

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

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the six months ended June 30, 2024 and 2023**

**(unaudited)**

**EXPRESSED IN CANADIAN DOLLARS**

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**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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The accompanying unaudited condensed interim consolidated financial statements of Carolina Rush Corporation, formerly Pancontinental Resources Corporation, (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor, Jones & O’Connell LLP, has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity’s auditor.

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

<b>As at</b>	<b>June 30 2024</b>	<b>December 31 2023</b>
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 2,254,754	\$ 1,042,710
Sales tax receivable	30,934	8,100
Prepaid expenses and deposits	83,342	52,059
Reclamation deposit (note 10)	205,380	-
	<b>2,574,410</b>	<b>1,102,869</b>
Investment in Voltage Metals Corp. (note 11)	<b>25,397</b>	<b>19,048</b>
	<b>\$ 2,599,807</b>	<b>\$ 1,121,917</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 783,848	\$ 695,717
Reclamation provision (note 10)	136,920	132,710
	<b>920,768</b>	<b>828,427</b>
<b>EQUITY</b>		
Share capital (note 7)	<b>29,460,619</b>	<b>27,859,258</b>
Warrants (note 8)	<b>3,543,782</b>	<b>2,774,412</b>
Contributed surplus	<b>7,319,146</b>	<b>6,833,519</b>
Deficit	<b>(38,644,508)</b>	<b>(37,173,699)</b>
	<b>1,679,039</b>	<b>293,490</b>
	<b>\$ 2,599,807</b>	<b>\$ 1,121,917</b>

**Nature of operations and going concern (note 1)****Commitments and contingencies (notes 10, 13)***See accompanying notes.*

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(unaudited, expressed in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
<b>Expenses</b>				
Corporate and administrative (notes 9, 12)	\$ 232,326	\$ 250,364	\$ 460,753	\$ 498,758
Exploration and evaluation (note 10)	589,601	72,270	1,014,504	221,712
Share-based payments (note 7)	2,805	-	8,170	-
	(824,732)	(322,634)	(1,483,427)	(720,470)
<b>Other income (expenses)</b>				
Gain on debt settlement (note 7)	-	25,644	-	25,644
Unrealized gain on investment in Voltage Metals (note 11)	-	-	6,349	-
Interest income	22,145	-	26,223	-
Interest expense (note 12)	-	(1,330)	-	(1,330)
Foreign exchange gain (loss)	(7,746)	9,909	(19,954)	10,931
	14,399	34,223	12,618	35,245
<b>Net loss and comprehensive loss</b>	\$ (810,333)	\$ (288,411)	\$ (1,470,809)	\$ (685,225)
<b>Basic and diluted loss per share (note 15)</b>	\$ (0.014)	\$ (0.010)	\$ (0.029)	\$ (0.025)
<b>Weighted average number of common shares outstanding: Basic and diluted *</b>	58,645,497	27,566,627	50,755,304	27,497,589

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

See accompanying notes.

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(unaudited, expressed in Canadian dollars)

	Share capital			Contributed surplus		Deficit	Total
	Number*	Amount	Warrants				
Balance, December 31, 2022	27,426,225	\$ 26,512,217	\$ 2,941,747	\$ 5,610,713	\$ (35,181,625)	\$	(116,948)
Shares issued for debt (note 7)	189,955	31,343	-	-	-		31,343
Warrants expired	-	-	(976,941)	976,941	-		-
Net loss for the period	-	-	-	-	(685,225)		(685,225)
Balance, June 30, 2023	27,616,180	26,543,560	1,964,806	6,587,654	(35,866,850)		(770,830)
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	-	-		-
Share issuance costs	-	(162,037)	-	-	-		(162,037)
Share-based payments (note 7)	-	-	-	245,865	-		245,865
Net loss for the period	-	-	-	-	(1,306,849)		(1,306,849)
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)	-	-	-	8,170	-		8,170
Net loss for the period	-	-	-	-	(1,470,809)		(1,470,809)
Balance, June 30, 2024	59,000,122	\$ 29,460,619	\$ 3,543,782	\$ 7,319,146	\$ (38,644,508)	\$	1,679,039

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

See accompanying notes.

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

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited, expressed in Canadian dollars)

	Six months ended June 30	
	2024	2023
<b>Operating activities</b>		
Loss for the period	\$ (1,470,809)	\$ (685,225)
Adjustments to reconcile loss to net cash used:		
Share-based payments	8,170	-
Unrealized gain on Voltage Metals investment	(6,349)	-
Gain on debt settlement	-	(25,644)
Interest expense	-	1,330
Unrealized foreign exchange	20,707	(4,985)
	(1,448,281)	(714,524)
Net changes in non-cash working capital items		
Amounts and royalty receivable	-	1,928
Sales tax receivable	(22,834)	(4,050)
Prepaid expenses and deposits	(31,437)	(15,191)
Reclamation deposit	(205,380)	-
Accounts payable and accrued liabilities	67,908	380,467
	(1,640,024)	(351,370)
<b>Financing activities</b>		
Loan proceeds (note 12)	-	145,866
Units issued by private placements	3,227,000	-
Share issuance costs	(378,812)	-
	2,848,188	145,866
<b>Net change in cash</b>	<b>1,208,164</b>	<b>(205,504)</b>
Cash and cash equivalents, beginning of period	1,042,710	264,774
Effect of exchange rate changes on cash	3,880	(7,473)
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,254,754</b>	<b>\$ 51,797</b>
<b>Supplemental disclosure</b>		
Shares issued for debt	\$ -	\$ 56,987
Broker/finder warrants	\$ 200,166	\$ -
Interest received	\$ 10,369	\$ -

See accompanying notes.

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

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

*(unaudited, expressed in Canadian dollars)*

**For the six months ended June 30, 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 June 30, 2024, the Company had working capital of \$1,653,642 (December 31, 2023 - \$274,442), incurred a loss for the current six-month period of \$1,470,809 (2023 - \$685,225), and, had an accumulated deficit of \$38,644,508 (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 unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, of the 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 three-month period ended March 31, 2024, were approved and authorized for issue by the Company’s board of directors on August 27, 2024.

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

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

*(unaudited, expressed in Canadian dollars)*

**For the six months ended June 30, 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.

These condensed interim consolidated financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's audited 2023 annual consolidated financial statements. These consolidated financial statements are not necessarily indicative of the results that may be anticipated for the entire year.

### **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. SIGNIFICANT ACCOUNTING POLICIES**

The Company's accounting policies, as described in Note 4, Significant Accounting Policies, of the Company's audited annual consolidated financial statements for the year ended December 31, 2023, have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise noted.

### **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.

# CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 2024 and 2023

### CAPITAL MANAGEMENT (continued)

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 current six-month period. The Company is not subject to any externally imposed capital requirements.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2024	December 31 2023
Suppliers	\$ 232,008	\$ 187,079
Accrued liabilities	8,172	89,372
Related parties (note 12)	543,668	419,266
	<b>\$ 783,848</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.



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

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 2024 and 2023

#### SHARE CAPITAL (continued)

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.

#### 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	(352,500)	0.77
Balance, December 31, 2023	3,546,000	\$0.70
Expired	(80,000)	0.80
<b>Balance, June 30, 2024</b>	<b>3,466,000</b>	<b>\$0.70</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 vest 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 for the current six-month period was \$8,170 (2023 - \$nil). The offsetting credit was charged to contributed surplus. Consultants' options are 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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 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)
August 30, 2024	447,500	1.00	447,500	0.17
January 22, 2025	180,000	0.50	180,000	0.56
August 10, 2025	345,000	1.40	345,000	1.11
October 25, 2025	150,000	2.00	150,000	1.32
June 10, 2026	10,500	2.50	10,500	1.94
December 31, 2026	333,000	2.00	333,000	2.50
September 5, 2028	2,000,000	0.20	1,955,000	4.18
	3,466,000	\$0.70	3,421,000	2.88

### 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, June 30, 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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 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	0.71	\$ 1,487,349
August 15, 2025 (i)	573,343	0.15	1.13	71,039
August 15, 2026	7,624,468	0.20	2.13	738,567
April 3, 2026 (i)	1,094,450	0.20	1.76	200,166
April 3, 2027	8,067,500	0.30	2.76	1,046,661
	21,109,761	\$0.41	2.12	\$ 3,543,782

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

### 9. CORPORATE AND ADMINISTRATIVE

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Consulting	\$ 28,256	\$ 10,559	\$ 48,683	\$ 19,046
Corporate development and promotion	27,089	60,269	88,061	136,836
Filing and transfer agent fees	23,955	36,347	35,554	58,461
Insurance	4,156	5,136	8,304	10,276
Management fees (note 12)	91,574	90,435	182,270	181,302
Office and general	3,704	2,435	8,627	8,099
Professional fees	12,640	13,430	18,567	23,100
Salaries and benefits	35,732	28,544	64,457	57,349
Travel	5,220	3,209	6,230	4,289
	\$ 232,326	\$ 250,364	\$ 460,753	\$ 498,758

### 10. EXPLORATION AND EVALUATION

	Three months ended June 30		Six months ended June 30	
Mineral Project	2024	2023	2024	2023
Brewer, South Carolina, United States	\$ 589,601	\$ 53,478	\$ 965,502	\$ 157,188
Jefferson, South Carolina, United States	-	873	-	1,840
New Sawyer, North Carolina, United States	-	1,542	33,720	43,747
Sawyer, North Carolina, United States	-	9,931	12,787	9,966
Project evaluation, United States	-	6,446	2,495	8,971
	\$ 589,601	\$ 72,270	\$ 1,014,504	\$ 221,712

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

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

#### For the six months ended June 30, 2024 and 2023

##### 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, was awarded the right by the Brewer Gold Receiver LLC (the “Receiver”), the South Carolina Department of Health and Environmental Control (“SC DHEC”) and the U.S. Environmental Protection Agency (“US EPA”), to explore the former Brewer Gold Mine property (“Brewer”), 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 up 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 (June 30, 2024 – expended approximately US \$5.19M) 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 S.C. DHEC 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	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Assaying	\$ 49,070	\$ -	\$ 128,166	\$ -
Consulting/Contracting	81,817	25,939	122,895	80,150
Drilling and ancillary costs	329,077	-	526,982	-
Equipment and supplies	58,286	5,327	76,250	12,014
Geophysics/Surveys	4,789	-	4,789	-
Reports	9,072	-	9,072	-
Site costs	26,730	21,000	48,673	44,016
Travel/Transportation	20,109	608	29,880	1,984
Wages and benefits	10,651	604	18,795	19,024
	\$ 589,601	\$ 53,478	\$ 965,502	\$ 157,188

# CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 2024 and 2023

### EXPLORATION AND EVALUATION (continued)

#### Reclamation Deposit

During 2024, the Company deposited US \$150,000 with the Receiver as financial assurance for drill hole abandonment purposes. The financial assurance shall be adjusted on a quarterly basis to account for future drill holes and completed abandonments. The proper abandonment of all drill holes is subject to S.C. DHEC policies and approval.

#### Reclamation Provision

The reclamation provision represents estimated costs to abandon open drill holes in accordance with SC DHEC 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's drilling activities consisted of new drilling and the abandonment of new and old drill holes, resulting in the reclamation estimate remaining at US \$100,000 (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		36,634
Abandonment costs		(36,634)
Foreign exchange		4,210
<b>Balance, June 30, 2024</b>	<b>\$</b>	<b>136,920</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. As at June 30, 2024, Jefferson consisted 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.

Jefferson	Three months ended		Six months ended	
	2024	June 30 2023	2024	June 30 2023
Property costs	\$ -	\$ 67	\$ -	\$ 101
Site costs	-	806	-	1,617
Travel/Transportation	-	-	-	122
	<b>\$ -</b>	<b>\$ 873</b>	<b>\$ -</b>	<b>\$ 1,840</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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended June 30, 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.

New Sawyer	Three months ended June 30			Six months ended June 30		
	2024	2023		2024	2023	
Property costs	\$ -	\$ -	\$	33,720	\$	40,578
Consulting/Contracting	-	1,410		-		2,830
Travel/Transportation	-	132		-		339
	\$ -	\$ 1,542	\$	33,720	\$	43,747

### 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.

Sawyer	Three months ended June 30			Six months ended June 30		
	2024	2023		2024	2023	
Property costs	\$ -	\$ -	\$	-	\$	35
Consulting/Contracting	-	9,589		12,787		9,589
Travel/Transportation	-	342		-		342
	\$ -	\$ 9,931	\$	12,787	\$	9,966

**CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***(unaudited, expressed in Canadian dollars)***For the six months ended June 30, 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. On April 12, 2022, a Company director was appointed to 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
Gain on change in fair value	-	6,349
<b>Balance, June 30, 2024</b>	<b>1,269,841</b>	<b>\$ 25,397</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.

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Management fees (i)	\$ 91,574	\$ 90,435	182,270	181,302
Interest expense (ii)	-	1,330	-	1,330
	<b>\$ 91,574</b>	<b>\$ 91,765</b>	<b>\$ 182,270</b>	<b>\$ 182,632</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) Interest became payable to a Company director pursuant to a cash loan made in 2023.

During the six-month period ended June 30, 2023, Company directors provided the Company with cash loans of \$145,866. These loans were repaid in 2023.

Accounts payable and accrued liabilities include \$543,668 (December 31, 2023 - \$419,266) payable to Company directors/officers or companies controlled by or associated with Company directors/officers.

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

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

*(unaudited, expressed in Canadian dollars)*

**For the six months ended June 30, 2024 and 2023**

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#### **13. 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.

#### **14. 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 ("REE") 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 gross overriding royalty ("GOR") of one percent (1%) 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. The advanced royalty for 2023 was AU \$2,311. As of June 30, 2024, the Company has received advanced royalty payments totalling AUS \$95,736. Advance royalty payments are non-refundable; and, are to be deducted from the 1% GOR payable to the Company upon the JV Properties being placed into production.

#### **15. 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.

#### **16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

##### **Fair Value**

The carrying value of cash and cash equivalents, 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.

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.

The Company's fair value asset consists of its investment in Voltage Metals.



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

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

*(unaudited, expressed in Canadian dollars)*

**For the six months ended June 30, 2024 and 2023**

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

##### **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 are recognized as necessary for potential credit losses.

##### **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 13) 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 June 30, 2024, a 10% change in the United States dollar (USD) would impact the Company's loss by approximately \$53,000 (December 31, 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 and loans from related parties are to be repaid from private placement proceeds. As at June 30, 2024, the Company had cash of \$2,254,754 (December 31, 2023 - \$1,042,710) to settle current liabilities of \$920,768 (December 31, 2023 - \$828,427).