

**CAROLINA RUSH CORPORATION**  
(formerly, Pancontinental Resources Corporation)

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**CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended December 31, 2024 and 2023**

**EXPRESSED IN CANADIAN DOLLARS**

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## Independent Auditor's Report

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### To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation)

#### Opinion

We have audited the consolidated financial statements of **Carolina Rush Corporation** (formerly, Pancontinental Resources Corporation) ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023 and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Carolina Rush Corporation** (formerly, Pancontinental Resources Corporation) as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

#### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a loss for the year of \$2,688,111 (2023 - \$1,992,074), has not yet achieved profitable operations and has accumulated losses of \$39,861,810 (2023 - \$37,173,699) and expects to incur future losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified no other key audit matters other than the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report.

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# Independent Auditor's Report

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**To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation) (Continued)**

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions for the years ended December 31, 2024 and December 31, 2023. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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## Independent Auditor's Report

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**To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation) (Continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude of the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

*Jones & O'Connell LLP*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
April 9, 2025

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(expressed in Canadian dollars)*

<b>As at</b>	<b>December 31 2024</b>	<b>December 31 2023</b>
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 945,121	\$ 1,042,710
Royalty receivable (note 15)	2,270	-
Sales tax receivable	7,518	8,100
Prepaid expenses and deposits	49,721	52,059
Reclamation deposit (note 10)	215,835	-
Investment in Voltage Metals Corp. (note 11)	12,698	19,048
	<b>\$ 1,233,163</b>	<b>\$ 1,121,917</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 770,391	\$ 695,717
Reclamation provision (note 10)	-	132,710
	<b>770,391</b>	<b>828,427</b>
<b>EQUITY</b>		
Share capital (note 7)	29,460,619	27,859,258
Warrants (note 8)	3,543,782	2,774,412
Contributed surplus	7,320,181	6,833,519
Deficit	(39,861,810)	(37,173,699)
	<b>462,772</b>	<b>293,490</b>
	<b>\$ 1,233,163</b>	<b>\$ 1,121,917</b>

**Nature of operations and going concern (note 1)****Commitments and contingencies (notes 10, 14)****Subsequent events (note 19)***See accompanying notes.***Approved by the Board of Directors****"David Petroff"**

Director (Signed)

**"Thomas Layton Croft"**

Director (Signed)

**CAROLINA RUSH CORPORATION** (formerly, Pancontinental Resources Corporation)**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS***(expressed in Canadian dollars)*

<b>Years ended December 31,</b>	<b>2024</b>	<b>2023</b>
<b>Expenses</b>		
Corporate and administrative (notes 9, 12)	\$ 957,671	\$ 943,585
Exploration and evaluation (note 10)	1,732,090	827,785
Share-based payments (notes 7, 12)	9,205	245,865
	<b>(2,698,966)</b>	<b>(2,017,235)</b>
<b>Other income (expenses)</b>		
Royalty revenue (note 15)	3,857	2,027
Interest income	48,849	3,000
Gain on debt settlement (note 7)	-	25,644
Interest expense (note 12)	-	(2,800)
Unrealized loss on investment in Voltage Metals (note 11)	(6,350)	(12,698)
Foreign exchange gain (loss)	(35,501)	9,988
	<b>10,855</b>	<b>25,161</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (2,688,111)</b>	<b>\$ (1,992,074)</b>
<b>Basic and diluted loss per share (note 13)</b>	<b>\$ (0.049)</b>	<b>\$ (0.060)</b>
<b>Weighted average number of common shares outstanding: Basic and diluted *</b>	<b>54,900,235</b>	<b>33,322,725</b>

\* Reflects a share consolidation of 1 new share for every 10 old shares that became effective on March 2, 2023

*See accompanying notes.*

**CAROLINA RUSH CORPORATION** (formerly, Pancontinental Resources Corporation)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(expressed in Canadian dollars)

	Share capital		Warrants	Contributed surplus	Deficit	Total
	Number*	Amount				
Balance, December 31, 2022	27,426,225	\$ 26,512,217	\$ 2,941,747	\$ 5,610,713	\$ (35,181,625)	\$ (116,948)
Units issued by private placements (notes 7, 8)	14,904,936	1,513,835	721,905	-	-	2,235,740
Compensation units for services (notes 7, 8)	344,006	34,939	16,662	-	-	51,601
Broker/Finder warrants (notes 7, 8)	-	(71,039)	71,039	-	-	-
Shares issued for debt (note 7)	189,955	31,343	-	-	-	31,343
Share issuance costs	-	(162,037)	-	-	-	(162,037)
Warrants expired	-	-	(976,941)	976,941	-	-
Share-based payments (note 7)	-	-	-	245,865	-	245,865
Net loss for the year	-	-	-	-	(1,992,074)	(1,992,074)
Balance, December 31, 2023	42,865,122	27,859,258	2,774,412	6,833,519	(37,173,699)	293,490
Units issued by private placements (notes 7, 8)	16,135,000	2,180,339	1,046,661	-	-	3,227,000
Broker/Finder warrants (notes 7, 8)	-	(200,166)	200,166	-	-	-
Share issuance costs	-	(378,812)	-	-	-	(378,812)
Warrants expired	-	-	(477,457)	477,457	-	-
Share-based payments (note 7)	-	-	-	9,205	-	9,205
Net loss for the year	-	-	-	-	(2,688,111)	(2,688,111)
<b>Balance, December 31, 2024</b>	<b>59,000,122</b>	<b>\$ 29,460,619</b>	<b>\$ 3,543,782</b>	<b>\$ 7,320,181</b>	<b>\$ (39,861,810)</b>	<b>\$ 462,772</b>

\* Reflects a share consolidation of 1 new share for every 10 old shares that became effective on March 2, 2023

See accompanying notes.

**CAROLINA RUSH CORPORATION** (formerly, Pancontinental Resources Corporation)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(expressed in Canadian dollars)

<b>Years ended December 31,</b>	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Loss for the year	\$ (2,688,111)	\$ (1,992,074)
Adjustments to reconcile loss to net cash used:		
Share-based payments	9,205	245,865
Gain on debt settlement	-	(25,644)
Unrealized loss on Voltage Metals investment	6,350	12,698
Unrealized foreign exchange	18,503	(6,208)
	<b>(2,654,053)</b>	<b>(1,765,363)</b>
Net changes in non-cash working capital items		
Royalty receivable	(2,270)	1,928
Sales tax receivable	582	2,855
Prepaid expenses and deposits	13,454	(10,905)
Reclamation deposit	(206,505)	-
Accounts payable and accrued liabilities	24,422	408,444
Reclamation provision	(129,380)	26,409
	<b>(2,953,750)</b>	<b>(1,336,632)</b>
<b>Financing activities</b>		
Loan proceeds (note 12)	-	145,866
Loan repayments (note 12)	-	(145,866)
Units issued by private placements	3,227,000	2,235,740
Share issuance costs	(378,812)	(110,436)
	<b>2,848,188</b>	<b>2,125,304</b>
<b>Net change in cash</b>	<b>(105,562)</b>	<b>788,672</b>
Cash and cash equivalents, beginning of year	1,042,710	264,774
Effect of exchange rate changes on cash	7,973	(10,736)
<b>Cash and cash equivalents, end of year</b>	<b>\$ 945,121</b>	<b>\$ 1,042,710</b>
<b>Supplemental disclosure</b>		
Shares issued for debt	\$ -	\$ 56,987
Compensation units for services	\$ -	\$ 51,601
Broker/finder warrants	\$ 200,166	\$ 71,039
Interest income accrued	\$ 18,584	\$ 3,000
Loan interest paid	\$ -	\$ 2,800



# **CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(expressed in Canadian dollars)*

**For the years ended December 31, 2024 and 2023**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Carolina Rush Corporation, formerly, Pancontinental Resources Corporation (the “Company”), is a publicly-listed exploration company involved in the business of acquiring, exploring and developing mineral properties. On March 2, 2023, the name of the Company was changed, and the Company consolidated its common shares on the basis of 1 new common share for every 10 old common shares. All share and per share information in the consolidated financial statements, including references to the number of common shares, warrants, prices of issued shares, exercise prices of warrants, and earnings (loss) per share, have been adjusted to reflect the impact of the share consolidation. The Company’s shares are listed on the TSX Venture Exchange under the trading symbol “RUSH” and on the United States OTCQB Venture Market under the trading symbol “PUCCF”. The address of the Company’s registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

#### Going Concern

The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company’s ability to arrange financing, which in part, depends on prevailing market conditions, acquiring or discovering economically viable mineral properties, exploration success, and securing title and beneficial interest in its properties.

Further funds will be required for the Company to continue as a going concern, fulfil its obligations and fund its activities. The Company does not produce revenues from its exploration activities or have a regular source of cash flow. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms.

As at December 31, 2024, the Company had a working capital surplus of \$462,772 (December 31, 2023 - \$293,490), incurred a loss for the current year of \$2,688,111 (2023 - \$1,992,074), and, had an accumulated deficit of \$39,861,810 (December 31, 2023 - \$37,173,699).

These consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, the ability to raise additional funds, ability to acquire mineral properties, exploration results, prices of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

These consolidated financial statements for the year ended December 31, 2024, were approved and authorized for issuance by the Company’s board of directors on April 9, 2025.

# **CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(expressed in Canadian dollars)*

**For the years ended December 31, 2024 and 2023**

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### **BASIS OF PREPARATION (continued)**

#### **Basis of Consolidation and Presentation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Pancon Resources Carolinas Corp. ("PRC"), a United States company; and, Maya Gold Corporation S.A. de C.V., an inactive Honduras company. All significant inter-company transactions and balances have been eliminated upon consolidation.

These consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and PRC's functional currency. The comparative figure for the Company's investment in Voltage Metals Corp. has reclassified on the Statement of Financial Position to conform to the current year's presentation.

### **3. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the Company's management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company's assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Significant estimates relate to:

- measurement of share-based payments and warrant valuation;
- measurement of shares issued to settle debt;
- measurement and impairment of investments;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:

- ability to continue as a going concern;
- functional currency of the Company and its subsidiary; and,
- choice of accounting policy for exploration and evaluation.

### **4. MATERIAL ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, term deposits that are cashable on demand and other short-term highly liquid investments with original maturities of three months or less.

#### **Exploration and Evaluation**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are first tested for impairment and then capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

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#### MATERIAL ACCOUNTING POLICIES (continued)

ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Option payments received from optionees are treated as a recovery of the related exploration and evaluation properties costs and are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

#### Financial Instruments

The classification of a financial instrument is made at the time it is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit and loss (FVTPL) or if the Company has opted to measure them at FVTPL.

A debt instrument that meets both the business model test and cash flow characteristics test must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL, under the fair value option.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income (FVTOCI).

If certain conditions are met, the classification of a financial asset, debt instrument or equity instrument may subsequently need to be reclassified.

#### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Transaction costs and any realized or unrealized gains or losses arising from changes in the fair value of the financial asset or liability held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise.

#### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

#### Derecognition of financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of operations and comprehensive loss.

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

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#### MATERIAL ACCOUNTING POLICIES (continued)

##### Foreign Currency Translation

Foreign currency transactions are initially recorded in the entity's functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities that are denominated in a foreign currency are translated into the functional currency using the end of the reporting period exchange rate. All foreign currency adjustments are recognized in the statement of operations and comprehensive loss.

##### Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred assets and liabilities are recognized for the future tax consequences attributable to the difference between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be recognized.

##### Interest

The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

##### Leases

This standard provides a comprehensive model for the identification, measurement and disclosure of lease arrangements. This standard eliminates the classification of material leases as either an operating or finance lease, and instead, these leases are to be recognized as assets and liabilities.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

If a contract is assessed to contain a lease, the Company recognizes a lease liability with a corresponding right-of-use ("ROU") asset on the date at which the leased asset is available for use by the Company. ROU assets are measured at cost, which includes the amount of the lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability. ROU assets are subject to impairment.

## **CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(expressed in Canadian dollars)*

**For the years ended December 31, 2024 and 2023**

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#### **MATERIAL ACCOUNTING POLICIES (continued)**

The Company recognizes a lease liability at the commencement date of a lease, measured at the present value of the lease payments to be made over the lease term. The measurement of the Company's lease liabilities depends on the interest rate implicit in the lease used to discount the remaining lease payments. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company assumes it would have to pay to borrow over a similar term, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment. Significant assumptions are required to be made on the basis for which the incremental borrowing rate was derived. These assumptions are considered to be a key source of estimation uncertainty. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company uses the following practical expedients and recognition exemptions when assessing leases:

- exemption to not recognize right-of-use ("ROU") assets and liabilities for leases with a remaining lease term of less than 12 months;
- exemption to not recognize ROU assets and liabilities for leases with low value;

The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss when the carrying amount of the right-of-use asset has been reduced to nil.

#### **Loss per Share**

The computation of loss per share and diluted loss per share amounts are based upon the weighted average number of outstanding common shares during the year. Dilution is calculated based on the net number of common shares issued should "in the money" options and warrants be exercised and the proceeds used to purchase common shares at the weighted average market price in the period.

#### **Provisions**

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to discharge the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **Share-based Payments**

The Company accounts for share-based payments using the fair value based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model or share price is used.

## **CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(expressed in Canadian dollars)*

**For the years ended December 31, 2024 and 2023**

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#### **MATERIAL ACCOUNTING POLICIES (continued)**

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. The fair value of stock options remains in contributed surplus on expiry of options. Any consideration paid on the exercise of stock options is credited to share capital.

#### **Share Issue Costs**

Share issue costs are recorded as a reduction of share capital.

#### **Royalty Revenue**

Royalty revenue is recognized pursuant to the terms of the applicable royalty agreement and when collection is reasonably assured.

#### **Warrants**

The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants based on their relative fair value. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

In situations where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

## **5. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors does not establish quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

There were no changes in the Company's management of its capital during the year. The Company is not subject to any externally imposed capital requirements.

# CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2024	December 31 2023
Suppliers	\$ 35,956	\$ 187,079
Accrued liabilities	42,949	89,372
Related parties (note 12)	691,486	419,266
	<b>\$ 770,391</b>	<b>\$ 695,717</b>

### 7. SHARE CAPITAL

#### Authorized

Unlimited common shares

Unlimited preferred shares

#### Shares Issued – Private Placements

- (i) On August 15, 2023, the Company closed a non-brokered and brokered private placement for gross proceeds of \$2,235,740 by issuing 14,904,936 units at \$0.15 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.20 for a period of 36 months from the date of closing. The fair value of the warrants was estimated at \$721,905 using the relative fair value method.

To compensate the broker and finders, the Company issued 344,006 units in lieu of cash commissions of \$51,601. These compensation units have identical terms as the units issued under the private placement. The fair value of the compensation unit warrants was estimated at \$16,662 using the relative fair value method. In addition, the Company issued 573,343 broker warrants. Each broker warrant entitles the holder to purchase one common share at \$0.15 for a period of 24 months from closing. The fair value of the broker warrants was estimated at \$71,039 using the Black-Scholes option pricing model.

- (ii) On April 3, 2024, the Company completed a brokered private placement for gross proceeds of \$3,227,000 by issuing 16,135,000 units at \$0.20 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.30 for a period of 36 months from the date of closing. The fair value of the warrants was estimated at \$1,046,661 using the relative fair value method. In addition, the Company issued 1,094,450 broker warrants. Each broker warrant entitles the holder to purchase one common share at \$0.20 for a period of 24 months from closing. The fair value of the broker warrants was estimated at \$200,166 using the Black-Scholes option pricing model.

#### Shares Issued – Debt Settlement

On April 24, 2023, the Company issued 189,955 common shares with a fair value of \$0.165 per share to settle trade payables of \$56,987, resulting in a gain of \$25,644.

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(expressed in Canadian dollars)***For the years ended December 31, 2024 and 2023****SHARE CAPITAL (continued)****Stock Options**

Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period that is not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Board of Directors at the time of grant.

Stock option transactions and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2022	1,898,500	\$1.24
Granted (i)	2,000,000	0.20
Expired/Cancelled	(352,500)	0.77
Balance, December 31, 2023	3,546,000	\$0.70
Expired/Cancelled	(533,500)	0.98
<b>Balance, December 31, 2024</b>	<b>3,012,500</b>	<b>\$0.65</b>

- (i) On September 5, 2023, the Company granted 2,000,000 stock options to directors, officers, employees and consultants, of which 180,000 options were for the services of an investor relations consultant. All of these options were issued with an exercise price of \$0.20 and a five-year term, expiring on September 5, 2028. All of the option vested immediately with the exception of the investor relations consultant options, which vested in instalments of 45,000 options every three months.

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2023
Dividend yield	Nil
Expected volatility (based on historical prices)	214%
Risk-free rate of return	3.94%
Expected life	5 Years
Share price	\$0.13

Share-based payment expense recognized in 2024 was \$9,205 (2023 - \$245,865). The offsetting credit was charged to contributed surplus. Consultants' options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.



# CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

### SHARE CAPITAL (continued)

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
January 22, 2025	180,000	\$0.50	180,000	0.06
August 10, 2025	345,000	1.40	345,000	0.61
October 25, 2025	150,000	2.00	150,000	0.81
June 10, 2026	10,500	2.50	10,500	1.44
December 31, 2026	327,000	2.00	327,000	2.00
September 5, 2028	2,000,000	0.20	2,000,000	3.68
	3,012,500	\$0.65	3,012,500	2.78

### 8. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2022	8,058,720	\$1.28
Issued	8,197,811	0.20
Expired	(2,207,550)	1.34
Balance, December 31, 2023	14,048,981	\$0.64
Issued	9,161,950	0.29
Expired	(2,101,170)	1.38
<b>Balance, December 31, 2024</b>	<b>21,109,761</b>	<b>\$0.41</b>

Relative fair value of the warrants issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2024	2023
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	251%	240%
Risk-free rate of return	3.80%	4.55%
Expected life	2.9 Years	3 Years
Share price	\$0.190	\$0.130

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(expressed in Canadian dollars)***For the years ended December 31, 2024 and 2023****WARRANTS (continued)**

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
March 17, 2025	3,750,000	\$1.20	0.21	\$ 1,487,349
August 15, 2025 (i)	573,343	0.15	0.62	71,039
August 15, 2026	7,624,468	0.20	1.62	738,567
April 3, 2026 (i)	1,094,450	0.20	1.25	200,166
April 3, 2027	8,067,500	0.30	2.25	1,046,661
	21,109,761	\$0.41	1.56	\$ 3,543,782

(i) Broker warrants that entitle the holder to purchase one common share.

**9. CORPORATE AND ADMINISTRATIVE**

	2024	2023
Consulting	\$ 72,207	\$ 41,642
Corporate development and promotion	235,485	223,244
Filing and transfer agent fees	58,110	83,732
Insurance	16,625	20,555
Management fees (note 12)	366,573	362,950
Office and general	17,418	16,440
Professional fees	66,699	72,139
Salaries and benefits	116,239	114,012
Travel	8,315	8,871
	\$ 957,671	\$ 943,585

**10. EXPLORATION AND EVALUATION**

Mineral Project	2024	2023
Brewer, South Carolina, United States	\$ 1,666,238	\$ 724,449
Jefferson, South Carolina, United States	6,070	8,110
New Sawyer, North Carolina, United States	33,720	43,747
Sawyer, North Carolina, United States	1,315	42,508
Project evaluation, United States	24,747	8,971
	\$ 1,732,090	\$ 827,785

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

#### EXPLORATION AND EVALUATION (continued)

##### Brewer Gold Project – South Carolina, United States

The Brewer Gold Project is located in Chesterfield County, South Carolina, United States and encompasses approximately 1,000 acres. In January 2020, the Company was awarded the right by the Brewer Gold Receiver LLC (the "Receiver"), the South Carolina Department of Environmental Services ("SC DES") and the U.S. Environmental Protection Agency ("US EPA"), to explore the former Brewer Gold Mine property, a Superfund site.

On March 1, 2020, the Company and the Receiver executed an exclusive mining lease with the option for the Company to purchase Brewer (the "Brewer Option Agreement"). On February 20, 2024, the Brewer Option Agreement was amended to provide the Company with the right to extend the option period to December 31, 2030, as follows:

- (i) To extend the option period to December 31, 2028, the Company shall expend a minimum of US \$9 million (December 31, 2024 – expended approximately US \$5.7M) on exploration activities since commencement of the option period, being April 1, 2020; and,
- (ii) To extend the option period up to December 31, 2029, and to December 31, 2030, respectively, the Company shall expend at least US \$1.5 million on exploration activities in the immediately prior year.

The Company can exercise its option to purchase Brewer at any time during the option period. Components of the purchase price for Brewer consists of:

- (i) Payments on exercise of the Brewer option:
  - 60% of total past costs incurred by the SC DES and the EPA to clean and manage Brewer between 2005 - 2024; and,
  - deferred annual continuing site management costs totalling a maximum of US \$8.7 million, which amount would be subject to a pro-rata adjustment if the option is exercised before December 31, 2030.
- (ii) Financial assurance will be required on exercise of the Brewer option to assume historic environmental liabilities from the EPA. According to EPA guidelines, this assurance can be satisfied through one of the following: Trust Funds; Letters of Credit; Surety Bonds; Insurance Policies; Corporate Financial Tests; or Corporate Guarantees.

Brewer	2024	2023
Assaying	\$ 276,410	\$ 70,637
Consulting/Contracting	241,270	194,678
Drilling	812,342	262,479
Equipment and supplies	107,152	59,841
Geophysics/Surveys	27,399	-
Reports	9,072	-
Site costs	91,892	88,438
Travel/Transportation	55,390	20,091
Wages and benefits	45,311	28,285
	\$ 1,666,238	\$ 724,449

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(expressed in Canadian dollars)***For the years ended December 31, 2024 and 2023****EXPLORATION AND EVALUATION (continued)****Reclamation Deposit**

During 2024, the Company deposited US \$150,000 (CDN \$206,505) with the Receiver as financial assurance for drill hole abandonment purposes. The proper abandonment of all drill holes is subject to SC DES policies and approval. The financial assurance was to be adjusted on a quarterly basis to account for future drill holes and completed abandonments (note 19). Fluctuations in the Canadian dollar equivalent represents foreign exchange adjustments based on the spot rate at the end of each reporting period.

**Reclamation Provision**

The reclamation provision represents estimated costs to abandon open drill holes in accordance with SC DES policies. Drill holes are to be abandoned as part of each years drilling program, though the Company may determine to leave certain drill holes open for further evaluation. During 2024, the Company completed the abandonment of all open holes resulting in the reclamation provision being reversed (December 31, 2023 – US \$100,000). These United States dollar denominated costs are converted to Canadian dollars at historical rates and the provision adjusted to the spot rate at the end of each reporting period, resulting in a foreign exchange adjustment.

Balance, December 31, 2022	\$	108,944
Additions		27,108
Foreign exchange		(3,342)
Balance, December 31, 2023	\$	132,710
Additions		63,268
Abandonment costs		(203,088)
Foreign exchange		7,110
<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>-</b>

**Jefferson Gold Project – South Carolina, United States**

The Jefferson Gold Project is in Chesterfield County, South Carolina, United States and is adjacent to the Company's Brewer Gold Project. Jefferson consists of one exploration-stage gold prospective property lease owned by a private landowner, encompassing approximately 44 acres, at an annual cost of US \$4,450. The lease expires in 2025. The Company has the right to acquire a 100% interest in the lease by purchasing the underlying property.

<b>Jefferson</b>	<b>2024</b>	<b>2023</b>
Property costs	\$ 6,070	\$ 6,371
Site costs	-	1,617
Travel/Transportation	-	122
	<b>\$ 6,070</b>	<b>\$ 8,110</b>

**New Sawyer Project – North Carolina, United States**

On November 11, 2022, the Company entered an exploration lease with the option (the "Option") for the Company to purchase the 609-acre New Sawyer Gold Project (the "New Sawyer Option Agreement") from a private landowner (the "Optionor"). New Sawyer is located in Randolph County, North Carolina, United States, lies within the Sawyer-Keystone gold trend and contains the historic New Sawyer gold mine.

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(expressed in Canadian dollars)***For the years ended December 31, 2024 and 2023****EXPLORATION AND EVALUATION (continued)**

The initial term of the New Sawyer Option Agreement is 10 years, effective March 1, 2023. The Company has the right to automatically renew the New Sawyer Option Agreement for an additional 10 years. The lease payment for 2023 was US \$30,000 and changed to US \$25,000 per year for the following nine years. Upon exercise of the Option, the Company will be required to purchase the New Sawyer property at three times market value excluding any value or potential value for the minerals. The Company retained a Right of First Refusal (ROFR) should the Optionor elect to sell the New Sawyer property during the term of the New Sawyer Option Agreement. The Optionor retained a 1% production royalty and the Company retained the right to purchase up to one-half (0.5%) of the production royalty for US \$2 million.

<b>New Sawyer</b>	<b>2024</b>	<b>2023</b>
Property costs	\$ 33,720	\$ 40,578
Consulting/Contracting	-	2,830
Travel/Transportation	-	339
	<b>\$ 33,720</b>	<b>\$ 43,747</b>

**Sawyer Project – North Carolina, United States**

On February 1, 2023, the Company entered into an exploration lease with the option (the “Option”) for the Company to purchase the 135-acre Sawyer Gold Project (the “Sawyer Option Agreement”) from a private landowner (the “Optionor”). Sawyer is located in Randolph County, North Carolina, United States and lies within the Sawyer-Keystone gold trend, approximately five kms southwest of the Company’s New Sawyer Gold Project.

The initial term of the Sawyer Option Agreement is 10 years (the “initial Term”). The Company has the right to automatically renew the Sawyer Option Agreement for an additional 10 years (the “Additional Term”). There are no lease or advance royalty payments required for the first five years of the Initial Term. Advance royalty payments of US \$25,000 per year are required for years six to ten of the Initial Term. Advance royalty payments of US \$50,000 per year are required for the Additional Term, if the Sawyer Option Agreement is renewed. Upon exercise if the Option, the Company will be required to purchase the Sawyer property at three times market value excluding any value or potential value for the minerals. The Company retained a Right of First Refusal (ROFR) should the Optionor elect to sell the Sawyer property during the term of the Sawyer Option Agreement.

The Optionor retained a 2% production royalty (“NSR”) and the Company retained the right to purchase up to one-half (1.0%) of the production royalty for US \$5 million. The advance royalty payments are non-refundable and are to be deducted from future production royalties payable. Upon completion and reclamation of mining activities, the Optionor has the option to repurchase the Sawyer property for US \$1.

<b>Sawyer</b>	<b>2024</b>	<b>2023</b>
Property costs	\$ -	\$ 35
Assaying	-	6,034
Consulting/Contracting	1,315	29,115
Equipment and supplies	-	2,725
Site costs	-	77
Travel/Transportation	-	4,522
	<b>\$ 1,315</b>	<b>\$ 42,508</b>

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

#### 11. INVESTMENT IN VOLTAGE METALS

On March 11, 2022, the Company received 1,269,841 common shares of Voltage Metals Corp. from the sale, in December 2021, of all of the Company's interest in four mineral projects (St. Laurent, Montcalm, Nova and Gambler) located in Ontario, Canada. Voltage Metals Corp. is listed for trading on the Canadian Securities Exchange. The Company retained the right to purchase from Voltage Metals Corp. a 1% net smelter royalty in the St. Laurent project for \$1 million. A Company director is a member of Voltage Metals Corp.'s board of directors.

	Number		Amount
Balance, December 31, 2022	1,269,841	\$	31,746
Loss on change in fair value	-		(12,698)
Balance, December 31, 2023	1,269,841	\$	19,048
Loss on change in fair value	-		(6,350)
<b>Balance, December 31, 2024</b>	<b>1,269,841</b>	<b>\$</b>	<b>12,698</b>

#### 12. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company.

	2024		2023
Management fees (i)	\$ 366,573	\$	362,950
Share-based payments (ii)	-		94,379
Interest expense (ii)	-		2,800
	<b>\$ 366,573</b>	<b>\$</b>	<b>460,129</b>

(i) Management fees were paid or became payable to a Company controlled by a Company officer and to a company associated with a Company officer.

(ii) Share-based payments represent the fair value of stock options granted to Company directors and officers.

(iii) Interest was paid to a Company director pursuant to a cash loan made in 2023.

During the year ended December 31, 2023, Company directors provided the Company with cash loans of \$145,866. These loans were repaid in 2023.

Accounts payable and accrued liabilities include \$691,846 (December 31, 2023 - \$419,266) payable to Company directors/officers or companies controlled by or associated with Company directors/officers.

#### 13. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

#### 14. COMMITMENTS AND CONTINGENCIES

The Company has a management services agreement, effective April 1, 2021, with a Company officer that contains the provision of termination and change of control benefits. The agreement provides that in the event that the officer's services are terminated by the Company, other than for cause, or there is a change in control of the Company then the officer is entitled to receive a payment equal to the sum of: two (2) years of consulting fees; any unpaid bonus; plus the average of the bonus paid to the officer over the previous two (2) year period. As a triggering event has not taken place, the contingent payment of US \$360,000 has not been reflected in these consolidated financial statements.

#### 15. GROSS OVERRIDING ROYALTY

On February 8, 2007, the Company formed a joint venture (the "Joint Venture") with Enova Mining Limited, formerly, Crossland Strategic Metals Limited, ("Enova") and subsequently earned a 50% interest in a number of Australian properties prospective for rare earth elements and uranium. On November 26, 2015, the Company completed the sale of its entire interest in the Joint Venture to Essential Mining Resources Pty Ltd. ("EMR") and retained a one percent (1%) gross overriding royalty ("GOR") of on sales of production from 100% of the Joint Venture properties ("JV Properties"). During 2017, EMR merged with Enova.

On November 26 of each year, Enova is to pay an advance royalty to the Company based on the JV Properties retained and their size. Advance royalty payments are non-refundable and, are to be deducted from the GOR payable to the Company upon the JV Properties being placed into production.

During the year ended December 31, 2024, royalty revenue was \$3,857 (2023 - \$2,027), which consisted of a royalty adjustment of \$1,587 (AU \$1,789) related to prior year reporting, and \$2,270 (2023 - \$2,027) for the annual advance royalty of AU \$2,609 (2023 – AU \$2,311). As of December 31, 2024, the Company has received advanced royalty payments totalling AU \$97,525.

#### 16. SEGMENTED REPORTING

The Company operates in a single segment, which is the acquisition and exploration of mineral properties in the United States.

##### Assets and liabilities by geographic region:

As at	December 31 2024	December 31 2023
Current assets		
Canada	\$ 889,352	\$ 885,056
United States	343,811	236,861
	<b>\$ 1,233,163</b>	<b>\$ 1,121,917</b>
Current liabilities		
Canada	\$ 38,669	\$ 67,384
United States	731,722	761,043
	<b>\$ 770,391</b>	<b>\$ 828,427</b>

# CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

### SEGMENTED REPORTING (continued)

#### Comprehensive loss by geographic region:

	December 31 2024	December 31 2023
For the year ended,		
Canada	\$ (466,521)	\$ (749,255)
Unites States	(2,186,089)	(1,252,807)
Foreign exchange gain (loss)	(35,501)	9,988
	<b>\$ (2,688,111)</b>	<b>\$ (1,992,074)</b>

## 17. INCOME TAXES

### Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

	2024	2023
Loss before income taxes	\$ (2,688,111)	\$ (1,992,074)
Statutory rate	26.50%	26.50%
Expected income tax recovery	(712,349)	(527,900)
Increase resulting from:		
Non-deductible expenses and other permanent differences	3,214	65,013
Adjustment to non-capital and net-capital losses	235,246	263,313
Effects of lower tax rates in foreign jurisdiction	12,232	21,728
Change in deferred tax assets not recognized	461,657	177,846
Income tax expense	\$ -	\$ -

### Deferred Income Taxes

The temporary differences that give rise to future income tax assets and deferred income tax liabilities are presented below:

	2024	2023
Exploration and evaluation costs	\$ 4,092,591	\$ 3,639,911
Share issuance costs	122,682	69,935
Investment in Tortuga Resources Inc.	29,250	29,250
Non-capital loss carry forwards	2,544,763	2,392,499
Capital loss carry forwards	660,882	660,882
Deferred tax asset	7,450,168	6,792,477
Less: Deferred tax assets not recognized	(7,450,168)	(6,792,477)
Net deferred income tax asset	\$ -	\$ -



**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(expressed in Canadian dollars)***For the years ended December 31, 2024 and 2023****INCOME TAXES (continued)****Tax Credit Carry-forwards**

At December 31, 2024, the Company has available non-capital losses to reduce future years' taxable income for Canadian tax purposes of approximately \$6,981,109 and United States income tax purposes of \$2,672,189. These losses expire as follows:

Year of Origin	Year of Expiry	Canada	United States	Total
2024	2044	\$ 653,742	\$ 256,988	\$ 910,730
2023	2043	624,763	153,339	778,102
2022	2042	193,133	456,284	649,417
2021	2041	207,888	812,613	1,020,501
2020	2040	796,433	264,398	1,060,831
2019	2039	553,436	218,742	772,178
2018	2038	398,550	183,599	582,149
2017	2037	255,737	252,055	507,792
2016	2036	271,663	74,171	345,834
2015	2035	306,983	-	306,983
2014	2034	57,686	-	57,686
2013	2033	484,230	-	484,230
2012	2032	339,605	-	339,605
2011	2031	429,001	-	429,001
2010	2030	398,478	-	398,478
2009	2029	327,862	-	327,862
2008	2028	284,689	-	284,689
2007	2027	292,677	-	292,677
2006	2026	104,553	-	104,553
		<b>\$ 6,981,109</b>	<b>\$ 2,672,189</b>	<b>\$ 9,653,298</b>

The Company has \$418,770 of Canadian exploration and development costs and \$10,156,240 of foreign exploration and development costs that can be carried forward indefinitely and used to offset future taxable income. Additionally, the Company has available \$4,987,788 of capital losses that can be carried forward indefinitely to use against future taxable capital gains.

The potential tax benefit relating to these tax losses has not been reflected in these financial statements.

**18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Fair Value**

The carrying value of cash and cash equivalents, the royalty receivable, the reclamation deposit, the investment in Voltage Metals, accounts payable and accrued liabilities and the reclamation provision approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price if one exists.

## CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(expressed in Canadian dollars)

For the years ended December 31, 2024 and 2023

#### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

IFRS 13 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The methods and assumptions used to develop fair value measurements are: Level 1 - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level 3 - includes inputs that are not based on observable data.

#### Classification of Financial Instruments

			2024	2023
Financial assets				
Cash and cash equivalents	Amortized cost	\$	945,121	\$ 1,042,710
Royalty receivable	Amortized cost		2,270	-
Reclamation deposit	Amortized cost		215,835	-
Investment in Voltage Metals Inc.	Fair value through profit and loss		12,698	19,048
Financial liabilities				
Accounts payable and accrued liabilities	Amortized cost	\$	770,391	\$ 695,717
Reclamation provision	Amortized cost		-	132,710

#### Risk Management

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies.

The Company's financial instruments are exposed to the risks described below:

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. Financial instruments that potentially expose the Company to this risk consist of cash and the royalty revenue receivable. The Company mitigates the risk to its cash by depositing a majority of its cash with Canadian and United States banks. Allowances for the royalty receivable and the reclamation deposit are recognized as necessary for potential credit losses.

## **CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(expressed in Canadian dollars)*

**For the years ended December 31, 2024 and 2023**

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#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

##### **Currency Risk**

The Company operates in Canada and the United States, thus exposing the Company to market risks from fluctuations in foreign exchange rates. The Company has certain corporate and administrative expenditures, exploration and evaluation expenditures and future potential financial commitments (Notes 10 and 14) denominated in United States dollars. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at December 31, 2024, a 10% change in the United States dollar (USD) would impact the Company's loss by approximately \$39,000 (2023 - \$52,000).

##### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

##### **Liquidity Risk**

Liquidity risk management requires maintaining sufficient cash, liquid investments, or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

Accounts payable and accrued liabilities are generally due within 30 days. As at December 31, 2024, the Company had cash of \$945,121 (2023 - \$1,042,710) to settle current liabilities of \$770,391 (2023 - \$828,427).

#### **19. SUBSEQUENT EVENTS**

- a) Subsequent to December 31, 2024, the South Carolina Department of Environmental Services advised the Brewer Gold Receiver that all drill holes were properly abandoned at the Brewer Gold Project and the US \$150,000 deposit was returned to the Company.
- b) Subsequent to December 31, 2024, the Company terminated the New Sawyer and Sawyer Option Agreements.