities and loans. Future additional equity financing would cause dilution to current shareholders.

OWL LAKE RESOURCES CORP.

(the "Company")

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MAY 31, 2021 AND 2020

Introduction

This Management's Discussion and Analysis ("**MD&A**") of OWL Lake Resources Corp is the responsibility of management and covers three months ended May 31, 2021 and 2020. The MD&A takes into account information available up to and including August 12, 2021 and should be read together with the Corporation's financial statements in conjunction with this document. The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**").

Throughout this document the terms *we, us, our, and the Company* refer to OWL Lake Resources Corp. All financial information in this document is derived from the financial statements of the Company, which have been prepared in accordance with IFRS, except share and per share amounts, or unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com under Carlyle Commodities Corp.'s ("**Carlyle**") profile.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements." Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond our ability to control, that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Please refer to "Risk Factors" below.

Description of Business

OWL Lake Resources Corp. was incorporated under the laws of the Province of British Columbia. The Company is principally engaged in the acquisition and exploration of resource properties. The Company's head office address is 620 - 1111 Melville Street, Vancouver, BC. The registered office address is located at 620 - 1111 Melville Street, Vancouver, BC.

The Company closed an amalgamation agreement dated June 14, 2021 (the "**Agreement**") with Carlyle, an arm's length public British Columbia corporation, and 1305339 B.C. Ltd. ("**NewCo**"), a wholly-owned subsidiary of Carlyle, whereby NewCo and OWL amalgamated pursuant to the provisions of the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Resources Corp.", a wholly owned subsidiary of Carlyle.

Performance Summary

As the Corporation was incorporated on October 19, 2018 it has not yet achieved profitable operations.

During and subsequent to the period ended May 31, 2021, the Company:

a) Closed a non-brokered private placement of 30,800,000 common shares of the Company at a price of $0.02 per share for gross proceeds of $616,000;

b) Cancelled 3,750,000 seed shares at $0.002 per seed share and 7,675,000 common shares at $0.02 per common share.

c) Completed its three-cornered amalgamation transaction with Carlyle and NewCo, a wholly-owned subsidiary of Carlyle, pursuant to which the Company amalgamated with NewCo pursuant to the provisions of Agreement and the *Business Corporations Act* (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp." as a wholly owned subsidiary of the Carlyle.

COVID-19 Update

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

While the Company's business operations continue to operate, if the COVID-19 situation were to deteriorate, it could have an adverse impact on our business, results of operations, financial position and cash flows.

Discussion of Operations

Assets

The Company's assets as at February 28, 2021 were $481,574.

On December 16, 2020, the Company holding consisted of 715 claims covering a total area of 15,158 ha, or 151.58 square km, and is one of the largest land positions covering the highly prospective Hemlo-Schreiber Greenstone Belt, all of which were recorded with the Ministry of Energy, Northern Development and Mines ("**ENDM**").

The claims were acquired by staking in the field with posts and location notices. All documents and fees to hold the 715 mining claims through December 16, 2020, were filed with ENDM.

Summary of Quarterly Results

The following table summarizes the last quarters of the Company.

	May 31, 2021	February 28, 2021	November 30, 2020
Total assets	$ 1,049,055	$ 481,574	$ 63,424
Working capital	1,005,994	418,274	62,379
Shareholders' equity	1,049,055	461,335	62,379
Revenue	-	-	-
Net loss	(280)	(9,286)	(1,122)
Net loss per share	(0.00)	(0.00)	(0.00)

Results of Operations for the three month periods ended May 31, 2021 and 2020

During the three month period ended May 31, 2021, the Company recorded expenses of $280, which resulted in a net loss of $280 (May 31, 2020 - $Nil). Management anticipates that expenses will increase in connection with earning the Company's interest in the Property.

Liquidity

As at May 31, 2021, the Company had a cash a balance of $1,005,994 (February 28, 2021 - $438,513) and working capital of $1,005,994 (February 28, 2021 - $418,274) which consisted of current assets of $1,005,994 and current liabilities of $Nil.

Operating Activities: For the three months ended May 31, 2021, the Company used $20,519 in operating activities compared to $Nil for the three months ended May 31, 2020.

Investing Activities: For the year ended May 31, 2021, the Company used $Nil for investing activities compared to $Nil for the three months ended May 31, 2020.

Financing Activities: For the year ended May 31, 2021, the Company received $588,000 from financing activities compared to $Nil for the three months ended May 31, 2020.

Management intends to meet its liabilities by actively pursuing investors.

Related Party Transactions

Related parties and related party transactions impacting the financial statements, which are not disclosed elsewhere in the statements are summarized below and include transactions with the following individuals or entities:

<u>Key management personnel</u>

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

During the three month period ended May 31, 2021, and 2020, the Company paid $nil in management fees to the director of the Company.

Outstanding Share Data

As at the date of this report the Company had 48,000,001 common shares issued and outstanding.

Share Purchase Warrants

The Company has no warrants outstanding as of the date of this MD&A.

Incentive Stock Options

The Company has no stock options outstanding as of the date of this MD&A.

Off-Balance Sheet Arrangements

At May 31, 2021, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans. The fair value of the Company's receivables, accounts payable and accrued liabilities, short-term loans and due to related parties approximate carrying value, which is the amount recorded on the statements of financial position, due to their short terms to maturity. The Company's other financial instrument, being cash under the fair value hierarchy, is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

Capital Risk Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns and/or benefits for shareholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the administration of its corporate affairs and to provide funds for the development of its business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company has no revenue generating operations and as such is dependent upon external financings to fund activities. In order to develop its business and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the size of the Company.

There were no changes in the Company's approach to capital management during the three month period ended May 31, 2021. The Company is not subject to externally imposed capital requirements.

Risk Factors

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 counterparty's inability to fulfill its payment obligations. The Company's receivables consists mainly of goods and services tax receivables due from the government of Canada. As at May 31, 2021, the Company's exposure to credit risk is minimal.

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 May 31, 2021, the Company had a cash balance of $1,005,994 to settle current liabilities of $Nil. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Management intends to meet its liabilities by actively pursuing investors.

Market risk

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

a) Interest rate risk

As at February 28, 2021, the Company was not subject to or exposed to any interest rate risk as it had no variable interest debt or investments.

b) Foreign currency risk

As at May 31, 2021, the Company is not exposed to foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As at May 31, 2021, the Company was not exposed to any equity or commodity price risks.

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