



CARLYLE
COMMODITIES

(formerly Delrey Metals Corp.)

CARLYLE COMMODITIES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE- AND NINE-MONTH PERIODS ENDED NOVEMBER 30, 2021 AND 2020

FORWARD LOOKING STATEMENTS

The Company's Financial Statements and this accompanying Management's Discussion and Analysis ("MD&A") contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks Related to the Company's Business" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks Related to the Company's Business" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

INTRODUCTION

This MD&A prepared as at January 31, 2022, reviews the financial condition and results of operations of Carlyle Commodities Corp. ("Carlyle" or the "Company") (formerly Delrey Metals Corp.) for the three- and nine-month periods ended November 30, 2021 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's condensed consolidated interim financial statements for the three- and nine-month periods ended November 30, 2021 and annual audited consolidated financial statements and related notes for the year ended February 28, 2021.

The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the consolidated interim financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

Carlyle Commodities Corp, ("CCC", or the "Company"), formerly Delrey Metals Corp, was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head and registered office address is 620 – 1111 Melville Street, Vancouver, BC. The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") on October 24, 2018, under the symbol "DLRY". On February 18, 2020, the Company changed its name to Carlyle Commodities Corp and continued trading under the symbol "CCC". The Company's consolidated financial statements include the financial statements of the following subsidiaries:

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Company	Place of Incorporation	Effective Interest
BC Vanadium Corp. (" BCVC ")	British Columbia	100%
WEM Western Energy Metals Ltd. (" WEM ")	British Columbia	100%
ISAAC Mining Corp. (" IMC ")	British Columbia	100%
OWL Lake Resources Ltd. (" OWL ")	Ontario	100%

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 condensed consolidated interim 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. These condensed consolidated interim 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.

On February 18, 2020, the Company consolidated its issued and outstanding capital on the basis of one (1) post-consolidation share for each seven (7) pre-consolidation shares. All per share amounts in the financial statements and this MD&A have been retroactively restated.

On June 14, 2021, the Company entered into an amalgamation agreement (the "Agreement") with OWL Lake Resources Ltd. ("OWL"), an arm's length private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company, pursuant to which the Company acquired (the "Transaction") all of the issued and outstanding securities of OWL by way of "three-cornered" amalgamation.

On January 20, 2022, the Company filed a petition and supporting affidavits with the Supreme Court of British Columbia (the "Petition") in connection with the Company's Notice of Work and Reclamation Program permit application (the "Permit Application") for a five-year, area-based permit to conduct exploration activities on its 100% Newton Project located in the Clinton Mining Division of the Province of British Columbia (the "Newton Project") held through its wholly-owned subsidiary Isaac Newton Mining Corp.

COVID-19

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 results of operations this time.

PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During and subsequent to the nine-month period ended November 30, 2021, the Company:

- Issued 2,091,445 common shares valued at \$195,791 to Directors of the Company and consultants to settle trade payables and accrued liabilities valued at \$149,999.
- Issued 805,000 common shares for options exercised at an average price of \$0.12 per share.
- Issued 500,000 common shares valued at \$150,000 and paid \$50,000 pursuant to the terms of Cecilia Agreement.
- On June 14, 2021 - closed an amalgamation agreement with OWL Lake Resources Corp. and 1305339 BC Ltd, pursuant to which the Company acquired all of the issued and outstanding common shares of OWL Lake Resources Corp. by way of "three-cornered" amalgamation. As consideration, the Company issued 13,714,269 of its common shares to the shareholders of OWL Lake Resources Corp.

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In connection with the amalgamation, the Company issued 935,713 common shares in the capital of the Company for finder's fees.

- Subsequent to the three- and nine-month period ended November 30, 2021, the Company issued 300,000 common shares to Directors of the Company and consultants to settle trade payables and accrued liabilities and 500,000 common shares upon vesting and conversion of 500,000 Special Warrants

EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into an agreement to have the right to earn a 100% interest in the Sunset Property consisting of four mineral claims.

The Company will earn a 100% interest in the Sunset Property subject to a 2% Net Smelter Royalty, by completing \$1,000,000 in exploration, making cash payments of \$15,000 (paid) and issuing 95,238 common shares (issued during the year ended February 28, 2019). If there is a shortfall in exploration in any one year, the agreement can be maintained in good standings by making a payment in the equivalent cash, of the shortfall. On June 25, 2018, the \$100,000 in exploration expenditures to incur by June 30, 2018 was extended to September 30, 2018.

On July 30, 2021, the Company entered into an amending agreement. Pursuant to the terms of the amending agreement, the Company has extended the second and third scheduled payments of exploration expenditures from December 31, 2020 and December 31, 2021 respectively to December 31, 2021 (as to \$200,000) and December 31, 2022 (as to \$700,000).

The Company will incur \$1,000,000 of exploration as follows:

By June 30, 2018	\$	100,000	<i>(completed during the year ended February 28, 2019)</i>
By December 31, 2021		200,000	
By December 31, 2022		700,000	
	\$	<u>1,000,000</u>	

Excess expenditures from one year can be applied to the next period.

BCVC acquisition, British Columbia

On December 6, 2018, pursuant to the terms of an agreement, the Company acquired 100% of issued and outstanding common shares of BCVC in exchange for 785,714 common shares and agreed to pay \$10,000 of BCVC's existing payables. The acquisition of BCVC was accounted for as an asset acquisition. BCVC owns a 100% interest in the Star and the Porcher vanadium properties, located in northwestern British Columbia. The Company determined that of the 785,714 common shares issued, 500,000 common shares with a fair value of \$1,260,000 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 285,714 common shares issued were considered as the purchase price consideration of BCVC.

During the year ended February 28, 2021, the Company has agreed to dispose of the properties in settlement of \$12,500 in debt. Accordingly, for the year ended February 28, 2021, the Company has written the value of the properties down to \$nil and recognized a write-off of \$828,243 to statement of loss and comprehensive loss.

WEM acquisition, British Columbia

On December 12, 2018, pursuant to the terms of an agreement the Company acquired 100% of issued and outstanding common shares of WEM in exchange for 607,143 common shares and agreed to pay \$10,000 in WEM's existing payables. The acquisition of WEM was accounted for as an asset acquisition. WEM owns a 100% interest in the Blackie and the Penece vanadium properties, located in northwestern British Columbia. The Company determined that of the 607,143 common shares issued, 321,429 common shares with a fair value of \$551,250 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 285,714 common shares issued were considered as the purchase price consideration of WEM.

During the year ended February 28, 2021, the Company has agreed to dispose of the properties in settlement of \$12,500 in debt. Accordingly, for the year ended February 28, 2021, the Company has written the value of the properties down to \$Nil and recognized a write-off of \$584,168 to statement of loss and comprehensive loss.

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Cecilia Gold-Silver Property, State of Sonora

During the year ended February 28, 2021, the Company entered into an option agreement (the "Cecilia Agreement") with Riverside Resources Inc. ("Riverside"), a TSX Venture Exchange ("TSXV") listed issuer trading under the symbol "RRI", to purchase an undivided 100% interest in and to Cecilia Gold-Silver Project (the "Property") located in the State of Sonora, Mexico. Under the terms of the Cecilia Agreement, the Company has the option to acquire a 100% interest in the Property by:

Date	Cash	Shares	Exploration Expenditures
Upon execution of the LOI	\$ 10,000 (<i>paid</i>)	-	\$ -
Upon closing	40,000 (<i>paid</i>)	1,500,000 (<i>issued</i>)	-
12 months from Closing	50,000 (<i>paid</i>)	-	750,000
24 months from Closing	50,000	-	500,000
36 months from Closing	50,000	-	1,250,000
	<u>\$ 200,000</u>	<u>1,500,000</u>	<u>\$ 2,500,000</u>

Upon completion of the option payments, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty ("NSR Royalty") to be granted to Riverside. During the year ended February 28, 2021, the Company advanced \$750,000 to Riverside as operator of the project, of which \$608,991 had been expended on exploration and evaluation activities as at February 28, 2021 with \$141,327 remaining in exploration and evaluation advance. During the nine-month period ended November 30, 2021, the Company incurred additional \$123,322 on exploration and evaluation activities.

On closing, the Company issued 3,000,000 special warrants to Riverside, which will automatically vest and convert into one share of the Company, for no additional consideration, with the following vesting schedule:

Vesting Date	No. of Special Warrants Vested / Converted
12 months from Closing	500,000 (<i>vested and converted on July 13, 2021</i>)
18 months from Closing	500,000
24 months from Closing	500,000
30 months from Closing	500,000
36 months from Closing	500,000
	<u>3,000,000</u>

The special warrants will be cancelled if the Cecilia Agreement is terminated and have therefore been accounted for consistent with other option payments and will be recognized as acquisition costs as they vest. The Company issued 500,000 common shares upon exercise of Special warrants valued at \$150,000 during the nine-month period ended November 30, 2021 and made a cash payment of \$50,000 pursuant to the terms of the Cecilia Agreement.

Mack option agreement, British Columbia

During the year ended February 28, 2021, the Company entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), a private company. The Company has agreed with UMS that Amarc Resources Ltd. ("Amarc") will operate the exploration program.

Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding \$400,000 for an initial drill program as follows:

- a) \$50,000 on or before August 14, 2020 (*paid*); and
- b) \$350,000 on the earlier of:
 - i) within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 (*paid*); and
 - ii) April 1, 2021, if the permit is in-hand after September 30, 2020 but before April 1, 2021; or such other date as agreed to by the parties

During the year ended February 28, 2021, the Company issued 100,000 common shares with a value of \$19,000 to stake additional contiguous claims on the Mack property.

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Jake option agreement, British Columbia

During the year ended February 28, 2021, the Company entered into an option agreement (the “Jake Agreement”) with UMS, a private company. Under the terms of the Jake Agreement, the Company has the right to earn a 50% working interest in the Jake copper-molybdenum-gold property by funding \$400,000 for an initial drill program as follows:

- a) \$100,000 on or before November 30, 2020; and
- b) \$300,000 on the earlier of:
 - i) May 1, 2021, if Amarc has received the necessary permit required for the earn-in program for the Jake Property; and
 - ii) Within five days of notice that it has received the permit after May 1, 2021 but before September 30, 2021; or such other date as agreed to by the parties.

Amarc will operate the exploration program. As at February 28, 2021, the Company had not made any payments towards the Jake option agreement or capitalized exploration expenditures. During the nine-month period ended November 30, 2021, the Jake Agreement was terminated.

Isaac Mining Corp amalgamation agreement, British Columbia

On December 16, 2020, the Company entered into an amalgamation agreement (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 the Company, pursuant to which the Company acquired (the “Transaction”) all of the issued and outstanding securities of IMC by way of “three-cornered” amalgamation.

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.

Pursuant to the Agreement, the Company 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 common share in the capital of the Company for every IMC Share held by such shareholder. An aggregate of 20,562,100 common shares of the Company were issued to the IMC Shareholders in exchange for their respective IMC Shares as well as an aggregate of 9,531,000 warrants in replacement of IMC warrants. The warrants are exercisable at an exercise price of \$0.50 per common share for a period of 3 years from the date of issuance. The value of \$1,192,874 was determined using the Black Scholes option pricing model using the following assumptions: exercise price: \$0.50, expected life: 3 years, volatility: 161.58% and discount rate: 0.24%.

In connection with the Transaction, the Company 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, the Company agreed to issue AgraFlora non-transferrable warrants to purchase 200,000 at an exercise price of \$0.50 per common share for a period of 3 years from the date of issuance. The value of \$25,031 was determined using the Black Scholes option pricing model using the following assumptions: exercise price: \$0.50, expected life: 3 years, volatility: 161.58% and discount rate: 0.24%.

The Company has determined that the transaction does not meet the definition of a business combination and treated the amalgamation as an asset acquisition.

Purchase price consideration	
Value of 20,562,100 common shares issued at \$0.25	\$ 5,140,525
Fair value of 9,531,000 warrants issue	1,192,874
Fair value of 200,000 warrants issued to AgraFlora	25,031
	6,358,430
Assets and liabilities acquired	

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Cash	\$	1,097,078
Receivables		669,350
Newton Gold Project		4,592,330
Trade payables and accrued liabilities		(328)
Total purchase price allocated	\$	6,358,430

OWL Lake Resources Ltd amalgamation agreement, Ontario

On June 14, 2021, the Company entered into an amalgamation agreement (the "Agreement") with OWL Lake Resources Ltd. ("OWL"), an arm's length private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company, pursuant to which the Company acquired (the "Transaction") all of the issued and outstanding securities of OWL by way of "three-cornered" amalgamation.

Incorporated in October of 2018, IMC is a private British Columbia mineral exploration corporation which owns 100% of the Owl Lake Property (the "Owl Lake Property" or the "Property") located in the Hemlo-Schreiber Greenstone Belt in the Thunder Bay South Mining Division in the Province of Ontario.

Pursuant to the Agreement, the Company 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. Accordingly, each of the common shares of OWL (each, an "OWL Share") were cancelled and, in consideration for such OWL Shares, each OWL shareholder (collectively, the "OWL Shareholders") received one common share in the capital of the Company for every three and a half of OWL Share held by such shareholder. An aggregate of 13,714,269 common shares of the Company were issued to the OWL Shareholders in exchange for their respective OWL Shares.

The Company has determined that the transaction does not meet the definition of a business combination and treated the amalgamation as an asset acquisition.

In connection with the Transaction, the Company paid a finder's fee to Triview Capital Ltd., an arm's length private Calgary corporation, by issuing 935,713 common shares. As the acquired entity did not constitute a business, the finder's fee was included in purchase price consideration.

Purchase price consideration		
Value of 13,714,269 common shares issued at \$0.13	\$	1,782,855
Value of 935,713 common shares at \$0.13, which is a finder's fee		121,643
		1,904,498
Assets and liabilities acquired		
Cash	\$	872,494
Owl Lake Property		1,086,338
Trade payables and accrued liabilities		(54,334)
Total purchase price allocated	\$	1,904,498

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A continuity of the Company's exploration and evaluation assets is as follows:

	Sunset	Mack	Cecilia	Star / Porcher	Blackie / Peneece	Newton	Owl Lake	Total
Acquisition costs:								
Balance, February 29, 2020	\$ 65,000	\$ -	\$ -	\$ 730,000	\$ 500,000	\$ -	\$ -	\$ 1,295,000
Additions	-	25,822	540,000	-	-	4,632,993	-	5,198,815
Write-off	-	-	-	(717,500)	(487,500)	-	-	(1,205,000)
Disposal	-	-	-	(12,500)	(12,500)	-	-	(25,000)
Balance, February 28, 2021	65,000	25,822	540,000	-	-	4,632,993	-	5,263,815
Additions	-	-	200,000	-	-	-	1,086,338	1,286,338
Balance, November 30, 2021	65,000	25,882	740,000	-	-	4,632,993	1,086,338	6,550,153
Exploration costs:								
Balance, February 29, 2020	103,495	-	-	110,743	96,668	-	-	310,906
Field Personnel	-	-	115,379	-	-	-	-	115,379
Sampling	-	-	200,648	-	-	-	-	200,648
Drill program	-	425,000	-	-	-	-	-	425,000
Geological consulting	-	4,106	64,491	-	-	-	-	68,597
Supplies and other	-	-	78,009	-	-	-	-	78,009
Travel and meals	-	-	61,196	-	-	-	-	61,196
Project management	-	-	88,798	-	-	-	-	88,798
Write-off	-	-	-	(110,743)	(96,668)	-	-	(207,411)
Balance, February 28, 2021	103,495	429,106	608,521	-	-	-	-	1,141,122
Field Personnel	-	-	24,870	-	-	-	-	24,870
Sampling	-	-	44,404	-	-	-	-	44,404
Geological consulting	-	-	30,440	-	-	75,260	-	105,700
Supplies and other	-	-	2,076	-	-	-	-	2,076
Travel and meals	-	-	7,896	-	-	-	-	7,896
Permitting	-	-	-	-	-	14,437	-	14,437
Project management	-	-	13,636	-	-	-	-	13,636
Balance, November 30, 2021	103,495	429,106	731,843	-	-	89,697	-	1,354,141
Balance, February 28, 2021	\$ 168,495	\$ 454,928	\$ 1,148,521	\$ -	\$ -	\$ 4,632,993	\$ -	\$ 6,404,937
Balance, November 30, 2021	\$ 168,495	\$ 454,928	\$ 1,471,843	\$ -	\$ -	\$ 4,722,690	\$1,086,338	\$ 7,904,294

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SUMMARY OF QUARTERLY RESULTS

	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021
Total assets	\$ 8,345,397	\$ 8,528,357	\$ 6,770,217	\$ 7,086,079
Shareholders' equity	8,118,686	8,338,359	6,581,012	6,890,536
Revenue	-	-	-	-
Loss and comprehensive loss	(256,673)	(376,886)	(538,010)	(1,308,822)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.06)

	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Total Assets	\$ 1,748,518	\$ 2,581,798	\$ 2,370,543	\$ 1,713,287
Shareholders' equity	970,878	2,062,970	2,028,815	1,109,249
Revenue	-	-	-	-
Loss and comprehensive loss	(1,471,491)	(308,426)	(428,832)	(610,140)
Basic and diluted loss per share	(0.06)	(0.01)	(0.04)	(0.12)

RESULTS OF OPERATIONS

The three-month periods ended November 30, 2021 and 2020

	Three Months Ended		Variance	
	2021	November 30, 2020	\$	Percentage
General and administrative expenses				
Bank and interest charges	\$ 924	\$ 387	537	139%
Consulting fees	97,500	64,660	32,840	51%
Depreciation	266	423	(157)	(37%)
Investor relations	5,226	17,160	(11,934)	(70%)
Management fees	60,557	60,375	182	-%
Office costs	27,477	12,836	14,641	114%
Professional fees	40,558	22,476	18,082	80%
Transfer agent and filing fees	4,518	3,922	596	15%
Travel and entertainment	12,647	881	11,766	1,336%
Total general and administrative expenses	\$ (249,673)	\$ (183,120)	(66,553)	36%
Other income (expenses)				
Loss on settlement of trade payables	7 \$ (7,000)	\$ -	(7,000)	100%
Write-off of exploration and evaluation assets	-	(1,387,411)	1,387,411	(100%)
Other income	8 -	99,040	(99,040)	(100%)
Loss and comprehensive loss for the period	\$ (256,673)	\$ (1,471,491)	1,214,818	(83%)

The notable changes between comparable periods are as follows:

Consulting fees – increased due to engagement of consultants for additional support of the Company as it proceeded with acquisition and exploration activities.

Investor relations fees – decreased due to lesser focus on raising the Company's profile in the equity markets during the current period.

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Office costs – increased primarily due to office rental costs. The Company did not rent the office space in the comparative period.

Professional fees – increased due to the timing of interim audit fee billing versus comparative period.

Travel and entertainment – increased travel costs due to multiple visits to properties in the current period.

The nine-month periods ended November 30, 2021 and 2020

	Nine Months Ended		Variance	
	2021	November 30, 2020	\$	Percentage
General and administrative expenses				
Bank and interest charges	\$ 2,967	\$ 2,810	157	6%
Consulting fees	527,901	248,252	279,649	113%
Depreciation	853	1,270	(417)	(33%)
Investor relations	170,015	187,010	(16,995)	(9%)
Management fees	185,997	159,375	26,622	17%
Office costs	82,918	24,167	58,751	243%
Professional fees	66,398	56,251	10,147	18%
Share-based payments	50,605	177,299	(126,694)	(71%)
Transfer agent and filing fees	20,452	23,467	(3,015)	(13%)
Travel and entertainment	33,511	12,508	21,003	168%
Total general and administrative expenses	\$ (1,141,617)	\$ (892,409)	(249,208)	28%
Other income (expenses)				
Loss on settlement of trade payables	7 \$ (45,792)	\$ (27,969)	(17,823)	64%
Other income	8 15,840	(1,387,411)	1,387,411	(100%)
		99,040	(83,200)	(84%)
Loss and comprehensive loss for the period	\$ (1,171,569)	\$ (2,208,749)	1,037,180	(47%)

The notable changes between comparable periods are as follows:

Consulting fees – increased due to engagement of consultants for additional support of the Company as it proceeded with acquisition and exploration activities.

Management fees – increased primarily due to one-time bonus of \$17,440 paid to CEO for successful completion of financing and increase corporate secretary service fees.

Office costs – increased primarily due to office rental costs. The Company did not rent the office space in the comparative period.

Professional fees – increased due to the timing of interim audit fee billing versus comparative period.

Share-based payments – represent a non-recurring, non-cash expense related to the fair value of stock options granted to various consultants and executives. The significant decrease corresponds to a lesser number and valuation of stock options granted in the current period.

Travel and entertainment – increased travel costs due to multiple visits to properties in the current period.

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generated any cash flow from operations. Carlyle's financial success relies on management's ability find economically recoverable reserves in its exploration and evaluation asset.

In order to finance the acquisition of assets or a business and corporate overhead, the Company will be dependent on investor sentiment remaining positive towards the junior companies, and towards Carlyle Commodities Corp., in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor

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sentiment, including a positive climate from investors to support junior exploration companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's condensed consolidated interim financial statements for the three- and nine-month periods ended November 30, 2021 further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company plans on financing its continued activities through equity financings. It is anticipated as general sentiment towards junior exploration companies remains positive, the Company can raise the necessary capital to secure and finance the acquisition of assets or a business. Debt financing has not been used to fund asset and business acquisitions; the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company. The Company's working capital at November 30, 2021 was \$395,539 compared to a working capital of \$339,389 as at February 28, 2021.

Cash and Financial Conditions

The Company had a cash balance of \$294,490 as at November 30, 2021 compared to a cash balance of \$161,161 as at February 28, 2021.

Operating activities: The Company used \$795,283 in operations for the nine-month period ended November 30, 2021 (2020 - \$772,158).

Investing activities: The Company received \$692,797 in investing activities for the nine-month period November 30, 2021 (2020 - used \$845,893) primarily due to acquisition of cash of \$872,494 as a result of the three-cornered amalgamation transaction completed on June 14, 2021, refer to Exploration and Evaluation Assets section for more details. This increase was offset by payments towards exploration and evaluation activities of \$139,697 (2020 - \$771,146) and cash deposit of \$40,000 with the Ministry of Mines (2020 - \$nil).

Financing activities: The Company generated \$235,815 in financing activities for the nine-month period ended November 30, 2021 (2020 - \$1,652,275) relating to proceeds of \$nil (2020 - \$1,485,675) from private placements, proceeds from stock option exercises of \$98,825 (2020 - \$56,250) and advances of \$136,990 from related parties (2020 - \$nil).

SECURITIES OUTSTANDING

As at the date of this MD&A the Company has 67,746,936 common shares, 28,872,640 share purchase warrants, and 4,123,991 stock options outstanding.

OUTLOOK

It is anticipated that in the continued and foreseeable future, Carlyle will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although Carlyle has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future.

Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation

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 defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

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	Three months ended November 30,		Nine months ended November 30,	
	2021	2020	2021	2020
Management fees	\$ 48,000	\$ 48,375	\$ 155,440	\$ 141,375
Consulting fees	15,000	15,000	45,000	45,000
Share-based payments	-	-	-	60,947
Total compensation	\$ 63,000	\$ 63,375	\$ 200,440	\$ 247,322

Due to related parties

As at November 30, 2021, \$98,197 (February 28, 2021 - \$74,550) was included in trade payables and accrued liabilities for fees owed to related parties. As at November 30, 2021, \$51,990 (February 28, 2021 - \$35,500) was included in prepaid expenses advanced to related party.

During the year ended February 28, 2021, the Company issued a loan of \$150,000 to an officer of the Company. The loan is non-interest bearing and repayable on demand. During the nine-month period ended November 30, 2021, the Company received a loan repayment of \$130,000 and \$20,000 was applied to the issued invoices for management fees.

During the year ended February 28, 2021, the Company issued a loan of \$55,482 to a Company with an officer in common. The loan is non-interest bearing and repayable on demand. During the nine-month period ended November 30, 2021, the Company received a loan repayment of \$55,482.

PROPOSED TRANSACTIONS

There are currently no proposed asset or business acquisitions or dispositions, other than those disclosed in this MD&A and the Company's consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

Carlyle Commodities Corp. prepares its financial statements in accordance with International Financial Reporting Standard ("IFRS") and requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

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.

RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended February 28, 2021.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, restricted cash, receivables, loans receivable, trade payables and accrued liabilities approximate their fair values due to the immediate or short-term nature of these instruments. There has been no significant change in credit and market interest rates since the date of its receipt.

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Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Loans receivable	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost

Capital and Risk Management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the executive team under policies approved by the Board of Directors. The executive team identifies and evaluates financial risks in close cooperation with the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk. As at November 30, 2021, the Company is not exposed to significant interest rate risk.

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 generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	\$ 226,711	\$ 226,711	\$ 226,711	\$ -	\$ -
Total	\$ 226,711	\$ 226,711	\$ 226,711	\$ -	\$ -

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from current conversions is not significant and therefore does not hedge its foreign exchange risk.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Carlyle Commodities Corp. can be found on the SEDAR website at www.sedar.com.