FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **CARLYLE COMMODITIES CORP.** (the "Issuer").

Trading Symbol: **CCC**

SCHEDULE A: FINANCIAL STATEMENTS

The unaudited interim financial statements for the three and six months ended August 31, 2020 are attached hereto.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

Refer to Note 8 of the unaudited interim financial statements for the three and six months ended August 31, 2020, which are attached hereto as Schedule A.

2. Summary of securities issued and options granted during the period.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Mar 27, 2020	Common share units	Private placement	2,666,667	$0.075	$200,000	Cash	Third party	$7,660
Apr 29, 2020	Common share units	Private placement	8,628,333	$0.075	$647,125	Cash	Third party	$40,940
May 15, 2020	Common share units	Private placement	4,532,000	$0.075	$339,900	Cash	Third party	$16,704
May 15, 2020	Common shares	Shares for debt	932,291	$0.075	$139,844	Debt settlement	Directors	N/A
July 13, 2020	Common shares	Shares for property option	1,500,000	$0.30	$450,000	Mineral property option agreement	Third party	N/A

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
July 21, 2020	Common shares	Option exercise	175,000	$0.15	$26,250	Options exercised	Third party	N/A
August 31, 2020	Flow through units	Private Placement	1,238,000	$0.30	$371,400	Cash	Third party	$22,992

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
May 15, 2020	250,000	Morgan Good – Director/Officer	N/A	$0.15	May 15, 2025	$0.15
May 15, 2020	150,000	Michael Blady – Director	N/A	$0.15	May 15, 2025	$0.15
May 15, 2020	150,000	Leighton Bocking – Director	N/A	$0.15	May 15, 2025	$0.15
May 15, 2020	1,050,000	N/A	Various third-party consultants	$0.15	May 15, 2025	$0.15

3. Summary of securities as at the end of the reporting period.

See Note 7 of the unaudited interim financial statements for the three and six months ended August 31, 2020, which are attached hereto as Schedule A.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Morgan Good	***President, Chief Executive Officer and Director***
Mike Blady	***Director***
Leighton Bocking	***Director***
Alastair Brownlow	***Chief Financial Officer***
Donna M. Moroney	***Corporate Secretary***

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

***Management's Discussion & Analysis of the unaudited interim financial statements for the three and six months ended August 31, 2020 is attached hereto as Schedule B*.**

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated **October 30, 2020** .

Morgan Good
Name of Director or Senior Officer

/s/ Morgan Good
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer **Carlyle Commodities Corp**	For Quarter Ended **August 31, 2020**	Date of Report YY/MM/DD **20/10/30**
Issuer Address **#4302-1151 W Georgia Street**		
City/Province/Postal Code **Vancouver, B.C. V6Z 2E6**	Issuer Fax No. **N/A**	Issuer Telephone No. **(604) 620-8904**
Contact Name **Morgan Good**	Contact Position **CEO**	Contact Telephone No. **(604) 620-8904**
Contact Email Address **morgan@carlylecommodities.com**	Web Site Address https://www.carlylecommodities.com/	

SCHEDULE A

FINANCIAL STATEMENTS

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CARLYLE COMMODITIES

(formerly Delrey Metals Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2020 AND 2019

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. (formerly Delrey Metals Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

As at		**August 31, 2020**		**February 29, 2020**
ASSETS				
Current assets				
Cash	$	109,007	$	55,973
Amounts receivable		4,912		20,082
Loan receivable (Note 8)		48,500		17,500
Prepaid expenses		107,319		7,250
Total current assets		269,738		100,805
Property, equipment, and right-of-use assets (Notes 4)		5,729		6,576
Exploration and evaluation advance (Note 5)		66,149		-
Exploration and evaluation assets (Note 5)		2,240,182		1,605,906
Total Assets	$	2,581,798	$	1,713,287
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$	409,788	$	540,538
Accrued liabilities		10,000		63,500
Flow-through premium liability (Note 7)		99,040		-
Total liabilities		518,828		604,038
Shareholders' Equity				
Share capital (Note 7)		7,414,210		5,491,724
Subscriptions received in advance (Note 7)		-		72,750
Subscriptions receivable (Note 7)		(330,400)		-
Reserves (Note 7)		762,303		590,660
Deficit		(5,783,143)		(5,045,885)
Total Shareholders' Equity		2,062,970		1,109,249
Total Liabilities and Shareholders' Equity	$	2,581,798	$	1,713,287

Nature of Operations and Going Concern (Note 1)
Subsequent Event (Note 11)

APPROVED ON BEHALF OF THE BOARD ON OCTOBER 29, 2020

"Morgan Good" Director *"Mike Blady"* Director

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended August 31, 2020	For the three months ended August 31, 2019	For the six months ended August 31, 2020	For the six months ended August 31, 2019
General and administrative expenses				
Bank and interest charges	$ 674	$ 715	$ 2,423	$ 1,483
Consulting fees (Note 8)	115,067	105,175	183,592	205,300
Depreciation (Note 4)	424	24,097	847	48,231
Investor relations fees	87,938	96,096	169,850	474,966
Management fees (Note 8)	52,500	55,500	99,000	108,500
Office costs	8,774	2,933	11,331	9,900
Professional fees	24,946	46,205	33,775	56,813
Share-based payments (Notes 7 and 8)	-	68,764	177,299	149,026
Transfer agent and filing fees	11,394	6,334	19,545	13,132
Travel and entertainment	6,709	18,587	11,627	57,633
	(308,426)	(424,406)	(709,289)	(1,124,984)
Other items				
Foreign exchange loss	-	-	-	(4,667)
Loss on shares issued on settlement of accounts payable (Note 7)	-	-	(27,969)	-
Lease accretion (Note 6)	-	(2,864)	-	(6,260)
Loss and comprehensive loss for the period	$ (308,426)	$ (427,270)	$ (737,258)	$ (1,135,911)
Loss per common share, basic and diluted	$ (0.01)	$ (0.08)	$ (0.04)	$ (0.23)
Weighted average number of common shares outstanding	22,711,418	5,058,459	16,811,086	4,951,316

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

For the six months ended		**August 31, 2020**		**August 31, 2019**
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(737,258)	$	(1,135,911)
Items not affecting cash				
Depreciation		847		48,231
Lease accretion		-		6,260
Loss on shares issued on settlement of accounts payable		27,969		-
Share-based payments		177,299		149,026
Changes in non-cash working capital items:				
Amounts receivable		15,170		(8,438)
Prepaid expenses		(100,069)		133,630
Accounts payables and accrued liabilities		(57,070)		(279,722)
Net cash used in operating activities		(673,112)		(1,086,924)
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on exploration and evaluation assets		(225,851)		(90,756)
Advances toward exploration and evaluation expenditures		(66,149)		-
Loans issued		(31,000)		(17,500)
Net cash used in investing activities		(323,000)		(108,256)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from private placements		1,155,275		-
Proceeds from stock options exercised		26,250		78,000
Lease payments		-		(25,500)
Share issuance costs		(132,379)		-
Net cash provided by financing activities		1,049,146		52,500
Change in cash for the period		53,034		(1,142,680)
Cash, beginning		55,973		1,231,092
Cash, ending	$	109,007	$	88,412

Supplemental Cash Flow Information (Note 9)

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars - Unaudited)

	Shares	Amount	Subscriptions received in advance	Subscriptions receivable	Reserves	Deficit	Total
Balance, February 28, 2019	4,818,086	$ 5,104,960	$ -	$ -	$ 510,398	$ (3,119,190)	$ 2,496,168
Shares issued for exploration and evaluation assets	171,427	240,000	-	-	-	-	240,000
Stock options exercised	85,712	146,764	-	-	(68,764)	-	78,000
Share-based payments	-	-	-	-	149,026	-	149,026
Loss and comprehensive loss for the period	-	-	-	-	-	(1,135,911)	(1,135,911)
Balance, August 31, 2019	5,075,225	5,491,724	-	-	590,660	(4,255,101)	1,827,283
Subscriptions received in advance	-	-	72,750	-	-	-	72,750
Loss and comprehensive loss for the period	-	-	-	-	-	(790,784)	(790,784)
Balance, February 29, 2020	5,075,225	5,491,724	72,750	-	590,660	(5,045,885)	1,109,249
Shares issued for private placements	17,065,000	1,558,425	(72,750)	(330,400)	-	-	1,155,275
Options exercised	175,000	45,642	-	-	(19,392)	-	26,250
Shares issued for exploration and evaluation assets	1,500,000	450,000	-	-	-	-	450,000
Flow-through premium liability recognized	-	(99,040)	-	-	-	-	(99,040)
Share issuance costs	-	(158,649)	-	-	-	-	(158,649)
Share issuance costs – finders' warrants	-	(13,736)	-	-	13,736	-	-
Shares issued to settle accounts payable	932,291	139,844	-	-	-	-	139,844
Share-based payments	-	-	-	-	177,299	-	177,299
Loss and comprehensive loss for the period	-	-	-	-	-	(737,258)	(737,258)
Balance, August 31, 2020	24,747,516	$ 7,414,210	$ -	$ (330,400)	$ 762,303	$ (5,783,143)	$ 2,062,970

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

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Carlyle Commodities Corp. (formerly Delrey Metals Corp.) the "Company") was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 3707 – 1111 Alberni Street, Vancouver, BC. The registered office address is located at 4302 – 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%

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.

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

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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations this time.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements are prepared using accounting policies consistent with the Company's annual audited consolidated financial statements issued under International Financial Reporting Standards ("IFRS") for the year ended February 29, 2020.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION *(cont'd…)*

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.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and the classification of exploration and evaluation assets.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its controlled and wholly owned subsidiaries BCVC and WEM. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied in the Company's audited annual financial statements for the year ended February 29, 2020. These condensed consolidated interim financial statements should be read in conjunction with the Company's most recent audited annual financial statements for the year ended February 29, 2020.

(Expressed in Canadian Dollars)

4. PROPERTY, EQUIPMENT, AND RIGHT-OF-USE ASSETS

A continuity of the Company's property and equipment is as follows:

	Furniture and Fixtures	Computer Equipment	Right-of-Use Assets	Total
Cost				
Balance, February 28, 2019	$ 3,783	$ 6,044	$ -	$ 9,827
Adoption of IFRS 16 (Note 6)	-	-	149,310	149,310
Extinguishment of lease (Note 6)	-	-	(149,310)	(149,310)
Balance, February 29, 2020 and August 31, 2020	$ 3,783	$ 6,044	$ -	$ 9,827
Accumulated Depreciation				
Balance, February 29, 2020	$ 349	$ 882	$ -	$ 1,231
Depreciation expense (Note 6)	637	1,383	66,796	68,816
Extinguishment of lease (Note 6)	-	-	(66,796)	(66,796)
Balance, February 29, 2020	986	2,265	-	3,251
Depreciation expense (Note 6)	280	567	-	847
Balance, August 31, 2020	$ 1,266	$ 2,832	$ -	$ 4,098
As at February 29, 2020	$ 2,797	$ 3,779	$ -	$ 6,576
As at August 31, 2020	$ 2,517	$ 3,212	$ -	$ 5,729

5. EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

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

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

During the period ended May 31, 2020, the Company entered into an amending agreement. Pursuant to the terms of the amending agreement, the Company has extended the second and third scheduled payments of exploration expenditures from June 30, 2019 and June 30, 2020 respectively to December 31, 2020 (as to $200,000) and December 31, 2021 (as to $700,000).

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

By June 30, 2018	$ 100,000	*(completed during the year ended February 28, 2019)*
By December 31, 2020	200,000	
By December 31, 2021	700,000	
	$ 1,000,000	

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

5. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

BCVC acquisition, British Columbia

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

WEM acquisition, British Columbia

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

Four Corners Property, British Columbia

During the year ended February 29, 2020 the Company entered into a mineral property option agreement to acquire an undivided 80% right, title, and interest in the Four Corners Project, located in west-central Newfoundland. The option will be deemed to be exercised by the Company upon the Company paying an aggregate of $450,000 ($25,000 – paid), issuing an aggregate of 1,714,285 common shares *(171,427 common shares issued with a fair value of $240,000)*, and incurring an aggregate of $5,000,000 in exploration expenditures by the fourth anniversary date.

During the year ended February 29, 2020, due to unfavourable market conditions, the Company terminated the option agreement. Accordingly, as at February 29, 2020 all acquisition and exploration costs related to the property have been written-off and $397,228 was recognized to the statement of loss and comprehensive loss for the year then ended.

Cecilia Gold-Silver Property, State of Sonora

During the period ended August 31, 2020, the Company entered into an option agreement (the "Cecilia Agreement") with Riverside Resources Inc. ("Riverside"), an arm's length TSX Venture Exchange ("TSXV") listed issuer trading under the symbol "RRI", to purchase an undivided 100% interest in and to the 7,739 hectare Cecilia Gold-Silver Project (the "Property") located in the State of Sonora, Mexico.

Under the terms of the Cecilia Agreement, the Company has the option to acquire a 100% interest in the Property by:

a) making aggregate cash payments of $200,000 *($50,000 - paid)*;
b) issuing 1,500,000 common shares of the Company *(issued with a fair value of $450,000)*;
c) issuing 3,000,000 non-transferable special warrants; and
d) incurring an aggregate of $2,500,000 in exploration expenditures within 36 months of closing *($83,851 incurred)*.

Upon completion of the option Payments, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty ("NSR Royalty") to be granted to Riverside. During the period ended August 31, 2020, the Company advanced $150,000 to Riverside as operator of the project, of which $83,851 had been expended on exploration and evaluation activities as at August 31, 2020 with $66,149 remaining in exploration and evaluation advance.

5. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Mack option agreement, British Columbia

During the period ended August 31, 2020, the Company entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), an arm's length private company. Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $50,000 on or before August 14, 2020 *(paid)*; and
b) $350,000 on the earlier of:
   a. within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 *(paid subsequent to August 31, 2020)*; and
   b. April 1, 2021, if the permit is in-hand after September 30, 2020 but before April 1, 2021; or such other date as agreed to by the parties

The Company has agreed with UMS that Amarc Resources Ltd. ("Amarc") will operate the exploration program.

Jake option agreement, British Columbia

During the period ended August 31, 2020, the Company entered into an option agreement (the "Jake Agreement") with UMS, an arm's length private company. Under the terms of the Jake Agreement, the Company has the right to earn a 50% working interest in the Jake copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

c) $100,000 on or before August 31, 2020; and
d) $300,000 on the earlier of:
   a. May 1, 2021, if Amarc has received the necessary permit required for the earn-in program for the Jake Property; and
   b. Within five days of notice that it has received the permit after May 1, 2021 but before September 30, 2021; or such other date as agreed to by the parties.

Amarc will operate the exploration program. As at August 31, 2020, the Company had not made any payments towards the Jake option agreement.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

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

	Sunset	Mack	Jake	Cecilia	Star / Porcher	Blackie / Peneece	Four Corners	Total
Acquisition costs:								
Balance, February 28, 2019	$ 65,000	$ -	$ -	$ -	$ 730,000	$ 500,000	$ -	$ 1,295,000
Additions	-	-	-	-	-	-	290,000	290,000
Write-off	-	-	-	-	-	-	(290,000)	(290,000)
Balance, February 29, 2020	65,000	-	-	-	730,000	500,000	-	1,295,000
Additions	-	-	-	500,000	-	-	-	500,000
Balance, August 31, 2020	65,000	-	-	500,000	730,000	500,000	-	1,795,000
Exploration costs:								
Balance, February 28, 2019	103,495	-	-	-	-	-	-	103,495
Field Personnel	-	-	-	-	23,675	9,825	29,605	63,105
Sampling	-	-	-	-	68,488	74,368	2,325	145,181
Geological consulting	-	-	-	-	-	-	29,850	29,850
Supplies and other	-	-	-	-	3,661	300	36,573	40,534
Travel and meals	-	-	-	-	14,919	12,175	8,875	35,969
Write-off	-	-	-	-	-	-	(107,228)	(107,228)
Balance, February 29, 2020	103,495	-	-	-	110,743	96,668	-	310,906
Field Personnel	-	-	-	34,083	-	-	-	34,083
Sampling	-	-	-	2,847	-	-	-	2,847
Drill program	-	50,000	-	-	-	-	-	50,000
Geological consulting	-	425	-	9,195	-	-	-	9,620
Supplies and other	-	-	-	17,457	-	-	-	17,457
Travel and meals	-	-	-	12,646	-	-	-	12,646
Project management	-	-	-	7,623	-	-	-	7,623
Balance, August 31, 2020	103,495	50,425	-	83,851	110,743	96,668	-	445,182
Balance, February 29, 2020	$ 168,495	$ -	$ -	$ -	$ 840,743	$ 596,668	$ -	$ 1,605,906
Balance, August 31, 2020	$ 168,495	$ 50,425	$ -	$ 583,851	$ 840,743	$ 596,668	$ -	$ 2,240,182

(Expressed in Canadian Dollars)

6. LEASE LIABILITIES

As at February 28, 2019, the Company held one office lease with a remaining term of 19 months. Pursuant to the adoption of IFRS 16 during the year ended February 29, 2020, using an annual discount rate of 10%, the Company has recognized the impact of off-balance lease obligations as of March 1, 2020 of $149,310.

On November 15, 2019, the Company entered into an agreement with the lessor to terminate the lease term by paying a break-fee of $8,500. On the extinguishment of the lease, the Company reduced lease liabilities by $73,537 and right-of-us assets by $82,514 (Note 4) and recognized a corresponding loss on extinguishment of lease of $8,997 to the statement of loss and comprehensive loss. As at February 29, 2020, the Company has no further commitments or obligations with respect to leases.

The following is a reconciliation of the changes in the lease liabilities:

Lease liabilities	**February 28, 2019**
Balance, February 28, 2019	$ -
Adoption of IFRS 16	149,310
Lease accretion	9,227
Lease payments	(85,000)
Extinguishment of remaining lease liabilities	(73,537)
Balance, February 29, 2020 and August 31, 2020	$ -

7. CAPITAL STOCK

Authorized capital stock

An unlimited number of common shares without par value, issuable in series.

Issued share capital

During the period ended August 31, 2020, the Company:

a) Closed three tranches of a private placement by issuing 15,827,000 units (each, a "Unit") at a price of $0.075 per Unit for gross proceeds of $1,187,025, of which $72,750 had been collected as at February 29, 2020, as follows:

   a. 2,666,667 Units on March 27, 2020;
   b. 8,628,333 Units on April 29, 2020; and
   c. 4,532,000 Units on May 15, 2020.

   Each unit consists of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.20 per common share for five years from the date of issuances. In connection with the offering, the Company paid an aggregate of $65,304 in finders' fees and incurred an additional $17,716 in other closing costs. All common shares issued in connection with the offering will be subject to voluntary escrow, pursuant to which 35% of the common shares will be released four months and one day from the issuance date, 35% of the common shares will be released seven months and one day from the issuance date, and the remaining 30% of the common shares will be released ten months and one day from the issuance date; and

b) Issued 932,291 common shares valued at $139,844 to Directors of the Company to settle accounts payable and accrued liabilities valued at $111,875. The Company recognized a loss on the issuance of $27,969 to the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

7. CAPITAL STOCK *(cont'd…)*

Issued share capital *(cont'd…)*

c) Issued 1,500,000 common shares valued at $450,000 as required under the Cecilia Agreement (Note 5);

d) Issued 175,000 common shares at a price of $0.15 per common share for proceeds of $26,250 on the exercise of stock options. Upon exercise, $19,392 relating to the fair value of the options was reclassified from reserves to share capital; and

e) Closed a non-brokered private placement by issuing 1,238,000 flow-through units (each, a "FT Unit") at a price of $0.30 per FT Unit for gross proceeds of $371,400, of which $330,400 was receivable as at August 31, 2020. Each FT Unit was comprised of one flow-through share and one common share purchase warrant, each entitling the holder to acquire one non-flow-through common share at a price of $0.75 per common share for a period of two years. The Company paid finders' fees of $22,992 and issued 76,640 finders' warrants, exercisable at $0.30 for a period of two years. The finders' warrants were valued at $13,736 using the Black-Scholes pricing model using a share price of $0.22, expected life of two years, and a volatility of 198.84%. The Company incurred additional costs of $52,637 in connection with the financing. 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 $99,040.

During the year ended February 29, 2020, the Company:

a) Issued 171,427 common shares with a fair value of $240,000 in connection with the Four Corners option agreement (Note 5).

b) Issued 85,712 common shares at a price of $0.91 per common share for proceeds of $78,000 on the exercise of stock options.

Stock options

During the year ended February 28, 2019, the Company adopted a stock option plan. The stock option plan provides that, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is five years from the date that such options are granted.

The following is a summary of stock options outstanding as at August 31, 2020 and February 29, 2020 and changes during the periods ended:

	Number of Stock Options	Weighted Average Exercise Price
Balance, February 28, 2019	420,573	$ 1.68
Granted	157,141	1.29
Exercised	(85,714)	0.91
Balance, February 29, 2020 – outstanding and exercisable	492,000	$ 1.69
Granted	1,600,000	0.15
Exercise	(175,000)	0.15
Balance, August 31, 2020 – outstanding and exercisable	1,917,000	$ 0.55

(Expressed in Canadian Dollars)

7. CAPITAL STOCK *(cont'd…)*

Stock options *(cont'd…)*

At August 31, 2020 the following stock options were outstanding:

Number outstanding	Number outstanding and exercisable	Exercise Price	Expiry Date
83,009	83,009	$ 1.40	October 23, 2020(1)
337,564	337,564	$ 1.75	October 29, 2023
57,142	57,142	$ 1.75	March 21, 2024
14,285	14,285	$ 1.75	March 24, 2024
1,425,000	1,425,000	$ 0.15	May 15, 2025(2)
1,917,000	1,917,000		

(1) Subsequent to the period ended August 31, 2020, all of these options expired unexercised.
(2) Subsequent to the period ended August 31, 2020, 175,000 of these options were exercised for proceeds of $26,250.

The weighted average fair value of incentive options granted during the period ended August 31, 2020 was $0.11 (year ended February 29, 2020 - $0.95). Total share-based payments recognized in the statement of shareholders' equity for the period ended August 31, 2020 was $177,299 (2019 - $149,026) for incentive options was recognized in the statement of loss and comprehensive loss. The fair value of incentive options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	August 31, 2020	February 29, 2020
Weighted average exercise price	$0.15	$1.29
Risk-free interest rate	0.35%	1.49%
Expected life of option	5 years	5 years
Expected annualized volatility	100%	100%
Expected dividend rate	Nil	Nil

Warrants

The following is a summary of warrants as at August 31, 2020 and February 29, 2020 and changes during the periods ended:

	Number of Stock Options	Weighted Average Exercise Price
Balance, February 29, 2020	-	$ -
Granted	17,141,640	0.24
Balance, August 31, 2020	17,141,640	$ 0.24

(Expressed in Canadian Dollars)

7. CAPITAL STOCK *(cont'd…)*

Warrants *(cont'd…)*

At August 31, 2020 the following warrants were outstanding:

Number outstanding	Number outstanding and exercisable	Exercise Price	Expiry Date
2,666,667	2,666,667	$ 0.20	March 27, 2025
8,628,333	8,628,333	$ 0.20	April 29, 2025
4,532,000	4,532,000	$ 0.20	May 15, 2025
1,238,000	1,238,000	$ 0.75	August 31, 2022
76,640	76,640	$ 0.30	August 31, 2022
17,141,640	17,141,640		

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

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 has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer. Key management personnel payments for the period ended August 31, 2020 included:

	Management fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	$ 75,000	$ -	$ 27,703	$ 102,703
Chief Financial Officer	18,000	-	-	18,000
Non-executive directors	-	30,000	33,244	63,244
	$ 93,000	$ 30,000	$ 60,947	$ 183,947

Key management personnel payments for the period ended August 31, 2019 included:

	Management fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	$ 72,500	$ -	$ -	$ 72,500
Chief Financial Officer	18,000	-	-	18,000
Non-executive directors	-	45,000	-	45,000
	$ 90,500	$ 45,000	$ -	$ 135,500

As at August 31, 2020, $93,340 (February 29, 2020 - $184,846) was included in trade payables and accrued liabilities for fees owed to related parties. During the period ended August 31, 2020, the Company issued an aggregate of 932,291 common shares with a value of $139,844 to Directors of the Company to settle accounts payable of $111,875 (Note 7). The Company recognized a loss on the settlement of $27,969. As at August 31, 2020, $35,000 (February 29, 2020 - $nil) was included in prepaid expenses advanced to related parties.

During the period ended August 31, 2020, the Company issued a loan of $31,000 (year ended February 29, 2020 - $17,500) to a Company with an officer in common. The loan is non-interest bearing and repayable on demand.

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION

The Company had the following non-cash transactions:

		August 31, 2020		**August 31, 2019**
Prepaid expenses applied to lease payments	$	-	$	25,500
Impact of IFRS 16 on property, equipment, and right-of-use assets	$	-	$	149,310
Exploration and evaluation assets included in accounts payable	$	229,828	$	245,889
Exploration and evaluation assets included in accounts payable – opening	$	271,403	$	-
Share issuance costs included in accounts payable	$	26,270	$	-
Accounts payable settled by share issuance	$	111,875	$	-
Value of flow-through premium liability on private placement	$	99,040	$	-
Fair value of options reclassified on option exercised	$	19,392	$	-
Fair value of finders' warrants granted for share issuance costs	$	13,736	$	-
Fair value of common shares issued for exploration and evaluation asset	$	450,000	$	240,000

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of amounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Amounts receivable and trade payables and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT *(cont'd…)*

Risk management *(cont'd…)*

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at August 31, 2020, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

SCHEDULE B

MANAGEMENT DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") prepared as at October 29, 2020, reviews the financial condition and results of operations of Carlyle Commodities Corp. ("Carlyle" or the "Company") (formerly Delrey Metals Corp.) for the period ended August 31, 2020 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's August 31, 2020 condensed consolidated interim financial statements and its February 29, 2020 annual audited consolidated financial statements and related notes.

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

The Company's certifying officers are responsible for ensuring that the unaudited condensed interim 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 unaudited condensed interim financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

Carlyle Commodities Corp. (formerly Delrey Metals Corp.) the "Company") was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 3707 – 1111 Alberni Street, Vancouver, BC. The registered office address is located at 800 – 885 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 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%

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.

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

The Company's 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.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations this time.

PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During the period ended August 31, 2020, the Company:

- granted 1,600,000 stock options to various directors, officers, and consultants of the Company with an exercise price of $0.15 and life of 5 years. All options vested on grant;

- issued 932,291 common shares valued at $139,844 to Directors of the Company to settle accounts payable and accrued liabilities valued at $111,875;

- closed three tranches of a non-brokered private placement by issuing an aggregate of 15,827,000 units (each, a "Unit") at a price of $0.075 per Unit for gross proceeds of $1,187,025 as follows:

  (i) 2,666,667 Units on March 27, 2020;
  (ii) 8,628,333 Units on April 29, 2020; and
  (iii) 4,532,000 Units on Mary 15, 2020

  Each unit consists of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.20 per common share for five years from the date of issuances. In connection with the offering, the Company paid an aggregate of $65,304 in finders' fees and incurred an additional $17,716 in other closing costs. All common shares issued in connection with the offering will be subject to voluntary escrow, pursuant to which 35% of the common shares will be released four months and one day from the issuance date, 35% of the common shares will be released seven months and one day from the issuance date, and the remaining 30% of the common shares will be released ten months and one day from the issuance date; and

- entered into an amending agreement to extend the schedule of payments on its Sunset Mining Property, BC from June 30, 2019 and June 30, 2020 respectively to December 31, 2020 (as to $200,000) and December 31, 2021 (as to $700,000).

- entered into an option agreement (the "Option Agreement") with Riverside Resources Inc. ("Riverside"), an arm's length TSX Venture Exchange ("TSXV") listed issuer trading under the symbol "RRI", to purchase an undivided 100% interest in and to the 7,739 hectare Cecilia Gold-Silver Project (the "Property") located in the State of Sonora, Mexico.

  Under the terms of the Option Agreement, the Company has the option to acquire a 100% interest in the Property by:

  a) making aggregate cash payments of $200,000 *($50,000 paid)*;
  b) issuing 1,500,000 common shares of the Company *(issued)*;
  c) issuing 3,000,000 non-transferable special warrants; and
  d) incurring an aggregate of $2,500,000 in exploration expenditures within 36 months of closing *($83,851 incurred)*.

  Upon completion of the Option Payments, the Company will be deemed to have exercised the Option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty ("NSR Royalty") to be granted to Riverside.

- received proceeds of $26,250 on the exercise of 175,000 stock options.

- entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), an arm's length private company. Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

  - $50,000 on or before August 14, 2020 *(paid)*; and
  - $350,000 on the earlier of:
    a) within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 *(paid subsequent to August 31, 2020)*; and
    b) April 1, 2021, if the permit is in-hand

- entered into an option agreement (the "Jake Agreement") with UMS, an arm's length private company. Under the terms of the Jake Agreement, the Company has the right to earn a 50% working interest in the Jake copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

    - $100,000 on or before August 31, 2020; and
    - $300,000 on the earlier of:
        a) May 1, 2021, if Amarc has received the necessary permit required for the earn-in program for the Jake Property; and
        b) Within five days of notice that it has received the permit after May 1, 2021 but before September 30, 2021; or such other date as agreed to by the parties.

- Closed a non-brokered private placement by issuing 1,238,000 flow-through units (each, a "FT Unit") at a price of $0.30 per FT Unit for gross proceeds of $371,400, of which $330,400 was receivable as at August 31, 2020. Each FT Unit was comprised of one flow-through share and one common share purchase warrant, each entitling the holder to acquire one non-flow-through common share at a price of $0.75 per common share for a period of two years. The Company paid finders' fees of $22,992 and issued 76,640 finders' warrants, exercisable at $0.30 for a period of two years. The Company incurred additional costs of $52,637 in connection with the financing. 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 $99,040.

EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

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

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

During the period ended August 31, 2020, the Company entered into an amending agreement. Pursuant to the terms of the amending agreement, the Company has extended the second and third scheduled payments of exploration expenditures from June 30, 2019 and June 30, 2020 respectively to December 31, 2020 (as to $200,000) and December 31, 2021 (as to $700,000).

Cecilia Gold-Silver Property, State of Sonora

During the period ended August 31, 2020, the Company entered into an option agreement (the "Cecilia Agreement") with Riverside Resources Inc. ("Riverside"), an arm's length TSX Venture Exchange ("TSXV") listed issuer trading under the symbol "RRI", to purchase an undivided 100% interest in and to the 7,739 hectare Cecilia Gold-Silver Project (the "Property") located in the State of Sonora, Mexico.

Under the terms of the Cecilia Agreement, the Company has the option to acquire a 100% interest in the Property by:

a) making aggregate cash payments of $200,000 *($50,000 - paid)*;
b) issuing 1,500,000 common shares of the Company *(issued with a fair value of $450,000)*;
c) issuing 3,000,000 non-transferable special warrants; and
d) incurring an aggregate of $2,500,000 in exploration expenditures within 36 months of closing *($83,851 incurred)*.

During the period ended August 31, 2020, the Company advanced $150,000 to Riverside as operator of the project, of which $83,851 had been expended on exploration and evaluation activities as at August 31, 2020 with $66,149 remaining in exploration and evaluation advance.

Upon completion of the option Payments, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty ("NSR Royalty") to be granted to Riverside.

The Company is currently in the process of drilling preparation, which includes hand building drill pads for person-portable drilling at the San Jose target, widening and improvement of foot trails/roads, and preparation of the drill and the work camp for the upcoming drill program.

Mack option agreement, British Columbia

During the period ended August 31, 2020, the Company entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), an arm's length private company. Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $50,000 on or before August 14, 2020 *(paid)*; and
b) $350,000 on the earlier of:
    i. within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 *(paid subsequent to August 31, 2020)*; and
    ii. April 1, 2021, if the permit is in-hand after September 30, 2020 but before April 1, 2021; or such other date as agreed to by the parties

During the month of September 2020, the Company commenced its planned 600m drill program, conducted by Amarc Resources Ltd., a Company affiliated with UMS.

Jake option agreement, British Columbia

During the period ended August 31, 2020, the Company entered into an option agreement (the "Jake Agreement") with UMS, an arm's length private company. Under the terms of the Jake Agreement, the Company has the right to earn a 50% working interest in the Jake copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $100,000 on or before August 31, 2020; and
b) $300,000 on the earlier of:
    i. May 1, 2021, if Amarc has received the necessary permit required for the earn-in program for the Jake Property; and
    ii. Within five days of notice that it has received the permit after May 1, 2021 but before September 30, 2021; or such other date as agreed to by the parties.

BCVC Projects, British Columbia

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

WEM Projects, British Columbia

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

Four Corners Project, Newfoundland

During the year ended February 29, 2020, the Company entered into a mineral property option agreement to acquire an undivided 80% right, title, and interest in the Four Corners Project, located in west-central Newfoundland. The Company had paid a total of $50,000 in option payments, issued 171,427 common shares with a value of $240,000, and incurred $107,228 in exploration expenditures during the year ended February 29, 2020.

During the year ended February 29, 2020, due to unfavourable market conditions, the Company terminated the option agreement. Accordingly, as at February 29, 2020 all acquisition and exploration costs related to the property have been written-off and $397,228 was recognized to the statement of loss and comprehensive loss for the year then ended.

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

	Sunset	Mack	Jake	Cecilia	Star / Porcher	Blackie / Peneece	Four Corners	Total
Acquisition costs:								
Balance, February 28, 2019	$ 65,000	$ -	$ -	$ -	$ 730,000	$ 500,000	$ -	$ 1,295,000
Additions	-	-	-	-	-	-	290,000	290,000
Write-off	-	-	-	-	-	-	(290,000)	(290,000)
Balance, February 29, 2020	65,000	-	-	-	730,000	500,000	-	1,295,000
Additions	-	-	-	500,000	-	-	-	500,000
Balance, August 31, 2020	65,000	-	-	500,000	730,000	500,000	-	1,795,000
Exploration costs:								
Balance, February 28, 2019	103,495	-	-	-	-	-	-	103,495
Field Personnel	-	-	-	-	23,675	9,825	29,605	63,105
Sampling	-	-	-	-	68,488	74,368	2,325	145,181
Geological consulting	-	-	-	-	-	-	29,850	29,850
Supplies and other	-	-	-	-	3,661	300	36,573	40,534
Travel and meals	-	-	-	-	14,919	12,175	8,875	35,969
Write-off	-	-	-	-	-	-	(107,228)	(107,228)
Balance, February 29, 2020	103,495	-	-	-	110,743	96,668	-	310,906
Field Personnel	-	-	-	34,083	-	-	-	34,083
Sampling	-	-	-	2,847	-	-	-	2,847
Drill program	-	50,000	-	-	-	-	-	50,000
Geological consulting	-	425	-	9,195	-	-	-	9,620
Supplies and other	-	-	-	17,457	-	-	-	17,457
Travel and meals	-	-	-	12,646	-	-	-	12,646
Project management	-	-	-	7,623	-	-	-	7,623
Balance, August 31, 2020	103,495	50,425	-	83,851	110,743	96,668	-	445,182
Balance, February 29, 2020	$ 168,495	$ -	$ -	$ -	$ 840,743	$ 596,668	$ -	$ 1,605,906
Balance, August 31, 2020	$ 168,495	$ 50,425	$ -	$ 583,851	$ 840,743	$ 596,668	$ -	$ 2,240,182

RESULTS OF OPERATIONS

During the six-month period ended August 31, 2020, the Company incurred a loss of $737,258 (2019 - $1,135,911). Significant expenditures include the following:

Consulting fees – decreased to $183,592 for the period ended August 31, 2020 (2019 - $ 205,300) and represent corporate consulting fees in support of the Company as it proceeded with acquisition and exploration activities.

Depreciation – decreased to $847 for the period ended August 31, 2020 (2019 - $ 48,231) as the Company terminated its office lease and corresponding right-of-use asset late in year ended February 29, 2020.

Investor relations fees – decreased to $169,850 for the period ended August 31, 2020 (2019 - $ 474,966). Following the Company's public listing in prior years, it had undergone significant investor relations and shareholder communications programs to promote and support healthy growth. During the current period, as with other operating expenses, management has increased its focus on the reduction of expenditures and optimization of working capital.

Management fees – decreased to $99,000 for the period ended August 31, 2020 (2019 - $ 108,500) and represents fees paid to the Company's Chief Executive Officer, Chief Financial Officer, and corporate secretary.

Office Costs – increased to $11,331 for the period ended August 31, 2020 (2019 - $ 9,900) and represent various general and administrative costs required in setting up and maintaining the Company's operations.

Professional fees – decreased to $33,775 for the period ended August 31, 2020 (2019 - $ 56,813) resulting from fewer matters requiring the Company's legal representation.

Share-based payments – increased to $177,299 for the period ended August 31, 2020 (2019 - $ 149,026) and represent a non-recurring, non-cash expense related to the fair value of 1,600,000 stock options granted to various consultants during the period.

Transfer agent and filing fees – increased to $19,545 for the period ended August 31, 2020 (2019 - $ 13,132) as the Company completed some financings in the current period and incurred additional costs.

Travel and entertainment – decreased to $11,627 for the period ended August 31, 2020 (2019 - $ 57,633) and relate to expenditures required for business development and the identification of strategic acquisition targets. The reduction is consistent with the overall decrease in operating expenses.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for all completed from incorporation:

	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
Total Assets	$ 2,581,798	$ 2,370,543	$ 1,713,287	$ 2,159,199
Shareholders' equity	2,062,970	2,028,815	1,109,249	1,646,639
Revenue	-	-	-	-
Comprehensive Loss	(308,426)	(428,832)	(610,140)	(180,644)
Basic and diluted loss per share	(0.01)	(0.04)	(0.12)	(0.07)
	August 31, 2019	**May 31, 2019**	**February 28, 2019**	**November 30, 2018**
Total Assets	$ 2,275,547	$ 2,460,292	$ 2,873,694	$ 1,849,823
Shareholders' equity	1,827,283	2,107,789	2,496,168	1,846,673
Revenue	-	-	-	-
Comprehensive Loss	(427,270)	(708,641)	(2,349,967)	(613,067)
Basic and diluted loss per share	(0.07)	(0.14)	(0.49)	(0.21)

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 May 31, 2020 condensed consolidated interim financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company plans on financing its continued activities through equity financings. It is anticipated as general sentiment towards junior exploration companies remains positive, the Company can raise the necessary capital to secure and finance the acquisition of assets or a business. Debt financing has not been used to fund asset and business acquisitions; the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company. The Company's working capital deficiency for the period ended August 31, 2020 was $249,090 compared to a working capital deficit of $503,233 as at February 29, 2020.

Cash and Financial Conditions

The Company had a cash balance of $109,007 as at August 31, 2020 compared to a cash balance of $268,759 as at February 29, 2020 .

Operating activities: The Company used $673,112 in operations for the period ended August 31, 2020 (2019 - $1,086,924).

Investing activities: The Company used $323,000 in investing activities for the period ended August 31, 2020 (2019 - $108,256) related to payments towards exploration and evaluation activities of $225,851 (2019 - $90,756), advances toward exploration and evaluation expenditures of $66,149 (2019 - $nil), and a loan to a related company of $31,000 (2019 - $17,500).

Financing activities: The Company generated $1,049,146 in financing activities for the period ended August 31, 2020 (2019 – $52,500) relating to proceeds of $1,155,275 (2019 - $nil) from private placements and $26,250 (2019 - $78,000) in proceeds from stock option exercises, less $132,379 (2019 - $nil) in share issuance costs, and $nil (2019 - $25,500) in payments towards lease liabilities.

SECURITIES OUTSTANDING

As at the date of this MD&A the Company has 24,847,5116 common shares, 17,141,640 share purchase warrants, and 1,733,991 stock options outstanding.

OUTLOOK

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

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 has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer. Key management personnel payments for the six-month period ended August 31, 2020 included:

	Management fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	$ 75,000	$ -	$ 27,703	$ 102,703
Chief Financial Officer	18,000	-	-	18,000
Non-executive directors	-	30,000	33,244	63,244
	$ 93,000	$ 30,000	$ 60,947	$ 183,947

Key management personnel payments for the six-month period ended August 31, 2019 included:

	Management fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	$ 72,500	$ -	$ -	$ 72,500
Chief Financial Officer	18,000	-	-	18,000
Non-executive directors	-	45,000	-	45,000
	$ 90,500	$ 45,000	$ -	$ 135,500

As at August 31, 2020, $93,340 (February 29, 2020 - $184,846) was included in trade payables and accrued liabilities for fees owed to related parties. During the period ended August 31, 2020, the Company issued an aggregate of 932,291 common shares with a value of $139,844 to Directors of the Company to settle accounts payable of $111,875 (Note 7). The Company recognized a loss on the settlement of $27,969. As at August 31, 2020, $35,000 (February 29, 2020 - $nil) was included in prepaid expenses advanced to related parties.

During the period ended August 31, 2020, the Company issued a loan of $31,000 (year ended February 29, 2020 - $17,500) to a Company with an officer in common. The loan is non-interest bearing and repayable on demand.

SUBSEQUENT EVENTS

There are no material subsequent events for the period ended August 31, 2020.

PROPOSED TRANSACTIONS

There are currently no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business before the board of directors for consideration.

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 condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended February 29, 2020.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1:quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3:inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, reclamation bond, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Receivables, reclamation bond, and accounts payable and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and reclamation bond are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

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 manages liquidity risk through its capital management as outlined below. Trades payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

   The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at August 31, 2020, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

   The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

   The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

FINANCIAL INSTRUMENTS

The fair value of the Company's amounts receivable and trades payable and accrued approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Carlyle Commodities Corp.'s control, including but not limited to: general economic and business conditions, information included or implied in the various independently produced and published technical reports; cash flow projections; currency fluctuations; commodity price fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR at www.sedar.com.
Although Carlyle Commodities Corp. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Carlyle's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Carlyle will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this MD&A. The Company will update forward-looking statements and information if and when, and to the extent required by applicable securities laws. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

ADDITIONAL SOURCES OF INFORMATION

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