



**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, 2024 and 2023**

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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, 2024 and February 29, 2024

Expressed in Canadian Dollars

As at	Notes	May 31, 2024	February 29, 2024
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 83,506	\$ 102,056
Receivables	8	123,924	111,246
Loan receivable	8	-	50,000
Prepaid expenses and deposits	4	47,917	-
<b>Total current assets</b>		<b>255,347</b>	<b>263,302</b>
<b>Non-current assets</b>			
Restricted cash	5	40,000	40,000
Equipment		2,068	2,204
Exploration and evaluation assets	5	6,451,209	6,430,746
<b>TOTAL ASSETS</b>		<b>\$ 6,748,624</b>	<b>\$ 6,736,252</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	8	440,375	353,363
Loans payable	8	100,000	100,000
Flow-through premium liability	6	19,328	24,143
<b>Total liabilities</b>		<b>\$ 559,703</b>	<b>\$ 477,506</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	\$ 20,589,368	\$ 20,436,920
Reserves	7	3,801,288	3,749,948
Accumulated deficit		(18,201,735)	(17,928,122)
<b>Total shareholders' equity</b>		<b>\$ 6,188,921</b>	<b>\$ 6,258,746</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 6,748,624</b>	<b>\$ 6,736,252</b>

Events after reporting period (Note 11)

Approved on behalf of the Board of Directors on July 29, 2024

"Morgan Good"

Director

"Leighton Bocking"

Director

**CARLYLE COMMODITIES CORP.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)****For the Three Months Ended May 31, 2024 and 2023**

Expressed in Canadian Dollars except number of shares

For the three months ended	Notes	May 31, 2024	May 31, 2023
<b>General and administrative expenses</b>			
Bank and interest charges		\$ 537	\$ 790
Consulting fees	8	96,682	189,583
Depreciation	5	136	179
Investor relations		27,888	308,161
Management fees	8	79,347	75,824
Office costs		4,515	19,196
Professional fees		10,456	33,590
Share-based payments	7,8	52,193	251,300
Transfer agent and filing fees		3,928	11,538
Travel and entertainment		2,151	11,240
<b>Total general and administrative expenses</b>		<b>\$ (277,833)</b>	<b>\$ (901,401)</b>
<b>Other income (expenses)</b>			
Loss on debt and trade payables settlement	6	(595)	(16,660)
Flow-through premium recovery	6	4,815	(48,156)
<b>Net loss and comprehensive loss</b>		<b>\$ (273,613)</b>	<b>\$ (966,217)</b>
<b>Basic and diluted loss per common share</b>			
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>47,795,265</b>	<b>25,778,222</b>

**CARLYLE COMMODITIES CORP.****Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)****For the Three Months Ended May 31, 2024 and 2023**

Expressed in Canadian Dollars except number of shares

	Number of shares	Share capital	Reserves	Accumulated Deficit	Total shareholders' equity
<b>Balance - February 28, 2023</b>	<b>24,233,683</b>	<b>\$ 18,078,462</b>	<b>\$ 3,113,323</b>	<b>\$ (15,194,332)</b>	<b>\$ 5,997,453</b>
Units issued in private placements	1,481,664	209,825	26,425	-	236,250
Finders' warrants issued	-	-	6,080	-	6,080
Share issuance costs	-	(5,472)	(608)	-	(6,080)
Stock options exercised	350,000	95,900	(45,150)	-	50,750
Shares issued to settle trade payables	509,271	71,634	-	-	71,634
Share-based payments	-	-	251,300	-	251,300
Loss and comprehensive loss	-	-	-	(966,217)	(966,217)
<b>Balance - May 31, 2023</b>	<b>26,574,618</b>	<b>\$ 18,450,349</b>	<b>\$ 3,351,370</b>	<b>\$ (16,160,549)</b>	<b>\$ 5,641,170</b>
<b>Balance - February 29, 2024</b>	<b>46,962,139</b>	<b>\$ 20,436,920</b>	<b>\$ 3,749,948</b>	<b>\$ (17,928,122)</b>	<b>\$ 6,258,746</b>
Units issued in private placements	2,400,000	96,000	24,000	-	120,000
Finders' warrants issued	-	-	2,555	-	2,555
Share issuance costs	-	(5,244)	(1,311)	-	(6,555)
Stock options exercised	500,000	53,597	(26,097)	-	27,500
Shares issued to settle trade payables	147,619	8,095	-	-	8,095
Share-based payments	-	-	52,193	-	52,193
Loss and comprehensive loss	-	-	-	(273,613)	(273,613)
<b>Balance - May 31, 2024</b>	<b>50,009,758</b>	<b>\$ 20,589,368</b>	<b>\$ 3,801,288</b>	<b>\$ (18,201,735)</b>	<b>\$ 6,188,921</b>

**CARLYLE COMMODITIES CORP.****Condensed Consolidated Interim Statements of Cash Flows (Unaudited)****For the Three Months Ended May 31, 2024 and 2023**

Expressed in Canadian Dollars except number of shares

For the three months ended	May 31, 2024	May 31, 2023
<b>Cash (used in) provided by:</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (273,613)	\$ (966,217)
<b>Non-cash items:</b>		
Depreciation	136	179
Loss on settlement of trade payables	595	16,660
Flow-through premium income	(4,815)	-
Share-based payments	52,193	251,300
<b>Changes in non-cash working capital items</b>		
Receivables	(12,678)	47,839
Prepaid expenses and deposits	(47,917)	76,272
Trade payables and accrued liabilities	156,800	115,688
<b>Net cash used in operating activities</b>	<b>\$ (129,299)</b>	<b>\$ (458,279)</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures on exploration and evaluation assets	\$ (32,751)	\$ (306,025)
<b>Net cash used in investing activities</b>	<b>\$ (32,751)</b>	<b>\$ (306,025)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement	\$ 120,000	\$ 236,249
Share issuance costs	(4,000)	-
Proceeds from stock options exercised	27,500	50,750
<b>Net cash provided by financing activities</b>	<b>\$ 143,500</b>	<b>\$ 286,999</b>
<b>Net decrease in cash in the period</b>	<b>\$ (18,550)</b>	<b>\$ (477,305)</b>
<b>Cash – beginning of the period</b>	<b>\$ 102,056</b>	<b>\$ 562,840</b>
<b>Cash – end of the period</b>	<b>\$ 83,506</b>	<b>\$ 85,535</b>

*Supplemental cash flow information*

For the three months ended	May 31, 2024	May 31, 2023
Loan receivable settled against trade payables	\$ 50,000	\$ -
Settlement of trade payables and debt through share issuance	8,095	54,974
Fair value of finders' warrants	2,555	6,080
Fair value of stock options reclassified from reserves on exercise	26,097	-

## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

#### NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

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 office address is 5803 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 620 – 1111 Melville Street, Vancouver, BC. The Company’s common shares trade on the Canadian Securities Exchange (the “CSE”) under the stock symbol “CCC”, on the Frankfurt Stock Exchange under the ticker “BJ4” and on the OTCQB Venture Market under the stock symbol “DLRYF”. The Company’s condensed consolidated interim 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 or debt 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 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, these adjustments could be material.

#### 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.

##### Use of Estimates and Critical Judgments

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

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.



## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

#### 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 condensed consolidated interim 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 – MATERIAL ACCOUNTING POLICY INFORMATION

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 29, 2024.

#### NOTE 4 – PREPAID EXPENSES AND DEPOSITS

	May 31, 2024	February 29, 2024
Advertising and marketing	\$ 47,917	-
<b>Total prepaid expenses and deposits</b>	<b>\$ 47,917</b>	<b>\$ -</b>

#### NOTE 5 – EXPLORATION AND EVALUATION ASSETS

##### 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.

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.

Under the Agreement, the Company is required to pay an annual advance royalty payment of \$25,000 paid to IMC and AMARC Resources Ltd. relating to the 2% net smelter returns royalty (the "NSR"). The NSR can be purchased by the Company at any time for \$2,000,000.

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

## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

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

	Newton
<b>Acquisition costs:</b>	
Balance, February 28, 2023	\$ 4,657,993
Additions	25,000
<b>Balance, February 29, 2024 and May 31, 2024</b>	<b>\$ 4,682,993</b>
<b>Exploration costs:</b>	
Balance, February 28, 2023	\$ 922,877
Permitting	20,159
Targeting, planning and logistics	58,082
Equipment rental	41,204
Field personnel	212,588
Drilling	347,002
Assaying	42,204
Fuel	8,306
Consumables	10,418
Travel and meals	65,754
Project management	19,159
<b>Balance, February 29, 2024</b>	<b>\$ 1,747,753</b>
Equipment rental	1,748
Field personnel	15,371
Assaying	3,082
Project management	262
<b>Balance, May 31, 2024</b>	<b>\$ 1,768,216</b>
<b>Balance, February 29, 2024</b>	<b>\$ 6,430,746</b>
<b>Balance, May 31, 2024</b>	<b>\$ 6,451,209</b>

## NOTE 6 – SHARE CAPITAL

### Authorized

Unlimited number of common shares without par value.

### Issued Share Capital

During the three months ended May 31, 2024, the Company:

- (a) Closed a non-brokered private placement by issuing 2,400,000 units at a price of \$0.05 per unit for gross proceeds of \$120,000. Each unit consists of one common share and one, with each entitling the holder to purchase one additional share at a price of \$0.10 for a period of three years following the issuance. Using the residual value method, proceeds from the private placement of \$24,000 were allocated to reserves.

In connection with the offering, the Company paid finders' fees of \$4,000 and issued 80,000 finders' warrants, exercisable at a price of \$0.05 each into 80,000 shares for a period of three years following the issuance, valued at \$2,555. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of \$0.04, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.13%, and (v) expected volatility of 150.66%.

- (b) Issued an aggregate of 500,000 common shares for stock options exercised at an average price of \$0.055 per common share for proceeds of \$27,500. Upon exercise, \$26,097 relating to the fair value of the stock options was reclassified from reserves to share capital.

## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

- (c) Issued 147,619 common shares valued at \$8,095 to consultants to settle trade payables and accrued liabilities valued at \$7,500. The Company recognized a loss on settlement of trade payables and accrued liabilities equal to \$595 in the statement of loss.

During the year ended February 29, 2024, the Company:

- (a) Closed the second tranche of the non-brokered private placement announced in February 2023 consisting of 140,000 units for gross proceeds of \$35,000.

Each unit consists of one common share of the Company and one-half of a share purchase warrant. Each full share purchase warrant is exercisable for one common share of the Company at a price of \$0.375 for a period of three years following the closing of each tranche of the private placement. Using the residual value method, proceeds from the private placement of \$6,300 were allocated to reserves.

- (b) Closed a non-brokered private placement by issuing 1,341,664 units at a price of \$0.15 per unit for gross proceeds of \$201,250. Each unit consists of one common share and one-half warrant, with each entitling the holder to purchase one additional share at a price of \$0.375 for a period of three years following the issuance. Using the residual value method, proceeds from the private placement of \$20,125 were allocated to reserves.

In connection with the offering, the Company issued 53,333 finders' warrants, exercisable at a price of \$0.15 each into 53,333 units, valued at \$6,080. Each finder unit consists of one share and one-half of one warrant, with each warrant entitling the holder to purchase one share at a price of \$0.375 for a period of three years following the issuance. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of \$0.135, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.02%, and (v) expected volatility of 163.5%.

- (c) Closed the first tranche of a non-brokered private placement by issuing 7,617,823 units at a price of \$0.085 per unit for gross proceeds of \$647,515. Each unit consists of one common share and one warrant, with each entitling the holder to purchase one additional share at a price of \$0.15 for a period of three years following the issuance.

In connection with the offering, the Company paid finders' fees of \$7,188 and issued 84,560 finders' warrants, exercisable at a price of \$0.15 each into 84,560 common shares of the Company, valued at \$6,680. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of \$0.10, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.51%, and (v) expected volatility of 152%.

- (d) Closed the second tranche of a non-brokered private placement by issuing 6,205,705 units at a price of \$0.085 per unit for gross proceeds of \$527,485. Each unit consists of one common share and one warrant, with each entitling the holder to purchase one additional share at a price of \$0.15 for a period of three years following the issuance.

In connection with the offering, the Company paid finders' fees of \$4,969 and issued 58,400 finders' warrants, exercisable at a price of \$0.085 each into 58,400 common shares of the Company, valued at \$6,541. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of \$0.13, (ii) expected life of three years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.40%, and (v) expected volatility of 152.4%. In connection with the offering, the Company incurred other closing costs of \$6,709.

- (e) Closed a non-brokered flow-through private placement by issuing 4,501,762 flow-through units at a price of \$0.17 per unit for gross proceeds of \$765,300. Each unit consists of one flow-through common share and one half of one non-flow-through warrant, with each whole warrant entitling the holder to purchase one non-through-share at a price of \$0.30 for a period of two years following the issuance. The Company used the residual method to calculate the fair value of the tax deduction attached with the flow-through common share and recorded a flow-through liability of \$180,070. During the year ended February 29, 2024, the Company incurred approximately 87% of the required flow-through expenditures under the issuance and \$155,927 was recognized to net loss. During the period ended May 31, 2024, the Company incurred a further 2% of the required expenditures and \$4,815 was recognized to net loss.

In connection with the offering, the Company paid finders' fees of \$57,740 and issued 324,941 finders' warrants, exercisable at a price of \$0.17 each into 324,941 common shares of the Company, valued at \$30,220. The finders' warrants were valued using the Black-Scholes pricing model with following assumptions: (i) share price of \$0.13, (ii) expected life of two years, (iii) dividend yield of 0%, (iv) risk-free rate of 4.15%, and (v) expected volatility of 158.8%. In connection with the offering, the Company incurred other closing costs of \$6,819.

## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

#### For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

- (f) Issued an aggregate of 1,500,000 common shares for stock options exercised at an average price of \$0.125 per common share for proceeds of \$187,000. Upon exercise, \$170,453 relating to the fair value of the stock options was reclassified from reserves to share capital.
- (g) Issued an aggregate of 8,480 common shares for warrants exercised at an average price of \$0.15 per common share for proceeds of \$1,272. Upon exercise, \$1,569 relating to the fair value of the warrants was reclassified from reserves to share capital.
- (h) Issued 1,413,002 common shares valued at \$160,449 to consultants to settle trade payables and accrued liabilities valued at \$134,295. The Company recognized a loss on settlement of trade payables and accrued liabilities equal to \$26,154 in the statement of loss.

## NOTE 7 – RESERVES

### Warrants

	Number of warrants	Weighted Average Exercise Price
<b>Balance, February 28, 2023</b>	11,500,764	\$ 3.34
Issued	17,336,473	0.18
Exercised	(8,480)	0.15
Expired	(973,100)	5.00
<b>Balance, February 29, 2024</b>	<b>27,855,657</b>	<b>\$ 0.93</b>
Issued	2,480,000	0.10
<b>Balance, May 31, 2024</b>	<b>30,335,657</b>	<b>\$ 0.30</b>

**CARLYLE COMMODITIES CORP.****Notes to Condensed Consolidated Interim Financial Statements (Unaudited)****For the Three Months Ended May 31, 2024 and 2023**

Expressed in Canadian Dollars except otherwise noted

Warrants outstanding as of May 31, 2024 are as follows:

Expiry Date	Exercise Price, \$	Outstanding warrants	Outstanding and exercisable warrants
June 28, 2024	0.38	400,000	400,000
June 28, 2024	0.25	34,400	34,400
June 30, 2024	0.38	100,000	100,000
March 27, 2025	0.25	16,000	16,000
March 27, 2025	2.00	266,666	266,666
April 29, 2025	2.00	862,833	862,833
May 15, 2025	2.00	453,200	453,200
October 21, 2025	0.30	3,459,166	3,459,166
October 21, 2025	0.15	298,266	298,266
October 31, 2025	0.30	1,405,000	1,405,000
October 31, 2025	0.15	123,520	123,520
November 10, 2025	0.30	2,473,333	2,473,333
November 10, 2025	0.15	200,800	200,800
February 24, 2026	0.38	370,000	370,000
February 24, 2026	0.25	56,000	56,000
March 3, 2026	0.38	70,000	70,000
March 22, 2026	0.38	670,832	670,832
March 22, 2026	0.15	53,333	53,333
August 18, 2026	0.15	7,617,823	7,617,823
August 18, 2026	0.15	84,560	84,560
August 30, 2026	0.15	6,205,705	6,205,705
August 30, 2026	0.15	58,400	58,400
December 8, 2025	0.30	2,250,879	2,250,879
December 8, 2025	0.17	324,941	324,941
May 14, 2027	0.10	2,400,000	2,400,000
May 14, 2027	0.05	80,000	80,000
	<b>0.30</b>	<b>30,335,657</b>	<b>30,335,657</b>

The weighted average remaining contractual life of warrants, outstanding as of May 31, 2024, is 1.89 years (February 29, 2024 – 2.05 years).

**Stock options**

	Number of options	Weighted Average Exercise Price
<b>Balance, February 28, 2023</b>	<b>3,160,970</b>	<b>\$ 0.61</b>
Granted	6,550,000	0.12
Cancelled	(191,505)	1.10
Expired	(39,465)	17.50
Exercised	(1,500,000)	0.12
<b>Balance, February 29, 2024</b>	<b>7,980,000</b>	<b>\$ 0.61</b>
Granted	1,000,000	0.06
Exercised	(500,000)	0.06
<b>Balance, May 31, 2024</b>	<b>8,480,000</b>	<b>\$ 0.25</b>

## CARLYLE COMMODITIES CORP.

### Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

#### For the Three Months Ended May 31, 2024 and 2023

Expressed in Canadian Dollars except otherwise noted

The weighted average fair value of incentive stock options granted during the three months ended May 31, 2024, was \$0.05 (year ended February 29, 2024 - \$0.11). The weighted average fair value of share price at the time of exercise during the three months ended May 31, 2024, was \$0.065 (year ended February 29, 2024 - \$0.15). Total share-based payments recognized in the for the three months ended May 31, 2024 was \$52,193 (2023 - \$251,300) and classified as expense in the statement of loss and comprehensive loss.

The fair value of incentive stock options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	May 31, 2024	February 29, 2024
Weighted average exercise price	\$ 0.055	\$ 0.125
Risk-free interest rate	3.58%	3.51%
Expected life (years)	5.00	5.00
Expected volatility	171%	174%
Expected dividends	0%	0%
Forfeiture rate	0%	0%

Stock options outstanding and exercisable as of May 31, 2024 are as follows:

Expiry Date	Exercise Price, \$	Outstanding options	Outstanding and exercisable options
May 15, 2025	1.50	102,500	102,500
February 19, 2026	1.40	127,500	127,500
November 14, 2027	0.22	1,550,000	1,550,000
January 11, 2028	0.31	1,000,000	1,000,000
January 27, 2028	0.33	150,000	150,000
March 22, 2028	0.15	1,400,000	1,400,000
March 24, 2028	0.14	50,000	50,000
September 12, 2028	0.13	1,800,000	1,800,000
October 18, 2028	0.17	300,000	300,000
January 22, 2029	0.09	1,500,000	1,500,000
April 4, 2029	0.06	500,000	500,000
	<b>0.20</b>	<b>8,480,000</b>	<b>8,480,000</b>

The weighted average remaining contractual life of stock options outstanding and exercisable as of May 31, 2024 is 3.70 years (February 29, 2024 – 4.18 years).

## NOTE 8 – 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.

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The compensation awarded to key management personnel is as follows:

For the three months ended	May 31, 2024	May 31, 2023
Management fees	\$ 79,348	\$ 63,000
Consulting fees	7,500	7,500
Exploration costs	17,381	-
Share-based payments	-	96,750
<b>Total compensation</b>	<b>\$ 104,229</b>	<b>\$ 167,250</b>

#### Due to related parties

As of May 31, 2024, \$136,737 (February 29, 2024 - \$131,274) was included in trade payables and accrued liabilities for fees owed to related parties, the amounts owing are non-interest bearing and due on demand. During the period ended May 31 2024, the Company entered into an agreement with a legal entity controlled by the CEO whereby a \$50,000 loan receivable owing to the Company was applied against trade payables and accrued liabilities owing to the legal entity.

As of May 31, 2024, the Company had the following balances originated from transactions with a legal entity controlled by CEO:

As at	May 31, 2024	February 29, 2024
Receivables	\$ 238	\$ 238
Loans receivable	-	50,000
	<b>\$ 238</b>	<b>\$ 50,238</b>

The receivables and loans receivable are non-interest bearing and due on demand.

During the year ended February 29, 2024, a legal entity with the officer in common advanced a series of loans totaling \$110,000. The loans bear no interest and are due within one year. During the year ended February 29, 2024, \$10,000 was repaid.

As at May 31, 2024, maturities on outstanding loans are as follows:

- \$75,000 - due January 24, 2025
- \$25,000 - due February 26, 2025

## NOTE 9 – 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.

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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
Loan 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 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 of May 31, 2024, 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	\$ 440,375	\$ 440,375	\$ 440,375	\$ -	\$ -
Loans payable	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -
<b>Totals</b>	<b>\$ 540,375</b>	<b>\$ 540,375</b>	<b>\$ 540,375</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



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believes the foreign exchange risk derived from current conversions is not significant and therefore does not hedge its foreign exchange risk.

#### **NOTE 10 – 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 11 – EVENTS AFTER REPORTING PERIOD**

Subsequent to the three months ended May 31, 2024, the Company:

- a) closed the first tranche of a non-brokered private placement by issuing 2,500,000 units at a price of \$0.04 per unit for gross proceeds of \$100,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.10 per share for a period of 36-months. In connection with the offering, the Company paid finders' fees of \$4,800 and issued 120,000 finders' warrants exercisable at a price of \$0.05 for a period of 36-months.