



CARLYLE
C O M M O D I T I E S

Condensed Consolidated Interim Financial Statements (Unaudited)
Expressed in Canadian Dollars, unless otherwise noted

For the three months ended May 31, 2022 and 2021

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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.

CARLYLE COMMODITIES CORP.**Condensed Consolidated Interim Statements of Financial Position (Unaudited)****As of May 31, 2022 and February 28, 2022**

Expressed in Canadian Dollars

	Notes	May 31, 2022	February 28, 2022
ASSETS			
Current assets			
Cash		\$ 33,650	\$ 134,535
Receivables		26,918	22,943
Loans receivable	7	55,040	55,040
Prepaid expenses	7	14,249	13,125
Total current assets		\$ 129,857	\$ 225,643
Non-current assets			
Restricted cash	4	\$ 40,000	\$ 40,000
Equipment		3,471	3,781
Exploration and evaluation assets	4	4,772,976	4,756,476
Total non-current assets		4,816,447	4,800,257
Total assets		\$ 4,946,304	\$ 5,025,900
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		\$ 150,872	\$ 199,078
Total liabilities		\$ 150,872	\$ 199,078
SHAREHOLDERS' EQUITY			
Share capital	5	\$ 15,420,150	\$ 15,375,237
Reserves	6	2,282,081	2,282,081
Accumulated deficit		(12,906,799)	(12,830,496)
Total shareholders' equity		\$ 4,795,432	\$ 4,826,822
Total liabilities and shareholders' equity		\$ 4,946,304	\$ 5,025,900

Events after reporting period (Note 10)

Approved on behalf of the Board of Directors on July 29, 2022

"Morgan Good"

Director

"Leighton Bocking"

Director

Notes

Three Months Ended

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CARLYLE COMMODITIES CORP.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)****For the Three Months Ended May 31, 2022 and 2021**

Expressed in Canadian Dollars except number of shares

		2022	May 31, 2021
General and administrative expenses			
Bank and interest charges		\$ 488	\$ 850
Consulting fees	7	12,500	257,901
Depreciation		310	310
Investor relations		645	129,572
Management fees	7	60,500	55,500
Office costs		27,267	11,226
Professional fees		6,227	4,385
Share-based payments	6	-	50,605
Transfer agent and filing fees		3,331	5,247
Travel and entertainment		9,947	3,358
Total general and administrative expenses		\$ (121,215)	\$ (518,954)
Other income (expenses)			
Gain (loss) on settlement of trade payables	5	\$ 44,912	\$ (19,056)
Loss and comprehensive loss for the period		\$ (76,303)	\$ (538,010)
Basic and diluted loss per common share		\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		69,241,306	49,630,352

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CARLYLE COMMODITIES CORP.**Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)****For the Three Months Ended May 31, 2022 and 2021**

Expressed in Canadian Dollars except number of shares

	Number of shares	Share capital	Reserves	Accumulated deficit	Total shareholders' equity
Balance – February 28, 2021	48,900,509	\$ 13,139,486	\$ 2,314,506	\$ (8,563,456)	\$ 6,890,536
Stock options exercised	805,000	181,855	(83,030)	-	98,825
Shares issued to settle trade payables	662,053	79,056	-	-	79,056
Share-based payments	-	-	50,605	-	50,605
Loss and comprehensive loss for the period	-	-	-	(538,010)	(538,010)
Balance – May 31, 2021	50,367,562	\$ 13,400,397	\$ 2,282,081	\$ (9,101,466)	\$ 6,581,012
Balance – February 28, 2022	67,746,936	\$ 15,375,237	\$ 2,282,081	\$ (12,830,496)	\$ 4,826,822
Shares issued to settle trade payables	1,796,500	44,913	-	-	44,913
Loss and comprehensive loss for the period	-	-	-	(76,303)	(76,303)
Balance – May 31, 2022	69,543,436	\$ 15,420,150	\$ 2,282,081	\$ (12,906,799)	\$ 4,795,432

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CARLYLE COMMODITIES CORP.**Condensed Consolidated Interim Statements of Cash Flows (Unaudited)****For the Three Months Ended May 31, 2022 and 2021**

Expressed in Canadian Dollars

	Notes	Three Months Ended May 31,	
		2022	2021
OPERATING ACTIVITIES			
Loss for the period		\$ (76,303)	\$ (538,010)
<i>Non-cash items:</i>			
Depreciation		310	310
Loss (gain) on settlement of trade payables		(44,912)	19,056
Share-based payments		-	50,605
<i>Changes in non-cash working capital items:</i>			
Receivables		(3,975)	(1,131)
Prepaid expenses		(1,124)	100,872
Trade payables and accrued liabilities		25,119	56,665
Net cash used in operating activities		\$ (100,885)	\$ (311,633)
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets		\$ -	\$ (6,283)
Loans issued		-	185,482
Net cash used in investing activities		\$ -	\$ 179,199
FINANCING ACTIVITIES			
Proceeds from stock options exercised		\$ -	\$ 98,825
Net cash provided by financing activities		\$ -	\$ 98,825
Increase (decrease) in cash		\$ (100,885)	\$ (33,609)
Cash, beginning of period		134,535	161,161
Cash, end of period		\$ 33,650	\$ 127,552

Supplemental cash flow information

For the three months ended:	May 31, 2022	May 31, 2021
Exploration and evaluation assets included in trade payables	\$ -	\$ 3,003
Trade payables settled through issue of common shares of the Company	89,825	60,000

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

CARLYLE COMMODITIES CORP.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

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 office address is 5803 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 5803 – 1151 West Georgia 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:

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.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed consolidated interim financial statements, including IAS 34, *Interim Financial Reporting* and interpretations of the IFRS Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, equity-classified share-based payment arrangements are measured at fair value at grant date pursuant to IFRS 2, *Share-based Payment*. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The COVID-19 pandemic continues to cause significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. While the Company has experienced the impact of the COVID-19 outbreak on its operations, it had continued to operate during the current pandemic. The Company will continue to monitor developments of the pandemic and continuously assess its potential further impact on its operations to prevent any disruptions. The Company has put in place multiple contingency plans to ensure general operations can be maintained with minimal disruption throughout the crisis. In the event of prolonged continuation of the pandemic, it is not clear what the potential impact may be on the Company’s business, financial position and financial performance.

These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements as at and for the year ended February 28, 2022. The effects of the adoption of new and amended IFRS pronouncements have been disclosed in the notes to these condensed consolidated interim 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

CARLYLE COMMODITIES CORP.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

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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.

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

The Company applied judgment to determine whether the three-cornered amalgamation (refer to Note 5 for details) should be classified as an asset acquisition or business combination. The assessment was based on the definition of a business in accordance with IFRS 3.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its controlled and wholly owned subsidiaries BCVC, WEM, IMC and OWL. Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances and transactions have been eliminated on consolidation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied to the Company's audited annual consolidated financial statements for the year ended February 28, 2022.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

On June 23, 2022, the Company terminated the Sunset Property option agreement.

Cecilia Gold-Silver Property, State of Sonora

On May 16, 2022, the Company terminated the Cecilia option agreement and cancelled unvested 2,000,000 special warrants previously issued to Riverside pursuant to the terms of the option agreement.

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

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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 Agra	25,031
	6,358,430
Assets and liabilities acquired	
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

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.

Purchase price consideration	
Value of 13,714,269 common shares issued at \$0.13	\$ 1,782,855
Assets and liabilities acquired	
Cash	\$ 872,494
Owl Lake Property	43,061

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Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

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Trade payables and accrued liabilities	(54,334)
Transaction cost	921,634
Total purchase price allocated	\$ 1,782,855

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 \$43,061 in the consolidated statement of loss and comprehensive loss.

CARLYLE COMMODITIES CORP.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

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

	Sunset	Mack	Cecilia	Star / Porcher	Blackie / Penece	Newton	Owl Lake	Total
Acquisition costs:								
		\$						
Balance, February 28, 2021	\$ 65,000	25,822	\$ 540,000	\$ -	\$ -	\$ 4,632,993	\$ -	\$ 5,263,815
Additions	-	-	112,500	-	-	-	43,061	155,561
Write-off	(65,000)	(25,822)	(652,500)	-	-	-	(43,061)	(786,383)
Balance, February 28, 2022 and May 31, 2022	-	-	-	-	-	4,632,993	-	4,632,993
Exploration costs:								
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	-	-	-	-	-	48,223	-	48,222
Project management	-	-	13,636	-	-	-	-	13,636
Write-off	(103,495)	(429,106)	(731,843)	-	-	-	-	(1,264,444)
Balance, February 28, 2022	-	-	-	-	-	123,483	-	123,483
Permitting	-	-	-	-	-	16,500	-	16,500
Balance, May 31, 2022	-	-	-	-	-	139,983	-	139,983
Balance, February 28, 2021	\$ 168,495	\$ 454,928	\$ 1,148,521	\$ -	\$ -	\$ 4,632,993	\$ -	\$ 6,404,937
Balance, February 28, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,756,476	\$ -	\$ 4,756,476
Balance, May 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,772,976	\$ -	\$ 4,756,476

CARLYLE COMMODITIES CORP.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

NOTE 5 – SHARE CAPITAL

Authorized: unlimited number of common shares without par value.

		Number of Shares	Amount
Balance, February 28, 2021		48,900,509	\$ 13,139,486
Shares issued upon stock option exercise	(a)	805,000	181,855
Shares issued to settle trade payables	(b)	662,053	79,056
Balance, May 31, 2021		50,367,562	\$ 13,400,397
Balance, February 28, 2022		67,746,936	\$ 15,375,237
Shares issued to settle trade payables	(c)	1,796,500	44,913
Balance, May 31, 2022		69,543,436	\$ 15,420,150

(a) Issued 805,000 common shares for stock options exercised at an average price of \$0.12 per common share;

(b) Issued 662,053 common shares to two consultants of the Company for consulting services;

(c) Issued 1,796,500 common shares valued at \$44,913 to consultants and directors of the Company to settle trade payables and accrued liabilities valued at \$89,825. The Company recognized a gain on the settlement of \$44,912 to the statement of loss and comprehensive loss.

NOTE 6 – RESERVES

Warrants

		Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2021 and May 31, 2021		29,872,640	\$ 0.33
Balance, February 28, 2022		28,872,640	0.33
Cancelled	(a)	(2,000,000)	-
Balance, May 31, 2022		26,872,640	\$ 0.33

(a) On May 16, 2022, 2,000,000 outstanding Special warrants were cancelled upon the termination of the Cecilia Agreement (Note 4).

Warrants outstanding as at November 30, 2021 are as follows:

Expiry Date	Exercise Price, \$	Outstanding Warrants	Outstanding and Exercisable Warrants
November 30, 2022	0.75	1,238,000	1,238,000
November 30, 2022	0.30	76,640	76,640
November 20, 2023	0.50	1,441,000	1,441,000
November 25, 2023	0.50	1,240,000	1,240,000
November 27, 2023	0.50	1,350,000	1,350,000
December 8, 2023	0.50	5,700,000	5,700,000
March 27, 2025	0.20	2,666,667	2,666,667
April 29, 2025	0.20	8,628,333	8,628,333
May 15, 2025	0.20	4,532,000	4,532,000
	0.33	26,872,640	26,872,640

The weighted average remaining contractual life of warrants, excluding Special Warrants, outstanding as at May 31, 2022 is 2.28 years (February 28, 2022 – 2.53 years).

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Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

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Stock options

	Number of options		Weighted average exercise price
Balance, February 28, 2022 and May 31, 2022 – outstanding and exercisable	4,109,706	\$	0.30

The weighted average remaining contractual life of stock options outstanding and exercisable as at May 31, 2022 is 3.29 years (February 28, 2022 – 3.54 years).

NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES

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:

	2022		Three months ended May 31, 2021	
Management fees	\$	55,500	\$	48,350
Consulting fees		7,500		15,000
Total compensation	\$	63,000	\$	63,350

Due to related parties

As of May 31, 2022, \$70,395 (February 28, 2022, \$123,822) was included in trade payables and accrued liabilities for fees owed to related parties. As of May 31, 2022, the Company prepaid \$14,249 for management fees billed by CEO.

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.

NOTE 8 – FINANCIAL INSTRUMENTS

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:

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For the Three Months Ended May 31, 2022 and 2021

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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 May 31, 2022, 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	\$ 150,872	\$ 150,872	\$ 150,872	\$ -	\$ -
Total	\$ 150,872	\$ 150,872	\$ 150,872	\$ -	\$ -

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.

CARLYLE COMMODITIES CORP.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2022 and 2021

Expressed in Canadian Dollars except otherwise noted

NOTE 9 – SEGMENT REPORTING

All the Company's operations are in the resource sector. The Company's mineral exploration and evaluation operations are based in Canada.

NOTE 10 – EVENTS AFTER REPORTING PERIOD

On June 3, 2022, the Company issued 750,000 common shares to settle trade payables.