CARLYLE MINING CORP.

Management Discussion and Analysis

May 31, 2008

Carlyle Mining Corp.

Management's Discussion and Analysis
For the three month period ended May 31, 2008

This Management's Discussion and Analysis ("MD&A") of Carlyle Mining Corp. ("Carlyle" or the "Company") is dated July 25, 2008 and provides analysis of Carlyle's unaudited interim financial results for the three month period ended May 31, 2008. At July 25, 2008, the Company had 16,000,000 shares outstanding.

The following information should be read in conjunction with, the Company's unaudited interim financial statements and related notes for the three month period ended May 31, 2008, the Company's audited financial statements and related notes for the year ended February 29, 2008, the Company's News Release dated July 15, 2008, and the Company's prospectus dated May 29, 2007. The unaudited financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"), except that they do not contain all the note disclosures required for audited financial statements.

All amounts are expressed in Canadian dollars unless otherwise noted. All documents noted above and any additional information relating to the Company, are available for viewing on SEDAR at www.sedar.com and/or the Company's website at www.carlylemining.com.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

The Company is classified as a Capital Pool Company ("CPC") as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is to identify, evaluate and then complete a "Qualifying Transaction" ("QT") by acquiring an interest in a business or assets. Until the completion of a QT, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential QT.

The Company was incorporated on January 24, 2007. Its first financial year end was for the period from incorporation to February 28, 2007 and the Company became a reporting issuer in May, 2007. The Company's most recently completed financial year end was February 29, 2008. The Company's only material asset during such periods was cash. The results of the most recent quarter are set out in the Company's unaudited interim financial statements for the three month period ended May 31, 2008 and discussed below.

The Company began and ended the three month period ended May 31, 2008 with 16,000,000 shares outstanding.

On July 10, 2008 the Company entered into an agreement (the "Agreement") with Rowen Company Ltd. ("Rowen") for the option to acquire 100% (the "Option") of Sunland Properties Limited ("Sunland"). Sunland's wholly owned subsidiary, Rugby Mining Pty Limited, owns or controls certain mineral tenements located near Hawkwood in Queensland, Australia. Pursuant to the Agreement, the Company will, following shareholder approval and TSX Venture Exchange ("TSX-V") acceptance of the Qualifying Transaction, issue 200,000 shares to Rowen and repay A$240,000 in loans advanced to Sunland by Rowen to cover sunk costs and for exploration expenditures incurred to date. In addition, the Company will advance to Sunland, A$25,000 as a non-refundable deposit to maintain the properties in good standing while the transaction is being approved.

In order to maintain its Option, the Agreement provides that the Company must incur exploration expenditures totalling A$1.75 million (including 10,000 metres of bedrock drilling) within 30 months, of which A$500,000 to be incurred within 18 months, is a minimum commitment.

The Company can exercise the Option at any time within 30 months by issuing 6 million common shares to Rowen. If the Company exercises the Option all exploration expenditure commitments will cease.

Rowan is controlled by Bryce Roxburgh, a director of Carlyle, not a Non Arm's Length person; as a result this is a Related Party Transaction.

Results of Operations for the three months ended May 31, 2008

The Company recorded a net loss for the three month period of $20,490 which is the result of net interest income earned of $6,487 less administrative expenses (which includes general administrative costs, bank charges and transfer agent filing fees) of $26,977. These expenses were a reflection of the Company's efforts to identify a possible QT.

Summary of Quarterly Results

	2009	2008			
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Interest income, net	**$ 6,487**	$ 5,994	$ 6,878	$ 6,163	$ 5,645
Administrative expenses	**26,977**	34,209	61	1,157	973
Stock based compensation	**-**	-	-	53,415	-
Project evaluation costs	**-**	-	6,688	-	-

The quarterly results above reflect the Company's focus on the evaluation of a property or acquisition of assets for its QT.

Financial Condition, Liquidity and Capital Resources

As at May 31, 2008 the Company had cash resources of $967,352 and working capital of $953,410. The Company believes that its cash resources are sufficient to meet its currently planned expenditures. As part of the QT, the Company will review the need to complete a financing based upon its assessment of future activities.

During the year ended February 29, 2008, the Company completed an initial public offering of 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000.

The Company's source of working capital to date has been from the sale of its common shares.

Contractual Obligations

Other than the obligations noted above related to the Agreement with Rowen, the Company has no contractual obligations at May 31, 2008.

Related Party Transactions

Apart from the QT noted above, no related party transactions occurred during the three month period ended May 31, 2008 except for the reimbursement of expenses incurred conducting Company business. Such expenses are reimbursed at cost.

Financial Instruments

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Risks and Uncertainties

The Company has no active business or material assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the closing of the QT if at all.

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. Even though a QT has been entered into, there can be no assurance that the Company will be able to successfully close the transaction.

The QT may be financed in all or in part by the issuance of additional shares of the Company, this would result in further dilution to existing shareholders. Such dilution may be significant, and may also result in a change of control of the Company.

Please also refer to the section under risk factors in the Company's prospectus for the Initial Public Offering which can be found on SEDAR at www.sedar.com.

Critical Accounting Estimates

The Company's significant accounting policies are described in detail in Note 3 of its unaudited interim financial statements for the three month period ended May 31, 2008. The Company considers the following policies to be most critical in understanding its financial results:

Use of estimates
The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Significant areas requiring the use of estimates include accrued liabilities; the determination of the assumptions used in the calculation of stock-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements.

Financial instruments
Financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured and recorded in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Loss per share
Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not been included in the calculation of the weighted average number of common shares outstanding.

Changes in Accounting Policies Including Initial Adoption

Changes in accounting standards:

Capital disclosures
In February 2007, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 1535, "Capital Disclosures", which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and procedures for managing capital. The new section is effective for the Company for the year beginning March 1, 2008.

Financial instruments
In February 2007, the CICA issued two new standards, Section 3862, "Financial Instruments Disclosures", and Section 3863, "Financial Instruments Presentation". These sections will replace the existing Section 3861, "Financial Instruments Disclosure and Presentation". Section 3862 provides users with information to evaluate the significance of the financial

instruments of the entity's financial position and performance, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for the Company for the year beginning March 1, 2008.

Going concern
In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of a company's ability to continue as a going concern. When financial statements are not prepared on a going concern basis that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the company is not considered a going concern. The new section is effective for the Company on March 1, 2008.

Initial adoption of the above new standards has not resulted in any material impact on the classification and valuation of the Company's interim financial statements.

Future changes in accounting standards:

International Financial Reporting Standards ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending February 28, 2010 and earlier where applicable. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Management's Responsibility and Oversight

Management is responsible for reviewing the contents of this document along with the interim quarterly financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight.

There have been no changes in the Company's disclosure controls and procedures during the three months ended May 31, 2008.

Internal Controls and Procedures over Financial Reporting

Management is responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

Investor Relations

As a CPC, and given that a QT has just recently been entered into, at this time, the Company has no formal investor relations program in place.

Additional Information

Securities issued at the end of the period

As at May 31, 2008 and the date of this report the Company had 16,000,000 common shares issued and outstanding, of which 10,400,000 are held in escrow, and had outstanding options and warrants as follows:

	Number	Exercise Price	Expiry
Options:	950,000	$0.10	July 24, 2012
Warrants:	200,000	$0.15	August 7, 2009

Directors and Officers

Directors:

Paul Joyce
Bryce Roxburgh
Yale Simpson
Robert Reynolds

Officers:

Paul Joyce, President and CEO
Cecil Bond, CFO

Contact Person

Cecil Bond
Telephone: (604) 688-4941
Facsimile: (604) 688-9532