RECHARGE RESOURCES LTD.

Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Recharge Resources Ltd.

Opinion

We have audited the consolidated financial statements of Recharge Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and 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 consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated any revenue and incurred negative cash flow from operations during the year ended December 31, 2023 and, as of that date, the Company has an accumulated deficit of $28,392,689. 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 for the year ended December 31, 2023. 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. Aside from the matter described in the Material Uncertainty Related to Going Concern in our report, we have identified the following key audit matter:

Assessment of Impairment Exploration and Evaluation Assets

As described in Note 4 of the consolidated financial statements, the carrying amount of the Company's exploration and evaluation assets is $6,799,037 as at December 31, 2023. As fully described in Note 2 to the consolidated financial statements, management assesses for indicators of impairment at each consolidated statement of financial position date.

The assessment of impairment indicators for exploration and evaluation assets is identified as a key audit matter due to significant judgment made by management, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area, particularly regarding the estimation of the recoverable amounts of these assets.

Addressing this matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the exploration and evaluation assets through discussion and communication with management.
- Assessing compliance with agreements and expenditures requirements including reviewing option agreements.
- Obtaining, on a test basis through government websites or other sources, confirmation of title to ensure mineral rights underlying the exploration and evaluation assets are in good standing.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance consolidated conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, 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, conclude that there is a material misstatement of this other information, we are required to report that fact. 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 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 part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 on 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of 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 Lonny Wong.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 30, 2024

RECHARGE RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	December 31, 2023 $	December 31, 2022 $
Assets			
Current assets			
Cash		364,631	2,280,254
GST receivable		228,957	184,706
Prepaid expenses and deposits	3	159,961	1,077,776
Total current assets		753,549	3,542,736
Non-current assets			
Exploration and evaluation assets	4	6,799,037	3,974,416
Reclamation deposit		10,000	10,000
Total non-current assets		6,809,037	3,984,416
Total assets		**7,562,586**	**7,527,152**
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	6,7	303,319	510,856
Flow-through share premium liability	5	36,384	34,570
Total current liabilities		339,703	545,426
Shareholder's equity			
Share capital	8	27,858,056	19,563,220
Share-based payment reserve	8,9	997,425	810,689
Obligation to issue shares	7,8	12,750	-
Warrants reserve	8,10	5,287,341	4,891,679
Share subscriptions receivable	8	-	(165,000)
Shares issuable	11	1,460,000	317,750
Deficit		(28,392,689)	(18,436,612)
Total shareholders' equity		**7,222,883**	**6,981,726**
Total liabilities and shareholders' equity		**7,562,586**	**7,527,152**

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

Approved and authorized for issuance by the Board of Directors on April 30, 2024:

/s/ "David Greenway"
David Greenway, Director

/s/ "Andrew Mugridge"
Andrew Mugridge, Director

(The accompanying notes are an integral part of these consolidated financial statements)

RECHARGE RESOURCES LTD.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the years ended December 31, 2023 $	2022 $
Expenses			
Consulting fees	7	1,272,403	475,529
General and administrative		39,820	40,197
Market awareness		4,398,502	1,583,157
Management fees	7	565,000	787,000
Professional fees		206,552	71,849
Share-based compensation	8,9,11	3,554,084	3,235,090
Transfer agent and filing fees		48,919	70,914
Travel		122,817	72,270
Total expenses		10,208,097	6,336,006
Loss before other income (expense)		(10,208,097)	(6,336,006)
Other income (expense)			
Foreign exchange gain		55,482	-
Interest expense		(6,648)	(3,036)
Flow-through share premium		32,465	97,324
Gain on settlement of debt	8	168,471	-
Gain on revaluation of share obligation		2,250	-
Impairment of exploration and evaluation assets	4	-	(129,095)
Write-down of GST receivable		-	(32,034)
Total other income (expense)		252,020	(66,841)
Net loss and comprehensive loss		**(9,956,077)**	**(6,402,847)**
Basic and diluted loss per share		**(0.27)**	**(0.57)**
Weighted average shares outstanding		**36,734,346**	**11,326,388**

(The accompanying notes are an integral part of these consolidated financial statements)

RECHARGE RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital								
	Number of shares	**Amount**	**Share-based payment reserve**	**Warrants reserve**	**Share subscription receivable**	**Shares issuable**	**Obligation to issue shares**	**Deficit**	**Total shareholder's equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2021	5,711,555	11,562,555	596,861	2,807,034	(5,000)	-	-	(12,033,765)	2,927,685
Share issued for cash	13,388,682	3,009,626	-	2,245,134	(160,000)	-	-	-	5,094,760
Flow-through share premium	-	(34,570)	-	-	-	-	-	-	(34,570)
Shares issued for exploration and evaluation assets	627,840	678,408	-	-	-	-	-	-	678,408
Fair value of stock options granted	-	-	710,890	-	-	-	-	-	710,890
Shares issued for options exercised	1,013,345	1,327,012	(497,062)	-	-	-	-	-	829,950
Restricted share units issued	-	-	2,524,200	-	-	-	-	-	2,524,200
Shares issuable for restricted share units vested	-	-	(317,750)	-	-	317,750	-	-	-
Shares issued for warrants exercised	2,054,583	813,739	-	(160,489)	-	-	-	-	653,250
Shares issued for restricted share units	3,235,156	2,206,450	(2,206,450)	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	-	-	(6,402,847)	(6,402,847)
Balance, December 31, 2022	**26,031,161**	**19,563,220**	**810,689**	**4,891,679**	**(165,000)**	**317,750**	-	**(18,436,612)**	**6,981,726**
Share subscriptions received	-	-	-	-	165,000	-	-	-	165,000
Share issued for cash	9,457,496	1,594,992	-	805,766	-	-	-	-	2,400,758
Flow-through share premium	-	(36,384)	-	-	-	-	-	-	(36,384)
Shares issued for promissory notes	2,397,304	396,665	-	202,661	-	-	-	-	599,326
Shares returned to treasury	(1,250,000)	(375,001)	-	-	-	-	-	-	(375,001)
Shares issued for exploration and evaluation assets	1,354,463	1,186,455	-	-	-	-	-	-	1,186,455
Shares issued for options exercised	1,125,000	727,898	(247,898)	-	-	-	-	-	480,000
Fair value of stock options granted	-	-	434,634	-	-	-	-	-	434,634
Shares issued for warrants exercised	5,721,600	2,759,678	-	(612,765)	-	-	-	-	2,146,913
Shares issued for restricted share units	2,253,750	1,977,200	(1,659,450)	-	-	(317,750)	-	-	-
Shares issuable for restricted share units vested	-	-	(1,460,000)	-	-	1,460,000	-	-	-
Restricted share units granted	-	-	3,119,450	-	-	-	-	-	3,119,450
Shares issued for debt settlement	166,667	63,333	-	-	-	-	-	-	63,333
Obligation to issue shares	-	-	-	-	-	-	12,750	-	12,750
Net loss for the year	-	-	-	-	-	-	-	(9,956,077)	(9,956,077)
Balance, December 31, 2023	**47,257,441**	**27,858,056**	**997,425**	**5,287,341**	-	**1,460,000**	**12,750**	**(28,392,689)**	**7,222,883**

(The accompanying notes are an integral part of these consolidated financial statements)

RECHARGE RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended December 31, 2023	For the year ended December 31, 2022
	$	$
Operating activities		
Net loss	(9,956,077)	(6,402,847)
Items not involving cash:		
Flow-through share premium	(34,570)	(97,324)
Impairment of exploration and evaluation assets	-	129,095
Gain on settlement of debt	(168,471)	-
Gain on revaluation of share obligation	(2,250)	-
Interest expense	13,076	-
Share-based compensation	3,554,084	3,235,090
Changes in non-cash working capital items:		
GST receivable	(44,251)	(110,974)
Prepaid expenses and deposits	917,815	(1,072,776)
Account payable and accrued liabilities	(53,528)	470,002
Net cash used in operating activities	(5,774,172)	(3,849,734)
Investing activities		
Exploration and evaluation asset expenditures	(1,920,372)	(1,826,344)
Reclamation deposit	-	(10,000)
Net cash used in investing activities	(1,920,372)	(1,836,344)
Financing activities		
Subscriptions received	165,000	-
Proceeds from loans payable	586,250	95,000
Repayment of loans payable	-	(95,000)
Proceeds from issuance of common shares	2,400,758	5,094,760
Proceeds from stock options exercised	480,000	829,950
Proceeds from warrants exercised	2,146,913	653,250
Net cash provided by financing activities	5,778,921	6,577,960
Change in cash	(1,915,623)	891,882
Cash, beginning of year	2,280,254	1,388,372
Cash, end of year	364,631	2,280,254
Non-cash investing and financing activities:		
Allocation private placement proceeds to warrants	1,008,427	2,245,134
Flow-through share premium deducted from share capital	36,384	34,570
Fair value of stock options exercised	247,898	497,062
Obligation to issue shares	12,750	-
Shares issued pursuant to exploration and evaluation assets option agreements, net of shares returned	811,454	678,408
Shares issued for restricted share units transferred from reserves	1,977,200	2,206,450
Shares issuable for restricted share units transferred from reserves	1,460,000	317,750
Fair value of warrants exercised	612,765	160,489
Exploration and evaluation assets in accounts payable	92,795	-
Transfer from promissory notes to share subscriptions	599,326	-
Shares issued for debt settlement	63,333	-
Supplemental disclosures:		
Interest paid	(13,076)	(3,036)
Interest received	6,428	-

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature and Continuance of Operations

Recharge Resources Ltd. (the "Company") was incorporated in the province of British Columbia on March 9, 2010 as Signal Exploration Inc. The Company changed its name to Southern Lithium Corp. in October 2016, to Le Mare Gold Corp. in February 2018, and to Recharge Resources Ltd. in July 2021. The Company is a resource exploration company that is in the business of acquiring and exploring mineral properties. The Company's registered address is Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. For the year ended December 31, 2023, the Company has not generated any revenue and incurred negative cash flow from operations. As at December 31, 2023, the Company has an accumulated deficit of $28,392,689. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, and/or private placements of common shares. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material accounting policy information

(a) Statement of Compliance and Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries; Recharge Resources Argentina SAU (incorporated on March 23, 2023), Battmetals Resources Ltd., and Nextcharge Battery Metals Corp. (incorporated on November 17, 2022). All significant inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company and its subsidiaries' functional currency.

(b) Use of Estimates and Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

2. Material accounting policy information (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

The application of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Material accounting policy information (continued)

(e) Exploration and Evaluation Expenditures (continued)

Farm outs

The Company does not record any expenditures made by the farmee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

(f) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged in the consolidated statement of operations over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The obligation is increased for the accretion and the corresponding amount is recognized in the consolidated statement of operations.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the consolidated statement of operations.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

As at December 31, 2023 and 2022, the Company had no material restoration, rehabilitation, and environmental obligations.

(g) Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

2. Material accounting policy information (continued)

(g) Financial Instruments (continued)

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

• it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

2. Material accounting policy information (continued)

(g) Financial Instruments (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(h) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Material accounting policy information (continued)

(h) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Flow-Through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced to flow through share investors, the deferred income tax liability associated with the renounced tax deductions is recognized through the consolidated statement of operations with a pro-rata portion of the deferred premium.

(j) Share-based Payments

The Company grants share-based awards to employees, directors, and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(k) Loss Per Share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. As at December 31, 2023, the Company had 21,792,299 (2022 – 12,132,004) potentially dilutive shares outstanding.

(Expressed in Canadian dollars)

2. Material accounting policy information (continued)

(l) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations. The Company does not have items representing comprehensive income or loss.

(m) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2023, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Prepaid Expenses and Deposits

	December 31, 2023	December 31, 2022
	$	$
Market awareness	140,712	1,055,787
Retainer payment for services	10,000	21,989
Other	9,249	-
	159,961	1,077,776

4. Exploration and Evaluation Assets

	Brussels Creek	Murray Ridge	Pinchi Lake	Georgia Lake	Pocitos 1	Pocitos 2	Total
	$	$	$	$	$	$	$
Acquisition costs:							
Balance, December 31, 2022	596,500	83,061	739,648	-	1,053,974	-	2,473,183
Additions	-	-	-	-	1,580,849	406,525	1,987,374
Balance, December 31, 2023	596,500	83,061	739,648	-	2,634,823	406,525	4,460,557
Exploration costs:							
Balance, December 31, 2022	547,757	-	53,914	51,378	848,184	-	1,501,233
Additions	638	-	8,682	25,418	773,414	29,095	837,247
Balance, December 31, 2023	548,395	-	62,596	76,796	1,621,598	29,095	2,338,480
Carrying amounts:							
Balance, December 31, 2023	**1,144,895**	**83,061**	**802,244**	**76,796**	**4,256,421**	**435,620**	**6,799,037**

(Expressed in Canadian dollars)

4. Exploration and Evaluation Assets (continued)

	Brussels Creek	Kaggot Brook	Murray Ridge	Pinchi Lake	Georgia Lake	Pocitos 1	Total
	$	$	$	$	$	$	$
Acquisition costs:							
Balance, December 31, 2021	446,500	112,500	83,061	739,648	-	-	1,381,709
Additions	150,000	-	-	-	-	1,053,974	1,203,974
Impairment	-	(112,500)	-	-	-	-	(112,500)
Balance, December 31, 2022	596,500	-	83,061	739,648	-	1,053,974	2,473,183
Exploration costs:							
Balance, December 31, 2021	173,100	-	-	43,950	-	-	217,050
Additions	374,657	16,594	-	9,964	51,378	848,184	1,300,777
Impairment	-	(16,594)	-	-	-	-	(16,594)
Balance, December 31, 2022	547,757	-	-	53,914	51,378	848,184	1,501,233
Carrying amounts:							
Balance, December 31, 2022	**1,144,257**	**-**	**83,061**	**793,562**	**51,378**	**1,902,158**	**3,974,416**

Brussels Creek Property

On February 3, 2021, the Company entered into a mineral property option assignment agreement whereby the Company has been assigned the right to acquire up to a 100% interest in the Brussels Creek property located in the Kamloops Mining District, British Columbia. The assignor assigned all of its right, title, and interest in and to the option agreement dated February 25, 2020, that it is a party to for $157,500 (paid) and 40,000 common shares of the Company (issued). The Company agreed to assume the obligations of the assignor under the option agreement subject to the optionor agreeing to accept 100,000 common shares of the Company in substitution for shares of the assignor otherwise due to be issued to the optionor under the option agreement.

On March 18, 2022, the Company entered into a mineral property acquisition agreement, replacing the option assignment agreement, whereby the Company shall acquire 100% right, title and interest in the property in consideration of Recharge paying the sum of $75,000 (paid) and issuing 125,000 common shares of the Company (issued).

The interest earned is subject to a 2% Net Smelter Royalty (“NSR”) payable to the optionor. One half of the NSR may be purchased for $1,000,000, exercisable anytime on or before the expiration of one year from the commencement of commercial production.

Kagoot Brook Property

On June 24, 2021, the Company entered into a mineral property option assignment agreement whereby the Company has been assigned the right to acquire a 75% interest in the Kagoot Brook property located in the Bathurst Mining Camp, New Brunswick. The assignor assigned all of its right, title, and interest in and to the option agreement dated May 11, 2020, that it is a party to for 50,000 common shares of the Company (issued). The Company agreed to assume the obligations of the assignor as follows: the $650,000 exploration commitment to be completed by May 10, 2023, and pay a $50,000 royalty to underlying royalty holders by January 23, 2022. The Company issued 25,000 common shares to the original optionor which extended the date. The interest earned is subject to a 2% NSR payable to the optionor.

On September 9, 2022, the Company terminated the option agreement with Kagoot Brook with an objective of focusing time and capital on the Company’s more advanced assets. As a result, the Company recorded an impairment loss of $129,095.

4. Exploration and Evaluation Assets (continued)

Murray Ridge Property

The Company has a 100% interest in 2 mineral claims located in the Omineca Mining Division, British Columbia.

Pinchi Lake Property

The Company has a 100% interest in 3 mineral claims located in the Omineca Mining Division, British Columbia.

On November 20, 2023, the Company entered into an agreement with Ranchero Gold Corp. ("Ranchero") whereby Ranchero can earn a 100% interest in the Pinchi Lake Nickel Project.

The transaction:

- The Company receiving 835,000 common shares in the capital of Ranchero within five business days of Ranchero obtaining the approval of the TSX Venture Exchange to the Agreement (received, see Note 16);

- making cash payments to the Company of $25,000 by the first anniversary date of the agreement; $2,000,000 by the second anniversary of the agreement; and $3,000,000 by the third anniversary date of the agreement; and

- funding exploration and development work on the Pinchi Lake property of a total of $1,200,000 before November 30, 2026, of which at least $40,000 is required before June 30, 2024; a further $60,000 is required before November 30, 2024; and a further $100,000 is required before November 30, 2025.

Georgia Lake West and North Lithium Properties

The Company has a 100% interest in certain claims located in the Thunder Bay Mining Division, Ontario.

Pocitos 1 Property (with Spey Resources Corp.)

On March 21, 2022, the Company entered into a mineral property option agreement with Spey Resources Corp. ("Spey") whereby the Company may acquire up to 100% undivided interest in the Pocitos 1 project located just outside of Salta, Argentina.

To earn an 80% undivided interest in the property, the Company must pay to Spey cash and share payments totalling US$1,750,000 per the following commitments:

(i) Cash payments to be made:
- US$350,000 upon execution of the agreement (paid); and
- US$500,000 on or before March 21, 2023 (paid)

(ii) Shares to be issued:
- US$400,000 upon execution of the agreement (issued 502,840 common shares, see Note 8); and
- US$500,000 on or before March 21, 2023 (issued 891,500 common shares, see Note 8).

(iii) Exploration expenditures to be incurred:
- US$250,000 on or before March 21, 2023 (met)

4. Exploration and Evaluation Assets (continued)

Pocitos 1 Property (with Spey Resources Corp.) (continued)

The Company may earn an additional 20% undivided interest in the project, for a total of 100% interest, by paying Spey an additional US$6,000,000 on or before the fifth anniversary of the option agreement. A royalty of 7.5% of the FOB price of lithium carbonated or other lithium compounds sold shall remain payable pursuant to an underlying agreement.

On August 10, 2023, the Company and Spey entered in to a full and final mutual release and terminated their mineral property option agreement on the Pocitos 1 and 2 projects, Spey returned a total of US$850,000 and 1,250,000 common shares to the Company (Note 8).

Pocitos 1 Property (with Ekeko S.A.)

In August 2023, the Company entered into a purchase agreement with property owner Ekeko S.A. ("Ekeko") to acquire 100% undivided interest in the Pocitos 1 project located within the Salar de Pocitos in Salta province, Argentina.

Terms of the Transaction

Under the terms of the Agreement, Recharge acquired a 100% ownership interest in 800-hectare Pocitos 1 Project located within the Salar de Pocitos in Salta Province, Argentina by fulfilling the following conditions:

The agreed price of US$1,200,000 (the "Price"), to be made as follows:

i. The sum of US$850,000 that will be paid on the agreement signing date. Due within 5 days after signing of the agreement (paid).

ii. The sum of US$350,000 to be placed in trust within the 30 days of the agreement signing date that will be payable at the time of issuance of the certificate of title to Pocitos 1 Project (paid); and

iii. The Company has agreed to pay for taxes payable as part of the transaction due in April 2024.

iv. There are no royalties associated with Pocitos 1 Project.

Pocitos 2 Property

On February 21, 2023, the Company entered into a mineral property option agreement with Spey whereby the Company may acquire up to a 100% undivided interest in the Pocitos 2 project located just outside of Salta, Argentina.

To earn an 100% undivided interest in the property, the Company must pay to Spey $500,000 payable in common shares of the Company within 7 days of the agreement and US$744,800 on or before June 30, 2023. The Company issued 462,963 common shares with a fair value of $500,000 in connection with this transaction (Note 8).

A royalty of 7.5% of the FOB price of lithium carbonated or other lithium compounds sold shall remain payable pursuant to an underlying agreement.

(Expressed in Canadian dollars)

4. Exploration and Evaluation Assets (continued)

Pocitos 2 Property (continued)

On August 10, 2023, the Company and Spey have entered in to a full and final mutual release and terminated their mineral property option agreement on the Pocitos 1 and 2 projects, Spey returned a total of US$850,000 and 1,250,000 common shares to the Company.

On December 19, 2023, the Company entered into a agreement to acquire the adjacent concession with property owner Ekeko to acquire 100% undivided interest in the Pocitos 2 project located within the Salar de Pocitos in Salta province, Argentina.

The terms of the acquisition are:

- US$25,000 cash payable to Ekeko on February 1, 2024; and
- US$75,000 cash payable to Ekeko after three months from the date of the purchase agreement (extended); and
- US$700,000 cash payable to Ekeko after six months from the date of the purchase agreement. (the Company has offered the vendor to pay in lieu of cash, 20% (US$140,000) in common shares of the Company at the vendor's discretion at a 10% volume-weighted average price ("VWAP") discount subject to a four-month restricted hold from the date of issuance.

5. Flow-Through Shares

On September 19, 2023, the Company closed its non-brokered private placement by issuing common shares on a flow-through basis. The Company issued 454,800 flow-through shares at a price of $0.33 for proceeds of $150,084 (Note 8).

During the year ended December 31, 2023 the Company incurred a total of $31,658 qualifying flow-through expenditures on Georgia Lake and Pinchi Lake properties.

As at December 31, 2023, the Company is committed to spending approximately $118,426 of qualifying expenditures in connections with its flow-through offering.

6. Accounts payable and accrued liabilities

	December 31, 2023 $	**December 31, 2022 $**
Accounts payable	156,579	449,285
Amounts due to related parties (Note 7)	128,465	53,436
Accrued liabilities	18,275	8,135
Total accounts payable and accrued liabilities	303,319	510,856

7. Related Party Transactions

Balances

As at December 31, 2023, $128,465 (2022 - $53,436) due to officers and directors of the Company and companies controlled by them is included in accounts payable and accrued liabilities (Note 6).

As at December 31, 2023, the Company recorded $12,750 obligation to issue shares due to an officer of the Company (2022 - $Nil) (Note 8).

These amounts are unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian dollars)

7. Related Party Transactions (continued)

Transactions

The Company has identified the CEO and President, CFO, Corporate Secretary, the COO, and the Company's directors as its key management personnel. During the year ended December 31, 2023 and 2022, the following amounts were incurred with directors and officers of the Company:

	Year ended December 31, 2023	2022
	$	$
Management fees to companies controlled by the CEO	390,000	380,000
Consulting fees to companies controlled by the CEO	-	50,000
Management fees to a company controlled by the fromer CFO	170,000	143,500
Management fees to a company controlled by the Corporate Secretary	5,000	63,500
Consulting fees to companies controlled by the COO	30,000	-
Management fees to the former CEO	-	200,000
Consuting fees to a company controlled a former director	27,261	20,329
Consuting fees to a company controlled by a director	-	30,000
Consuting fees to a company controlled by a former director	-	42,500
Share-based compensation - RSU	634,000	305,400
Share-based compensation - stock options	-	150,708
Total	**1,256,261**	**1,385,937**

8. Share Capital

Effective August 18, 2023, the Company consolidated all its issued and outstanding common shares on the basis of 1 new share for every 2 old shares (the "Consolidation"). All references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been retrospectively restated for the Consolidation, including all such numbers presented for the prior periods.

Authorized: Unlimited common shares without par value.

Issued share capital

As at December 31, 2023, there were 47,257,441 (2022 – 26,031,161) issued and fully paid common shares outstanding.

Share transactions for the year ended December 31, 2023:

(a) On September 28, 2023, the Company issued 166,667 common shares with a fair value of $63,333 pursuant to the settlement of debt of $231,804. As a result, the Company recorded a gain of $168,471 on debt settlement in the consolidated statement of operations and comprehensive loss.

(b) On September 19, 2023, the Company closed its non-brokered private placement by issuing 3,510,000 Non-Flow-Through units ("NFT") at a price of $0.25 per unit for gross proceeds of $877,500. Each NFT unit consisted of one common share and one share purchase warrant. Each NFT warrant is exercisable for one common share at a price of $0.33 per share expiring on September 19, 2024.

8. **Share Capital** (continued)

Issued share capital *(continued)*

(c) On September 19, 2023, the Company closed its non-brokered private placement by issuing 454,800 Flow-Through units ("FT") at a price of $0.33 per unit for proceeds of $150,084. Included in this issuance was 574,000 units for proceeds of $150,860 to the CEO and a company controlled by the CEO of the Company. Each FT unit consisted of one common share and one share purchase warrant. Each FT warrant is exercisable for one common share of the Company at a price of $0.35 per share expiring on September 19, 2024.

(d) On September 1, 2023, the Company closed its non-brokered private placement by issuing 5,492,696 units at a price of $0.25 per unit for gross proceeds of $1,373,174. Included in this issuance was 200,000 units for proceeds of $50,000 to the CFO of the Company. The Company also issued 2,397,304 units at a price of $0.25 per unit to settle promissory notes payable of $599,326 owing to the CEO and a company controlled by the CEO. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable for one common share of the Company at a price of $0.33 per share expiring on September 1, 2024.

(e) On August 22, 2023, 1,250,000 common shares with a fair value of $375,001 received from Spey were returned to treasury as part of the termination of Pocitos 1 and 2 agreements (Note 4).

(f) On March 20, 2023, the Company issued 891,500 common shares pursuant to the Pocitos 1 mineral property option agreement with fair value of $686,455 (Note 4).

(g) On March 3, 2023, the Company issued 462,963 common shares pursuant to the Pocitos 2 mineral property option agreement with fair value of $500,000 (Note 4).

(h) On January 4, 2023, the Company received the share subscriptions receivable of $165,000 pursuant to the prior year financing.

(i) During the year ended December 31, 2023, the Company issued 2,253,750 common shares pursuant to the settlement of restricted share units with fair market value of $1,977,200. The fair value of $1,659,450 and $317,750 for the restricted share units vested was reallocated from share-based payment reserve and shares issuable, respectively, to share capital.

(j) During the year ended December 31, 2023, the Company issued 5,721,600 common shares for proceeds of $2,146,913 pursuant to the exercise of share purchase warrants. The fair value of share purchase warrants exercised of $612,765 was transferred from warrants reserve to share capital.

(k) During the year ended December 31, 2023, the Company issued 1,125,000 common shares for proceeds of $480,000 pursuant to the exercise of stock options. The fair value of stock options exercised of $247,898 was transferred from share-based payment reserve to share capital.

Share transactions for the year ended December 31, 2022:

(l) During the year ended December 31, 2022, the Company issued 1,013,345 common shares for proceeds of $829,950 pursuant to the exercise of stock options. The fair value of $497,063 of the stock options exercised was reallocated from reserves to share capital. Included in these issuances was 127,500 common shares for proceeds of $95,921 issued to a company controlled by the CEO of the Company.

(m) During the year ended December 31, 2022, the Company issued 3,235,156 common shares pursuant to the settlement of restricted share units. The fair value of $2,206,450 for the restricted share units vested was reallocated from share-based payment reserve to share capital.

8. Share Capital (continued)

Issued share capital *(continued)*

(n) During the year ended December 31, 2022, the Company issued 2,054,583 common shares for proceeds of $653,250 pursuant to the exercise of share purchase warrants. The fair value of $160,489 of the share purchase warrants exercised was allocated from reserves to share capital. Included in these issuances was 837,083 common shares for proceeds of $69,079 issued to the former CEO of the Company and the former CEO's spouse.

(o) On December 29, 2022, the Company issued 6,624,516 units at a price of $0.60 per unit for proceeds of $3,974,710, of which $160,000 was recorded as share subscriptions receivable as at December 31, 2022. Included in this issuance was 750,000 common shares for proceeds of $450,000 issued to officers or directors of the Company. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.70 per share expiring on December 29, 2024. The fair value allocated to the warrants was $1,737,280.

(p) On June 21, 2022, the Company issued 5,722,500 units at a price of $0.18 per unit for proceeds of $1,030,050. Included in this issuance was 850,000 common shares for proceeds of $153,000 issued to officers or directors of the Company. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.30 per share expiring on June 21, 2023.The fair value allocated to the warrants was $411,230.

(q) On June 21, 2022, the Company issued 1,041,666 flow-through units at a price of $0.24 per unit for gross proceeds of $250,000. Included in this issuance was 854,166 common shares for proceeds of $205,000 issued to officers or directors of the Company. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.36 per share expiring on June 21, 2023. The fair value allocated to the warrants was $96,624. The flow-through share premium value was $34,750.

(r) On May 10, 2022, the Company issued 125,000 common shares with a fair value of $75,000 pursuant to the Brussel Creek mineral property option agreement. (Note 4).

(s) On March 24, 2022, the Company issued 502,840 common shares with a fair value of $603,408 pursuant to the Pocitos 1 mineral property option agreement. (Note 4).

(Expressed in Canadian dollars)

9. Stock Options

The following table summarizes the continuity of the Company's stock options;

	Number of options	Weighted average exercise price $
Balance, December 31, 2021	7,500	3.60
Granted	1,472,500	0.82
Expired	(105,000)	1.41
Exercised	(1,013,345)	0.82
Balance, December 31, 2022	361,655	0.73
Granted	1,825,000	0.49
Expired	(336,655)	0.71
Exercised	(1,125,000)	0.43
Balance, December 31, 2023	725,000	0.53

Additional information regarding stock options outstanding as at December 31, 2023 is as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price ($)	Expiry Date
600,000	600,000	0.385	October 12, 2024
125,000	125,000	1.20	February 7, 2025
725,000	725,000		

Exercise price $	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.385 to 1.20	725,000	0.84	0.53

During the year ended December 31, 2023, the Company recorded share-based compensation of $434,634 (2022 - $710,890) for stock options granted. Of this amount, $nil was related to officers and directors of the Company (2022 - $150,708). The weighted average grant date fair value of stock options granted during the year ended December 31, 2023 was $0.23 (2022 - $0.41) per option.

(Expressed in Canadian dollars)

9. Stock Options (continued)

The fair values for stock options granted have been estimated using the Black-Scholes option-pricing model assuming no expected dividends, no forfeitures, and the following weighted average assumptions:

	December 31, 2023	December 31, 2022
Risk-free interest rate	5.30%	3.87%
Expected life	1.1 years	1 years
Estimated volatility	130%	172%
Dividend rate	N/A	N/A

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2021	2,957,375	1.50
Issued	13,388,682	0.50
Expired	(2,957,375)	1.50
Exercised	(2,054,583)	0.32
Balance, December 31, 2022	11,334,099	0.54
Issued	11,854,800	0.33
Exercised	(5,721,600)	0.38
Balance, December 31, 2023	17,467,299	0.45

As at December 31, 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Date of expiry
7,890,000	0.33	September 1, 2024
454,800	0.35	September 19, 2024
3,510,000	0.33	September 19, 2024
5,612,499	0.70	December 29, 2024
17,467,299		

(Expressed in Canadian dollars)

11. Restricted Share Units

The following table summarizes the continuity of Restricted Share Units (“RSU’s”):

	Number of RSUs	Weighted average price $
Balance, December 31, 2021	-	-
Issued	3,671,406	0.69
Settled	(3,235,156)	0.68
Balance, December 31, 2022	436,250	0.73
Issued	5,417,500	0.58
Settled	(2,253,750)	0.88
Balance, December 31, 2023	**3,600,000**	**0.41**

During the year ended December 31, 2023, the Company issued 5,417,500 RSUs with a fair value of $3,119,450 (2022 - $2,524,200). Of this amount, $634,000 was related to officers and directors of the Company (2022 - $305,400). The Company will issue one common share for each RSU upon vesting. As at December 31, 2023, the Company had 3,600,000 shares issuable for 3,600,000 RSUs vested with a fair value of $1,460,000.

12. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

12. Financial Instruments and Risk Management (continued)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

(c) 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 market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(d) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company's has certain monetary financial instruments denominated in U.S. dollars, Australian dollars, and Argentina pesos. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

The following table indicates the impact of foreign currency exchange risk on net working capital as at December 31, 2023. The table below also provides a sensitivity analysis of a 10% strengthening of the foreign currency against functional currencies identified which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10% weakening of the foreign currency against the functional currencies would have had the equal but opposite effect as at December 31, 2023.

	December 31, 2023			December 31, 2022		
	AUD	**ARS$**	**US$**	**AUD**	**ARS$**	**US$**
Cash	-	18,663	3,840	-	-	46,509
Accounts payable and accrued liabilities	(74,620)	(6,185)	(6,911)	-	-	(274,373)
Total foreign currency financial assets and liabilities	(74,620)	12,478	(3,071)	-	-	(227,864)
Impact of a 10% strengthening or weakening of foreign exchange rate			(6,521)			(22,786)

As at December 31, 2023, a 10% change in exchange rates between US dollars ("US$"), Australia dollars (AUD), and Argentina peso ("ARS"), and Canadian dollar would impact the Company's net income (loss) by $6,521 (December 31, 2022 – $22,786).

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

(Expressed in Canadian dollars)

12. Financial Instruments and Risk Management (continued)

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

13. Capital Management

The Company's capital structure consists of cash and equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

14. Segmented Information

The Company has one operating segment, mineral exploration. Geographic information for non-current assets is as follows:

As at December 31, 2023	Canada	Argentina	Total
	$	$	$
Exploration and evaluation assets	2,106,996	4,692,041	6,799,037
Reclamation deposit	10,000	-	10,000
As at December 31, 2023	**2,116,996**	**4,692,041**	**6,809,037**

As at December 31, 2022	Canada	Argentina	Total
	$	$	$
Exploration and evaluation assets	2,072,258	1,902,158	3,974,416
Reclamation deposit	10,000	-	10,000
As at December 31, 2022	2,082,258	1,902,158	3,984,416

(Expressed in Canadian dollars)

15. Income Taxes

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. The components of these differences are as follows:

	2023 $	2022 $
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(2,688,141)	(1,723,909)
Tax effect of:		
Permanent differences and other	884,149	166,709
True up of prior year difference	(345,931)	–
Change in unrecognized deferred tax assets	2,149,923	1,557,200
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2023 $	2022 $
Deferred income tax assets:		
Non-capital losses carried forward	4,496,927	3,500,408
Resource pools	2,013,753	858,172
Share issuance costs	4,353	6,530
Unrecognized deferred income tax assets	(6,515,033)	(4,365,110)
Net deferred income tax asset	–	–

As at December 31, 2022, the Company has Canadian non-capital losses carried forward of $16,655,165 which are available to offset future years' taxable income. These losses expire as follows:

	$
2030	50,623
2031	149,010
2032	77,340
2033	84,194
2034	81,988
2035	77,376
2036	435,335
2037	2,663,530
2038	1,033,209
2039	311,274
2040	418,572
2041	1,867,799
2042	3,035,389
2043	6,369,645
	16,655,284

The Company also has available mineral resource related expenditure pools totalling $9,963,097, which may be deducted against future taxable income on a discretionary basis.

16. Subsequent Events

(a) In January 2024, the Company issued 3,600,000 common shares pursuant to the settlement of restricted share units.

(b) On January 16, 2024, the Company granted 100,000 stock options exercisable at $0.40 per common share expiring on January 16, 2025 to an officer of the Company.

(c) On January 16, 2024, the Company issued 150,000 restricted share units.

(d) On February 16, 2024, the Company paid the US$25,000 Pocitos 2 mineral property option payment (Note 4).

(e) On March 12, 2024, the Company received 835,000 common shares of Ranchero as per the Pinchi Lake Property option agreement (Note 4).