



RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Financial Statements

Periods Ended March 31, 2022 and 2021

(Expressed in Canadian dollars)

NOTICE OF NON AUDITOR'S REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements for Recharge Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, Saturna Group Chartered Professional Accountants LLP, has not performed an audit of these condensed interim consolidated financial statements.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	March 31, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Cash	421,029	1,388,372
GST receivable	80,661	73,732
Prepaid expenses	312,480	5,000
Total current assets	814,170	1,467,104
Non-current assets		
Exploration and evaluation assets (Note 4)	2,737,281	1,598,759
Reclamation deposit	10,000	–
Total assets	3,561,451	3,065,863
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	8,812	40,854
Flow-through share premium liability (Note 6)	97,324	97,324
Total current liabilities	106,136	138,178
Shareholders' equity (deficit)		
Share capital (Note 6)	12,592,298	11,562,555
Share-based payment reserve (Note 7 and 9)	652,905	596,861
Share subscriptions receivable (Note 6)	–	(5,000)
Warrants reserve (Note 8)	2,807,034	2,807,034
Deficit	(12,596,922)	(12,033,765)
Total shareholders' equity (deficit)	3,455,315	2,927,685
Total liabilities and shareholders' equity (deficit)	3,561,451	3,065,863

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

Approved and authorized for issuance by the Board of Directors on May 30, 2022:

/s/ "David Greenway"

David Greenway, Director

/s/ "Andrew Mugridge"

Andrew Mugridge, Director

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

RECHARGE RESOURCES LTD.

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Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	For the periods ended	
	March 31, 2022	March 31, 2021
	\$	\$
Expenses		
Consulting fees	10,500	60,375
General and administrative	4,107	5,489
Investor relations	158,817	250,000
Management fees (Note 5)	82,500	22,500
Professional fees	13,105	4,668
Share-based compensation (Note 7)	287,381	–
Transfer agent and filing fees	12,245	8,794
Travel	278	389
Total expenses	568,933	352,215
Other income (expense)		
Foreign exchange gain (loss)	5,774	–
Total other income (expense)		
Net loss and comprehensive loss	(563,159)	(352,215)
Basic and diluted loss per share	(0.05)	(0.12)
Weighted average shares outstanding	11,524,728	2,964,362

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

RECHARGE RESOURCES LTD.

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Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

	Share capital		Reserves	Share subscriptions received/ (receivable)	Deficit	Total shareholders' equity (deficit)
	Number	Amount \$				
Balance, December 31, 2020	2,964,362	7,583,205	2,279,652	–	(10,241,766)	(378,909)
Share subscriptions received	–	230,000	–	230,000	–	230,000
Net loss for the period	–	–	–	–	(352,215)	(352,215)
Balance, March 31, 2021	–	–	2,279,652	230,000	(10,593,981)	(10,593,981)
Balance, December 31, 2021	11,423,112	11,562,555	3,403,895	(5,000)	(12,033,765)	2,927,685
Shares issued for private placement	–	–	–	5,000	–	5,000
Shares issued for mineral properties	1,005,680	603,408	–	–	–	603,408
Shares issued for options exercised	300,000	286,336	(91,336)	–	–	195,000
Shares issued for restricted share units vested	200,000	140,000	(140,000)	–	–	–
Fair value of stock options granted	–	–	287,381	–	–	287,381
Net loss for the period	–	–	–	–	(563,159)	(563,159)
Balance, March 31, 2022	12,928,792	12,592,299	3,459,940	–	(12,596,924)	3,455,315

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

RECHARGE RESOURCES LTD.

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Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the periods ended	
	March 31, 2022	March 31, 2022
	\$	\$
Operating activities		
Net loss	(563,159)	(352,215)
Items not involving cash:		
Share-based compensation	287,381	–
Changes in non-cash working capital items:		
GST receivable	(6,929)	(14,661)
Prepaid expenses	(307,480)	(3,775)
Accounts payable and accrued liabilities	(32,042)	241,812
Net cash used in operating activities	(622,229)	(128,839)
Investing activities		
Exploration and evaluation asset expenditures	(545,114)	–
Net cash used in investing activities	(545,114)	–
Financing activities		
Proceeds from subscriptions received in advance	–	230,000
Proceeds from issuance of common shares	200,000	–
Net cash provided by financing activities	200,000	230,000
Change in cash	(967,343)	101,161
Cash, beginning of year	1,388,372	582
Cash, end of year	421,029	101,743
Non-cash investing and financing activities:		
Shares issued pursuant to mineral property option agreements	603,408	–

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended March 31, 2022

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Recharge Resources Ltd. (formerly Le Mare Gold Corp.) (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 600, 535 Howe Street, Vancouver, BC, V6Z 2Z4.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

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 period ended March 31, 2022, the Company has not generated any revenue and incurred negative cash flow from operations. As at March 31, 2022, the Company has a working capital of \$708,033 and an accumulated deficit of \$12,596,922. 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.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements of the Company should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

(b) Basis of Presentation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Battmetals Resources Ltd.. All significant inter-company balances and transactions have been eliminated on consolidation. These condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(c) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2022, and have not been early adopted in preparing these condensed interim 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.

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Years ended March 31, 2022

(Expressed in Canadian dollars)

3. Acquisition of Battmetals Resources Corp.

On July 28, 2021, the Company completed a share purchase agreement with Battmetals Resources Corp. ("Battmetals") and the shareholders of Battmetals (collectively, the "Vendors"), pursuant to which the Company acquired 100% of the issued and outstanding shares of Battmetals from the Vendors for consideration of 570,000 common shares of the Company.

The acquisition of the Battmetals shares has been accounted for as an asset acquisition as, at the time of the transaction, Battmetals did not meet the definition of a business. The consideration paid has been allocated to the exploration and evaluations assets as at the date of acquisition. The purchase price of the acquisition has been allocated as follows:

Purchase price	\$
Fair value of common shares issued to the Vendors	969,000
Net assets acquired	\$
Cash	135,791
Prepaid expenses	10,500
Exploration and evaluation assets	822,709
	969,000

4. Exploration and Evaluation Assets

	Brussels Creek \$	Kagoot Brook \$	Murray Ridge \$	Pinchi Lake \$	Pocitos 1 \$	Total \$
Acquisition costs:						
Balance, December 31, 2021	446,500	112,500	83,061	739,648	–	1,381,709
Additions	446,500	112,500	–	–	1,053,974	559,000
Battmetals acquisition	–	–	83,061	739,648	–	822,709
Balance, March 31, 2022	446,500	112,500	83,061	739,648	1,053,974	1,381,709
Exploration costs:						
Balance, December 31, 2021	173,100	–	–	43,950	–	217,050
Additions	173,100	–	–	43,950	–	217,050
Balance, March 31, 2022	173,100	–	–	43,950	–	217,050
Carrying amounts:						
Balance, December 31, 2021	619,600	112,500	83,061	783,598	–	1,598,759
Balance, March 31, 2022	619,600	112,500	83,061	783,598	1,053,974	1,598,759

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Years ended March 31, 2022

(Expressed in Canadian dollars)

4. Exploration and Evaluation Assets (continued)

Brussels Creek Property

On February 3, 2021, the Company entered into a mineral 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 80,000 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 200,000 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 250,000 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 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 1,000,000 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 50,000 common shares to the original optionor which extended the date.

The interest earned is subject to a 2% NSR payable to the optionor.

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.

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

On March 21, 2022, the Company entered into an option agreement with Spey Resources Corp. (“Spey”) whereby the Company may acquire up to 100% undivided interest in the Pocitos 1 project, an 800-hectare lithium brine 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:

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4. Exploration and Evaluation Assets (continued)

(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

(ii) Shares to be issued:

- US\$400,000 upon execution of the agreement (issued); and
- US\$500,000 on or before March 21, 2023

(iii) Exploration expenditures to be incurred:

- US\$250,000 on or before March 21, 2023

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 on the Project shall remain payable pursuant to an underlying agreement.

5. Related Party Transactions

- (a) As at March 31, 2022, the amount of \$14,746 (December 31, 2021 – \$11,560) is due from the former CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2022, the Company incurred management fees of \$60,000 (2021 - \$nil) to the former CEO of the Company.
- (b) As at March 31, 2022, the amount of \$5,250 (December 31, 2021 - \$5,250) is owed to a company controlled by the Chief Financial Officer (“CFO”) of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2022, the Company incurred management fees of \$15,000 (2021 - \$15,000) to a company controlled by the CFO of the Company.
- (c) As at March 31, 2022, the amount of \$nil (December 31, 2021 - \$2,957) is owed to the CFO of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (d) As at March 31, 2022, the amount of \$nil (December 31, 2021 - \$2,625) is owed to a company controlled by the Corporate Secretary of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2022, the Company incurred management fees of \$7,500 (2021 - \$7,500) to a company controlled by the Corporate Secretary of the Company.
- (e) As at March 31, 2022, the amount of \$nil (December 31, 2021 - \$2,100) is owed to a director of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2022, the Company incurred consulting fees of \$6,000 (2021 - \$7,875) to a director of the Company.

6. Share Capital

Authorized: Unlimited common shares without par value.

On May 26, the Company consolidated its outstanding common shares on a 10:1 basis. All share amounts have been retroactively restated.

Share transactions for the period ended March 31, 2022:

- (a) On March 24, 2022, the Company issued 1,005,680 common shares with a fair value of \$603,408 pursuant to the terms of the option agreement for the Pocitos 1 Project.

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6. Share Capital (continued)

- (b) On March 29, 2022, the Company issued 200,000 common shares pursuant to the settlement of restricted share units. The fair value of \$140,000 for the restricted share units vested was reallocated from reserves to share capital.
- (c) During the period ended March 31, 2022, the Company issued 300,000 common shares for proceeds of \$195,000 pursuant to the exercise of stock options. The fair value of \$91,336 for the stock options was reallocated from reserves to share capital.

Share transactions for the year ended December 31, 2021:

- (a) On April 22, 2021, the Company issued 6,408,750 units at a price of \$0.50 per unit for proceeds of \$3,204,375. 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 \$0.75 per share expiring on April 23, 2022. The Company issued 76,000 finders' warrants in connection with this private placement with a fair value of \$40,309. Each finder's warrant is exercisable at \$0.75 per common share expiring on April 23, 2022.
- (b) On April 22, 2021, the Company issued 580,000 flow-through common shares at a price of \$0.50 per share for proceeds of \$290,000. The Company recorded \$97,324 of flow-through share premium.
- (c) On April 22, 2021, the Company issued 180,000 common shares with a fair value of \$189,000 pursuant to the terms of the option agreement for the Brussels Creek Property. Refer to Note 4.
- (d) On August 16, 2021, the Company issued 570,000 shares with a fair value of \$969,000 for the acquisition of 100% of the issued and outstanding shares of Battmetals. Refer to Note 3.
- (e) On August 20, 2021, the Company issued 150,000 shares with a fair value of \$112,500 pursuant to the Kagoot Brook mineral property option agreement. Refer to Note 4.
- (f) During the year ended December 31, 2021, the Company issued 570,000 common shares for proceeds of \$427,500 pursuant to the exercise of share purchase warrants.

7. Stock Options

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

	Number of options	Weighted average exercise price \$
Balance, December 31, 2020 and 2019	–	–
Granted	15,000	1.80
Balance, December 31, 2021	15,000	1.80
Granted	500,000	0.65
Exercised	(300,000)	0.65
Balance, March 31, 2022	215,000	0.73

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Additional information regarding stock options outstanding as at March 31, 2022, is as follows:

Number of options outstanding	Exercise price \$	Expiry date
15,000	1.80	May 3, 2022
<u>200,000</u>	0.65	March 30, 2023
215,000		

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2019	1,238,022	3.00
Expired	<u>(638,022)</u>	2.00
Balance, December 31, 2020	600,000	4.00
Issued	6,484,750	0.75
Expired	<u>(600,000)</u>	4.00
Exercised	<u>(570,000)</u>	0.75
Balance, December 31, 2021 and March 31, 2022	5,914,750	0.75

As at March 31, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
5,914,750	0.75	April 22, 2022

9. Restricted Share Units

The following table summarizes the continuity of restricted share units (RSUs):

	Number of RSUs	Weighted average exercise price \$
Balance, December 31, 2020 and 2021	-	-
Granted	200,000	0.70
Vested	<u>(200,000)</u>	0.70
Balance, March 31, 2022	-	-

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10. 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, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(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.

10. Financial Instruments and Risk Management (continued)

(d) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(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.

(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.

11. 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

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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 are 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 interests 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.

12. Subsequent Events

- (a) On April 11, 2022, the Company granted 175,000 stock options exercisable at \$0.60 per common share to consultants.
- (b) On May 26, the Company consolidated its outstanding common shares on a 10:1 basis. All share amounts have been retroactively restated.
- (c) Subsequent to March 31, 2022, the Company issued 570,000 common shares for proceeds of \$427,500 pursuant to the exercise of share purchase warrants.
- (d) Subsequent to March 31, 2022, the Company issued 180,000 common shares for proceeds of \$114,250 pursuant to the exercise of stock options.
- (e) Subsequent to March 31, 2022, the Company granted 56,000 RSUs to consultants. The Company issued 56,000 common shares pursuant to the vesting of RSUs.