

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Carolina Rush Corporation (the "**Company**")
217 Queen Street West, Suite 401
Toronto, ON M5V 0R2

2. **Date of Material Change**

August 15, 2023

3. **News Release**

A press release disclosing the material change was released on August 15, 2023, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On August 15, 2023, the Company closed a "best efforts" brokered private placement (the "**Brokered Offering**") with Paradigm Capital Inc. (the "**Agent**"), acting as agent, through the issuance of 666,700 units (each, a "**Unit**") of the Company at a price of \$0.15 per Unit for gross proceeds of \$100,005. In addition, the Company closed the concurrent non-brokered private placement (the "**Non-Brokered Offering**") and together with the Brokered Offering, the "**Offering**") through the issuance of 14,238,236 Units at a price of \$0.15 per Unit for gross proceeds of \$2,135,735.40.

5. **Full Description of Material Change**

On August 15, 2023, the Company closed the offering through the issuance of 14,904,936 Units for gross proceeds of \$2,235,740.40.

Each Unit was comprised of one common share in the capital of the Company (each, a "**Common Share**") and one half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.20 per Common Share until the date that is thirty-six (36) months from the date of issuance.

The net proceeds raised under the Offering will be used for the exploration and advancement of the Company's projects in the Southeastern U.S., including drilling priority targets at the flagship Brewer Gold-Copper Project, advancing projects on the Sawyer Gold Trend, updating technical studies, and for general corporate and working capital purposes and payment of debt. The Common Shares and Warrants issued pursuant to the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

In connection with the closing of the Brokered Offering, the Company paid the Agent a cash commission totaling \$6,000.30, through the issuance of 40,002 Units and have issued the Agent 66,670 non-transferrable compensation warrants (each, a "**Broker Warrant**"). Each Broker Warrant entitles the Agent to purchase one Common Share at a price of \$0.15 at any time for a term of two (2) years following the date of issuance. In connection with the closing of the Non-Brokered Offering, the Company paid certain eligible finders (each, a "**Finder**") cash

commissions in the aggregate of \$45,600.60, through the issuance of 304,004 Units, and have issued the Finders an aggregate of 506,673 Broker Warrants.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This report shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

A portion of the Offering constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), as certain insiders of the Company acquired an aggregate of 460,000 Units under the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Offering constituted a "related party transaction" as such term is defined by MI 61-101 as insiders of the Company (the "**Insiders**"), subscribed for an aggregate of 1,035,000 Units pursuant to the Offering.

(b) the purpose and business reasons for the transaction:

The net proceeds raised under the Offering will be used for the exploration and advancement of the Company's projects in the Southeastern U.S., including drilling priority targets at the flagship Brewer Gold-Copper Project, advancing projects on the Sawyer Gold Trend, updating technical studies, and for general corporate and working capital purposes and payment of debt.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The net proceeds raised under the Offering will be used for the exploration and advancement of the Company's projects in the Southeastern U.S., including drilling priority targets at the flagship Brewer Gold-Copper Project, advancing projects on the Sawyer Gold Trend, updating technical studies, and for general corporate and working capital purposes and payment of debt.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Offering, the following Units were issued to the Insiders of the Company.

Name	Position	Number of Units	Aggregate Price
David Petroff	Director	500,000	\$75,000
Mark McMurdie	Officer	535,000	\$80,250

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Prior to the completion of the Offering, Mr. Petroff held, directly or indirectly an aggregate of 255,125 Common Shares, 27,750 Common Share purchase warrants and 40,500 stock options. Upon closing of the Offering, Mr. Petroff holds an aggregate of 755,125 Common Shares, 277,750 Warrants and 40,500 stock options representing approximately 1.76% of the issued and outstanding Common Shares on an undiluted basis. In the event that Mr. Petroff exercises his warrants and stock options, he would hold an aggregate of 1,073,375 Common Shares, or approximately 2.44% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Offering, Mr. McMurdie held, directly or indirectly an aggregate of 221,200 Common Shares and 72,500 stock options. Upon closing of the Offering, Mr. McMurdie holds an aggregate of 756,200 Common Shares, 267,500 Warrants and 72,500 stock options representing approximately 1.76% of the issued and outstanding Common Shares on an undiluted basis. In the event that Mr. McMurdie exercises his Warrants and stock options, he would hold an aggregate of 1,096,200 Common Shares, or approximately 2.49% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on August 15, 2023 approving the Offering. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements for the Units, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the participation in the Offering by the insider does not exceed 25% of the market capitalization of the Company in accordance with MI 61-101.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Jeanny So, External Relations Manager at (647) 202-0994.

9. Date of Report

This report is dated at Toronto, this 23rd day of August, 2023.

Forward-looking Information

This material change report contains forward-looking information which is not comprised of historical facts. Forward-looking information is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in the state of equity and debt markets, fluctuations in commodity prices, delays in obtaining required regulatory or governmental approvals, and other risks involved in the mineral exploration and development industry, including those risks set out in the Company's management's discussion and analysis as filed under the Company's profile at www.sedar.com. Forward-looking information in this material change report is based on the opinions and assumptions of management considered reasonable as of the date hereof, including that all necessary governmental and regulatory approvals will be received as and when expected. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this material change report are reasonable, undue reliance should not be placed on such information. The

Company disclaims any intention or obligation to update or revise any forward-looking information, other than as required by applicable securities laws.

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