



**CARLYLE**  
COMMODITIES

**CARLYLE COMMODITIES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

## **CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)**

### **Notes to Consolidated Financial Statements**

**For the years ended February 28, 2022 and 2021**

Expressed in Canadian Dollars except otherwise noted

#### **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 June 28, 2022, reviews the financial condition and results of operations of Carlyle Commodities Corp. ("Carlyle" or the "Company") (formerly Delrey Metals Corp.) for the year ended February 28, 2022 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended February 28, 2022.

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 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") 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:

## CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)

### Notes to Consolidated Financial Statements

For the years ended February 28, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

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.

The Company’s consolidated 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. 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 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.

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.

On March 4, 2022, the Company issued 1,250,000 common shares of the Company to settle trade payables and accrued liabilities in the aggregate amount of \$62,500.

On April 14, 2022, the Company issued 546,500 common shares of the Company to settle trade payables and accrued liabilities in the aggregate amount of \$27,325.

On May 16, 2022 and June 23, 2022, the Company terminated the Cecilia Agreement the Sunset Property option agreement respectively.

#### PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During and subsequent to the year ended February 28, 2022, the Company:

- Issued 2,391,445 common shares valued at \$208,541 to Directors of the Company and consultants to settle trade payables and accrued liabilities valued at \$164,999.
- Issued 805,000 common shares for options exercised at an average price of \$0.12 per share.
- Issued 1,000,000 common shares valued at \$62,500 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.

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

## **CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)

### **Notes to Consolidated Financial Statements**

**For the years ended February 28, 2022 and 2021**

Expressed in Canadian Dollars except otherwise noted

#### **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 could 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 29, 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 to December 31, 2021 (as to \$200,000) and December 31, 2022 (as to \$700,000) respectively.

On December 29, 2021, the Company entered into another amending agreement. Pursuant to the terms of the amending agreement, the Company further extended the second and third schedule payments of exploration expenditures from December 31, 2021 to December 31, 2022 (as to \$200,000) and December 31, 2023 (as to \$700,000) respectively.

The Company was required to incur \$1,000,000 of exploration as follows:

By September 30, 2018	\$	100,000	(completed during the year ended February 28, 2019)
By December 31, 2022		200,000	
By December 31, 2023		700,000	
	\$	<u>1,000,000</u>	

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

Subsequent to February 28, 2022 the Company notified the optionor it was terminating the option agreement and therefore recognized a write-off of \$168,495 in the consolidated statement of loss and comprehensive loss reducing the carrying value to \$nil.

##### **BCVC acquisition, British Columbia**

On December 6, 2018 the Company acquired 100% of the 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. BCVC owned a 100% interest in the Star and the Porcher vanadium properties, located in northwestern British Columbia.

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 in the consolidated statement of loss and comprehensive loss.

##### **WEM acquisition, British Columbia**

On December 12, 2018 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. WEM owned a 100% interest in the Blackie and the Penece vanadium properties, located in northwestern British Columbia.

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.

##### **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:

## CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)

### Notes to Consolidated Financial Statements

For the years ended February 28, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

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 year ended February 28, 2022, 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 ( <i>vested and converted on January 13, 2022</i> )
24 months from Closing	500,000
30 months from Closing	500,000
36 months from Closing	1,000,000
	<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 1,000,000 common shares upon exercise of Special warrants valued at \$62,500 during the year ended February 28, 2022 and made a cash payment of \$50,000 pursuant to the terms of the Cecilia Agreement.

Subsequent to February 28, 2022 the Company notified the optionor that it was terminating the option agreement and therefore recognized a write-off of \$1,384,343 in the consolidated statement of loss and comprehensive loss reducing the carrying value to \$nil.

The Company wrote off the advance of \$18,005 for the project as the management made the decision to terminate the Cecilia option agreement in May 2022. The advance is considered not recoverable pursuant to the terms of the option 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

As a result of completing the above, the Company holds a 50% interest in the Mack property.

## CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)

### Notes to Consolidated Financial Statements

For the years ended February 28, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

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.

The Company does not currently intend to perform further work on the Mack property and assessed its recoverable amount to be \$nil and therefore recognized a write-off of \$454,928 in the consolidated statement of loss and comprehensive loss.

#### 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 year ended February 28, 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"), a private British Columbia corporation, and 1269597 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company.

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 Agra Ventures Ltd. (formerly Newton Gold Corp.) ("Agra") 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 Agra. In consideration for the acquisition and termination of the NPI Royalty, the Company agreed to issue Agra 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

**CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)**Notes to Consolidated Financial Statements****For the years ended February 28, 2022 and 2021**

Expressed in Canadian Dollars except otherwise noted

Fair value of 200,000 warrants issued to Agra		25,031
		6,358,430
<b>Assets and liabilities acquired</b>		
Cash	\$	1,097,078
Receivables		669,350
Newton Gold Project		4,592,330
Trade payables and accrued liabilities		(328)
<b>Total purchase price allocated</b>	<b>\$</b>	<b>6,358,430</b>

The Company deposited \$40,000 with the Ministry of Energy, Mines and Low Carbon Innovation (the "Ministry") during the year ended February 28, 2022 as part of the exploration permit application requirement.

**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"), a private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company.

Incorporated in October of 2018, OWL 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., a private Calgary corporation, by issuing 935,713 common shares. As the acquired entity did not constitute a business and majority of net assets acquired was cash, the finder's fee was classified as share issuance cost.

<b>Purchase price consideration</b>		
<b>Value of 13,714,269 common shares issued at \$0.13</b>	<b>\$</b>	<b>1,782,855</b>
<b>Assets and liabilities acquired</b>		
Cash	\$	872,494
Owl Lake Property		43,061
Trade payables and accrued liabilities		(54,334)
Transaction cost		921,634
<b>Total purchase price allocated</b>	<b>\$</b>	<b>1,782,855</b>

As at February 28, 2022, the Company has determined it will not pursue exploration and evaluation of the OWL Lake Property and estimated its recoverable amount to be \$nil. Therefore, the company recognized a write-off of \$1,086,338 in the consolidated statement of loss and comprehensive loss.

**CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)

**Management's Discussion and Analysis**

For the year ended February 28, 2022

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

	Sunset	Mack	Cecilia	Star / Porcher	Blackie / Penece	Newton	Owl Lake	Total
<b>Acquisition costs:</b>								
<b>Balance, February 29, 2020</b>	\$ 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)
<b>Balance, February 28, 2021</b>	<b>65,000</b>	<b>25,822</b>	<b>540,000</b>	<b>-</b>	<b>-</b>	<b>4,632,993</b>	<b>-</b>	<b>5,263,815</b>
Additions	-	-	112,500	-	-	-	43,061	155,561
Write-off	(65,000)	(25,822)	(652,500)	-	-	-	(43,061)	(786,383)
<b>Balance, February 28, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,632,993</b>	<b>-</b>	<b>4,632,993</b>
<b>Exploration costs:</b>								
<b>Balance, February 29, 2020</b>	<b>103,495</b>	<b>-</b>	<b>-</b>	<b>110,743</b>	<b>96,668</b>	<b>-</b>	<b>-</b>	<b>310,906</b>
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)
<b>Balance, February 28, 2021</b>	<b>103,495</b>	<b>429,106</b>	<b>608,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,141,122</b>
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	-	-	-	-	-	48,223	-	48,222
Project management	-	-	13,636	-	-	-	-	13,636
Write-off	(103,495)	(429,106)	(731,843)	-	-	-	-	(1,264,444)
<b>Balance, February 28, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,483</b>	<b>-</b>	<b>123,483</b>
Balance, February 28, 2021	\$ 168,495	\$ 454,928	\$ 1,148,521	\$ -	\$ -	\$ 4,632,993	\$ -	\$ 6,404,937
<b>Balance, February 28, 2022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,756,476</b>	<b>\$ -</b>	<b>\$ 4,756,476</b>



**CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)  
**Management's Discussion and Analysis**  
For the year ended February 28, 2022

**SUMMARY OF QUARTERLY RESULTS**

	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Total assets	\$ 5,025,900	\$ 8,345,397	\$ 8,528,357	\$ 6,770,217
Shareholders' equity	4,826,822	8,118,686	8,338,359	6,581,012
Revenue	-	-	-	-
Loss and comprehensive loss	(3,095,471)	(256,673)	(376,886)	(538,010)
Basic and diluted loss per share	(0.05)	(0.00)	(0.01)	(0.02)

  

	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020
Total assets	\$ 7,086,079	\$ 1,748,518	\$ 2,581,798	\$ 2,370,543
Shareholders' equity	6,890,536	970,878	2,062,970	2,028,815
Revenue	-	-	-	-
Loss and comprehensive loss	(1,308,822)	(1,471,491)	(308,426)	(428,832)
Basic and diluted loss per share	(0.06)	(0.06)	(0.01)	(0.04)

**RESULTS OF OPERATIONS**

**The three months ended February 28, 2022 and 2021**

	Three Months Ended		Variance	
	2022	February 28, 2021	\$	Percentage
<b>General and administrative expenses</b>				
Bank and interest charges	\$ 508	\$ 1,359	(851)	(63%)
Consulting fees	(20,000)	383,915	(403,915)	(105%)
Depreciation	249	423	(174)	(41%)
Investor relations	680	290,293	(289,613)	(100%)
Management fees	54,000	90,725	(36,725)	(40%)
Office costs	26,544	51,890	(25,346)	(49%)
Professional fees	33,645	70,693	(37,048)	(52%)
Share-based payments	-	362,002	(362,002)	(100%)
Transfer agent and filing fees	10,297	13,662	(3,365)	(25%)
Travel and entertainment	(3,423)	9,638	(13,061)	(136%)
Total general and administrative expenses	\$ (102,500)	\$ (1,274,600)	1,172,100	(92%)
<b>Other income (expenses)</b>				
Gain on settlement of trade payables	\$ 2,250	\$ (25,062)	27,312	(109%)
Write-off of exploration and evaluation assets	(2,050,827)	(25,000)	(2,025,827)	8,103%
Write-off of receivables and advance	(22,760)	-	(22,760)	(100%)
Transaction cost	(921,634)	-	(921,634)	(100%)
Other income	-	15,840	(15,840)	(100%)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (3,095,471)</b>	<b>\$ (1,308,822)</b>	<b>(1,786,649)</b>	<b>137%</b>

The notable changes between comparable periods are as follows:

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

*Professional fees* – decreased because the Company required less legal support in the current period.

*Share-based payments* – decreased because no stock options were granted in the current period in comparison to Q4'2021.

**CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)  
**Management's Discussion and Analysis**  
For the year ended February 28, 2022

*Write-off of exploration and evaluation assets* – increased due to impairment of a few mineral properties. Refer to 'Exploration and Evaluation Assets' section of MD&A for details.

*Transaction cost* – increased due to transaction cost incurred on the three-way amalgamation of OWL Lake Resources Ltd. Refer to 'Exploration and Evaluation Assets' section of MD&A for details.

**The years ended February 28, 2022 and 2021**

	2022	Year Ended February 28, 2021	Variance \$	Percentage
<b>General and administrative expenses</b>				
Bank and interest charges	\$ 3,475	\$ 4,169	(694)	(17%)
Consulting fees	507,901	632,167	(124,266)	(20%)
Depreciation	1,102	1,693	(591)	(35%)
Investor relations	170,695	477,303	(306,608)	(64%)
Management fees	239,997	250,100	(10,103)	(4%)
Office costs	109,462	76,057	33,405	44%
Professional fees	100,043	126,944	(26,901)	(21%)
Share-based payments	50,605	539,301	(488,696)	(91%)
Transfer agent and filing fees	30,749	37,129	(6,380)	(17%)
Travel and entertainment	30,088	22,146	7,492	34%
<b>Total general and administrative expenses</b>	<b>\$ (1,244,117)</b>	<b>\$ (2,167,009)</b>	<b>923,342</b>	<b>(43%)</b>
<b>Other income (expenses)</b>				
Loss on debt and trade payables settlement	\$ (43,542)	\$ (53,031)	9,489	(18%)
Write-off of exploration and evaluation assets	(2,050,827)	(1,412,411)	(638,416)	45%
Write-off of receivables and advance	(22,760)	-	(22,760)	(100%)
Transaction cost	(921,634)	-	(921,634)	(100%)
Other income	15,840	114,880	(99,040)	(86%)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (4,267,040)</b>	<b>\$ (3,517,571)</b>	<b>(749,469)</b>	<b>21%</b>

The notable changes between comparable periods are as follows:

*Consulting fees* – decreased due to lesser scope of activities in the current year in comparison to prior year.

*Investor relations* – decreased due to lesser scope of activities in the current year in comparison to prior year.

*Share-based payments* – decreased because a lesser number of stock options were granted in the current year in comparison to prior year

*Write-off of exploration and evaluation assets* – increased due to impairment of a few mineral properties. Refer to 'Exploration and Evaluation Assets' section of MD&A for details.

*Transaction cost* – increased due to transaction cost incurred on the three-way amalgamation of OWL Lake Resources Ltd. Refer to 'Exploration and Evaluation Assets' section of MD&A for details.

Other income – decreased due to a one-off time in the prior year – flow-through premium income.

**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 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 consolidated financial statements for the year ended February 28, 2022 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 February 28, 2022 was \$26,565 compared to a working capital of \$339,389 as at February 28, 2021.

### **Cash and Financial Conditions**

The Company had a cash balance of \$134,535 as at February 28, 2022 compared to a cash balance of \$161,161 as at February 28, 2021.

*Operating activities:* The Company used \$866,414 in operations for the year ended February 28, 2022 (2021 – used \$656,667).

*Investing activities:* The Company used \$200,983 in investing activities for the year ended February 28, 2022 (2021 – used \$675,743) primarily due to payments towards exploration and evaluation activities of \$160,983 (2021 - \$1,443,512) and cash deposit of \$40,000 with the Ministry of Mines (2021 - \$nil).

*Financing activities:* The Company generated \$1,040,771 in financing activities for the year ended February 28, 2022 (2021 – \$1,437,598) primarily due to acquisition of cash of \$872,494 as a result of the three-cornered amalgamation transaction completed on June 14, 2021, proceeds of \$nil (2021 - \$1,485,675) from private placements, proceeds from stock option exercises of \$98,825 (2021 - \$63,750) and advances of \$69,452 from related parties (2021 - \$nil).

### **SECURITIES OUTSTANDING**

As at the date of this MD&A the Company has 70,293,436 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:

	For the year ended February 28:	
	2022	2021
Management fees	\$ 206,440	\$ 231,100
Consulting fees	70,000	63,200
Share-based payments	-	142,040
<b>Total compensation</b>	<b>\$ 276,440</b>	<b>\$ 436,340</b>

**Due to related parties**

As of February 28, 2022, \$123,822 (February 28, 2021 - \$74,550) was included in trade payables and accrued liabilities for fees owed to related parties. As of February 28, 2022, the Company prepaid \$13,125 for management fees billed by CEO.

During the year ended February 28, 2022, the Company advanced a loan of \$50,000 (year ended February 28, 2021 - \$150,000) to an officer of the Company. The loan is non-interest bearing and due on September 1, 2023. The loan that was outstanding as of February 28, 2021 was fully repaid in the year ended February 28, 2022.

During the year ended February 28, 2022, the Company advanced a loan of \$5,040 to a legal entity with a director in common. The loan is non-interest bearing and repayable within 12 months from the commencement date. The loan was fully repaid in June 2022.

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 year ended February 28, 2022, 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.

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:

<b>Financial assets</b>	
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Loans receivable	Amortized cost
<b>Financial liabilities</b>	
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:

**CARLYLE COMMODITIES CORP.** (formerly Delrey Metals Corp.)  
**Management's Discussion and Analysis**  
For the year ended February 28, 2022

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	\$ 199,078	\$ 199,078	\$ 199,078	\$ -	\$ -
<b>Total</b>	<b>\$ 199,078</b>	<b>\$ 199,078</b>	<b>\$ 199,078</b>	<b>\$ -</b>	<b>\$ -</b>

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](http://www.sedar.com).