MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2022

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 of October 31, 2022, reviews the financial condition and results of operations of Carlyle Commodities Corp. ("Carlyle" or the "Company") for the three and six months ended August 31, 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 condensed consolidated interim financial statements for the three and six months ended August 31, 2022 and annual audited consolidated financial statements and related notes 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") applicable to the preparation of condensed consolidated interim financial statements, including IAS 34, *Interim Financial Reporting* and interpretations of the IFRS Interpretations Committee ("IFRIC").

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.

The number of shares and per share amounts for the current and comparative figures in this MD&A have been adjusted to reflect the changes resulting from a 10 for 1 share consolidation which took effect on September 6, 2022.

On October 21, 2022, the Company announced a non-brokered private placement consisting of the issuance of up to 10,000,000 units. Each unit consists of one common share of the Company and one-half of one share purchase warrant (the "warrant"), entitling the holder to purchase one common share with each full warrant at a price of $0.30 per warrant share for a period of 3 years following the issuance. The warrants are subject to an acceleration provision whereby in the event the common shares have a closing price on the Canadian Securities Exchange ("CSE") of $0.50 or greater per common share for a period of 10 consecutive trading days at any time from the date of issuance, the Company may accelerate the expiry date of the warrants.

Expressed in Canadian Dollars except otherwise noted

On October 21, 2022, Carlyle closed an initial tranche of 6,918,332 units for total gross proceeds of approximately $1,037,749 and incurred share issuance costs of $32,740 and issued 298,266 finders' warrants.

On October 31, 2022, Carlyle closed the second tranche of 2,810,000 units for total gross proceeds of $421,500 and incurred share issuance costs of $19,800 and issued 132,000 finders' warrants.

The net proceeds from the non-brokered private placement will be used for general working capital needs, and planning and implementation of the exploration program at the Newton Project.

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 5803 – 1151 West Georgia Street, Vancouver, BC. The Company's common shares began trading on 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.

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 June 2, 2022, the British Columbia Ministry of Energy, Mines and Low Carbon Innovation (the "Ministry") awarded the Company the permit to conduct exploration activities.

On June 14, 2022, the Company completed an updated National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") pit constrained inferred mineral resource calculation. The updated resource calculation utilizes optimized pit shell constraints to fulfill the requirement for "reasonable prospects for eventual economic extraction".

EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

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

Expressed in Canadian Dollars except otherwise noted

Cecilia Gold-Silver Property, State of Sonora

On May 16, 2022, the Company terminated the Cecilia option agreement and cancelled unvested 200,000 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 2,056,210 common shares of the Company were issued to the IMC Shareholders in exchange for their respective IMC Shares as well as an aggregate of 953,100 warrants in replacement of IMC warrants. The warrants are exercisable at an exercise price of $5 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: $5, 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 20,000 at an exercise price of $5 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: $5, 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 2,056,210 common shares issued at $2.50	$	5,140,525
Fair value of 953,100 warrants issued		1,192,874
Fair value of 20,000 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

Expressed in Canadian Dollars except otherwise noted

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 1,371,427 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 93,571 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 1,371,427 common shares issued at $1.30	$	1,782,855
Assets and liabilities acquired		
Cash	$	872,494
Owl Lake Property		43,061
Trade payables and accrued liabilities		(54,334)
Transaction cost		921,634
Total purchase price allocated	**$**	**1,782,855**

As of 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.

Expressed in Canadian Dollars except otherwise noted

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 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 August 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, August 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, August 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,772,976**	**$ -**	**$ 4,772,976**

Expressed in Canadian Dollars except otherwise noted

SUMMARY OF QUARTERLY RESULTS

		August 31, 2022		May 31, 2022		February 28, 2022		November 30, 2021
Total assets	$	4,886,197	$	4,946,304	$	5,025,900	$	8,345,397
Shareholders' equity		4,635,109		4,795,432		4,826,822		8,118,686
Revenue		-		-		-		-
Loss and comprehensive loss		(190,323)		(76,303)		(3,095,471)		(256,673)
Basic and diluted loss per share		(0.03)		(0.01)		(0.46)		(0.04)

		August 31, 2021		May 31, 2021		February 28, 2021		November 30, 2020
Total Assets	$	8,528,357	$	6,770,217	$	7,086,079	$	1,748,518
Shareholders' equity		8,338,359		6,581,012		6,890,536		970,878
Revenue		-		-		-		-
Loss and comprehensive loss		(376,886)		(538,010)		(1,308,822)		(1,471,491)
Basic and diluted loss per share		(0.06)		(0.11)		(0.31)		(0.59)

RESULTS OF OPERATIONS

The three months ended August 31, 2022 and 2021

	Three Months Ended August 31,				Variance	
		2022		2021	$	Percentage
General and administrative expenses						
Bank and interest charges	$	389	$	1,193	(804)	(67%)
Consulting fees		45,000		172,500	(127,500)	(74%)
Depreciation		141		277	(136)	(49%)
Investor relations		2,456		35,217	(32,761)	(93%)
Management fees		72,508		69,940	2,568	4%
Office costs		25,291		44,215	(18,924)	(43%)
Professional fees		36,541		21,455	15,086	70%
Transfer agent and filing fees		6,351		10,687	(4,336)	(41%)
Travel and entertainment		9,188		17,506	(8,318)	(48%)
Total general and administrative expenses	$	(197,865)	$	(372,990)	175,125	(47%)
Other income (expenses)						
Gain (loss) on settlement of trade payables	$	7,500	$	(19,736)	27,236	(138%)
Other income		42		15,840	(15,798)	(100%)
Loss and comprehensive loss for the period	**$**	**(190,323)**	**$**	**(538,010)**	**186,563**	**(50%)**

The notable changes between comparable periods are as follows:

Consulting fees – decreased due to significantly reduced scope of corporate initiatives during the current period in comparison to the same period of prior year.

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

Office costs, travel & entertainment – The Company reduced spending during Q2'2023 in effort to preserve liquidity in the short term prior to the anticipated private placement.

Expressed in Canadian Dollars except otherwise noted

Gain (loss) on settlement of trade payables – the balance generally reflects an accounting outcome of settlement of trade payable through the issuance of Company's common shares. The Company recognized gain in Q2'2023 as the fair value of common shares issued to settle trade payables was less than the carrying value of trade payables settled. The comparative period a reverse scenario whereby the fair value of common shares issued was greater than the carrying value of trade payables settled.

Other income – the comparative period is primarily comprised of rental income from sublease of office space. The corporate office was not subleased in Q2'2023.

The six months ended August 31, 2022 and 2021

	Six Months Ended August 31, 2022	2021	Variance $	Percentage
General and administrative expenses				
Bank and interest charges	$ 877	$ 2,043	(1,166)	(57%)
Consulting fees	57,500	430,401	(372,901)	(87%)
Depreciation	451	587	(136)	(23%)
Investor relations	3,101	164,789	(161,688)	(98%)
Management fees	133,008	125,440	7,568	6%
Office costs	52,568	55,441	(2,883)	(5%)
Professional fees	42,768	25,840	16,928	66%
Share-based payments	-	50,605	(50,605)	(100%)
Transfer agent and filing fees	9,682	15,934	(6,252)	(39%)
Travel and entertainment	19,135	20,864	(1,729)	(8%)
Total general and administrative expenses	$ (319,090)	$ (891,944)	572,864	(64%)
Other income (expenses)				
Gain (loss) on settlement of trade payables	$ 52,412	$ (38,792)	91,204	(235%)
Other income	42	15,840	(15,798)	(100%)
Loss and comprehensive loss for the period	**$ (266,626)**	**$ (914,896)**	**648,270**	**(71%)**

The notable changes between comparable periods are as follows:

Consulting fees – decreased due to significantly reduced scope of corporate initiatives during the current period in comparison to the same period of prior year.

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

Office costs – The Company reduced spending during Q2'2023 in effort to preserve liquidity in the short term prior to the anticipated private placement.

Share-based payments – No expense was recognized in the current period as no grant or vesting of stock options occurred. Stock options were granted, which vested immediately, in the comparative period.

Gain (loss) on settlement of trade payables – the balance generally reflects an accounting outcome of settlement of trade payable through the issuance of Company's common shares. The Company recognized gain in Q2'2023 as the fair value of common shares issued to settle trade payables was less than the carrying value of trade payables settled. The comparative period a reverse scenario whereby the fair value of common shares issued was greater than the carrying value of trade payables settled.
Other income – the comparative period is primarily comprised of rental income from sublease of office space. The corporate office was not subleased in Q2'2023.

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 condensed consolidated interim financial statements for the three and six months ended August 31, 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 funding 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 deficit as of August 31, 2022 was $181,197 compared to a working capital of $26,565 as of February 28, 2022.

Cash and Financial Conditions

The Company had a cash balance of $12,391 as of August 31, 2022 compared to a cash balance of $134,535 as of February 28, 2022.

Operating activities: The Company used $167,184 in operations for the six months ended August 31, 2022 (the six months ended August 31, 2021 - $576,125).

Investing activities: The Company generated $5,040 from investing activities for the six months ended August 31, 2022 (the six months ended August 31, 2021 – generated $922,054) as a result of collection of loan receivable. The comparative period's cash inflow is primarily due to cash of $872,494 received on acquisition of OWL Lake Resources and $205,482 of loans receivable collected, offset by $115,922 spent on exploration and evaluation activities and the cash deposit of $40,000 paid to the Ministry of Mines.

Financing activities: The Company generated $40,000 from financing activities for the six months ended August 31, 2022 (the six months ended August 31, 2021– generated $45,333) as a result of advances received from a related party. The comparative period's cash inflow is attributable to proceeds from stock option exercises, offset by repayment of advances to related parties.

SECURITIES OUTSTANDING

As of the date of this MD&A the Company has 16,757,695 common shares, 7,419,966 share purchase warrants, and 410,970 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.

The net proceeds from the most recently completed non-brokered private placement will be used for general working capital needs, and planning and implementation of the exploration program at the Newton Project.

Expressed in Canadian Dollars except otherwise noted

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:

	Three months ended August 31,		Six months ended August 31,	
	2022	2021	2022	2021
Management fees	$ 55,500	$ 60,940	$ 111,000	$ 107,440
Consulting fees	7,500	15,000	15,000	30,000
Total compensation	**$ 63,000**	**$ 75,940**	**$ 126,000**	**$ 137,440**

Due to related parties
As of August 31, 2022, $53,917 (February 28, 2022, $123,822) was included in trade payables and accrued liabilities for fees owed to related parties. As of August 31, 2022, the Company prepaid $7,500 for management fees billed by CEO.

During the year ended February 28, 2022, the Company advanced a loan of $50,000 to an officer of the Company. The loan is non-interest bearing and is due on September 1, 2023.

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.

On Jun 29, 2022, the Company entered into a loan agreement with a related entity. The loan principal amount of $75,000 bears no interest and is due in one year. The Company received $40,000 during the three and six months ended August 31, 2022 and the remaining balance of $35,000 subsequent to August 31, 2022. The Company repaid the loan in full in October 2022.

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, 2022.

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:

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
Loan payable	Amortized cost

Capital and Risk Management
The Company's objective and polices 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.

Expressed in Canadian Dollars except otherwise noted

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 of August 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	$ 211,088	$ 211,088	$ 211,088	$ -	$ -
Loan payable	40,000	40,000	40,000	-	-
Total	**$ 251,088**	**$ 251,088**	**$ 251,088**	**$ -**	**$ -**

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.