



RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Financial Statements

Periods Ended September 30, 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)

(unaudited)

	September 30, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Cash	528,587	1,388,372
GST receivable	113,059	73,732
Prepaid expenses	72,055	5,000
Total current assets	713,701	1,467,104
Non-current assets		
Exploration and evaluation assets (Note 4)	2,936,181	1,598,759
Reclamation deposit	10,000	–
Total non-current assets	2,946,181	1,598,759
Total assets	3,659,882	3,065,863
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	145,438	40,854
Flow-through share premium liability (Note 6)	97,324	97,324
Total current liabilities	242,762	138,178
Shareholders' equity (deficit)		
Share capital (Note 6)	14,974,008	11,562,555
Share-based payment reserve (Note 7 and 9)	854,355	596,861
Share subscriptions receivable (Note 6)	–	(5,000)
Warrants reserve (Note 8)	3,315,605	2,807,034
Deficit	(15,726,848)	(12,033,765)
Total shareholders' equity (deficit)	3,417,120	2,927,685
Total liabilities and shareholders' equity (deficit)	3,659,882	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 November 25, 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.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

(unaudited)

	Three months ended September 30, 2022 \$	Three months ended September 30, 2021 \$	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Expenses				
Consulting fees	14,500	346,942	74,700	415,317
Exploration expenses write-down (Note 4)	129,095	–	129,095	–
General and administrative	2,831	13,052	30,249	32,432
Investor relations	97,799	231,349	901,307	892,535
Management fees (Note 5)	327,500	82,500	549,500	127,500
Professional fees	2,737	30,761	31,438	42,843
Share-based compensation (Note 7)	1,541,300	–	1,909,810	8,541
Transfer agent and filing fees	30,052	9,621	54,460	47,896
Travel	1,497	1,236	15,416	2,204
Total expenses	2,147,311	715,461	3,695,975	1,569,268
Loss before other income (expense)	(2,147,311)	(715,461)	(3,695,975)	(1,569,268)
Other income (expense)				
Foreign exchange gain (loss)	(2,868)	–	2,892	–
Interest expense	–	–	–	(7,000)
Write-off of accounts payable	–	–	–	4,970
Total other income (expense)	(2,868)	–	2,892	(2,030)
Net loss and comprehensive loss	(2,150,179)	(715,462)	(3,693,083)	(1,571,298)
Basic and diluted loss per share	(0.07)	(0.07)	(0.20)	(0.21)
Weighted average shares outstanding	30,448,479	10,306,298	18,444,695	7,365,273

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

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

(Expressed in Canadian dollars)

(unaudited)

	Share capital		Share-based payments reserve \$	Warrants reserve \$	Share subscriptions receivable \$	Deficit \$	Total shareholder's equity (deficit) \$
	Number	Amount \$					
Balance, December 31, 2020	2,964,362	7,583,205	588,320	1,691,332	–	(10,241,766)	(378,909)
Shares issued for private placement	6,988,750	2,418,982	–	1,075,393	(5,000)	–	3,489,375
Fair value of finder's warrants	–	(40,309)	–	40,309	–	–	–
Shares issued for exploration and evaluation assets	330,000	301,500	–	–	–	–	301,500
Fair value of shares issued to acquire Battmetals Resources Ltd.	570,000	969,000	–	–	–	–	969,000
Fair value of stock options granted	–	–	8,541	–	–	–	8,541
Shares issued for warrants exercised	570,000	427,500	–	–	–	–	427,500
Net loss for the period	–	–	–	–	–	(1,571,298)	(1,571,298)
Balance, September 30, 2021	11,423,112	11,659,878	596,861	2,807,034	(5,000)	(11,813,064)	3,245,709
Balance, December 31, 2021	11,423,112	11,562,555	596,861	2,807,034	(5,000)	(12,033,765)	2,927,685
Shares issued for private placement	13,528,332	771,479	–	508,571	5,000	–	1,285,050
Shares issued for exploration and evaluation assets	1,255,680	678,408	–	–	–	–	678,408
Shares issued for options exercised	480,000	451,216	(141,966)	–	–	–	309,250
Shares issued for restricted share units vested	5,125,312	1,510,350	(1,510,350)	–	–	–	–
Restricted share units granted	–	–	1,712,100	–	–	–	1,712,100
Fair value of stock options granted	–	–	197,710	–	–	–	197,710
Net loss for the period	–	–	–	–	–	(3,693,083)	(3,693,083)
Balance, September 30, 2022	31,812,436	14,974,008	854,355	3,315,605	–	(15,726,848)	3,417,120

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(unaudited)

	Nine months ended September 30, 2022 \$	Nine months ended September 30, 2021 \$
Operating activities		
Net loss	(3,693,083)	(1,571,298)
Items not involving cash:		
Exploration expenditure write-down	129,095	–
Share-based compensation	1,909,810	8,541
Changes in non-cash working capital items:		
GST receivable	(39,327)	(60,551)
Prepaid expenses	(67,055)	(24,976)
Accounts payable and accrued liabilities	104,584	(158,138)
Net cash used in operating activities	(1,655,976)	(1,806,422)
Investing activities		
Exploration and evaluation asset expenditures	(788,109)	(263,993)
Reclamation deposit	(10,000)	–
Cash acquired from Battmetals Resources Ltd.	–	135,791
Net cash used in investing activities	(798,109)	(128,202)
Financing activities		
Repayment of loans payable	–	(229,369)
Proceeds from issuance of common shares	1,594,300	3,916,875
Net cash provided by financing activities	1,594,300	3,687,506
Change in cash	(859,785)	1,752,882
Cash, beginning of period	1,388,372	582
Cash, end of period	528,587	1,753,464
Non-cash investing and financing activities:		
Fair value of warrants issued in private placement recorded in warrant reserve	508,571	1,075,393
Fair value of warrants issued as finders' fees	–	40,309
Shares issued pursuant to mineral property option agreements	678,408	301,500
Shares issued for acquisition of Battmetals Resources Ltd.	–	969,000
Prepaid expenses acquired from Battmetals Resources Ltd.	–	10,500
Exploration and evaluation assets acquired from Battmetals Resources Ltd.	–	822,709
Fair value of stock options transferred from reserves to share capital upon exercise	141,966	–
Shares issued for restricted share units transferred from reserves	1,510,350	–
Supplemental disclosures:		
Interest paid	–	47,903
Income taxes paid	–	–

(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 September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

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 September 30, 2022, the Company has not generated any revenue and incurred negative cash flow from operations. As at September 30, 2022, the Company has a working capital of \$470,939 and an accumulated deficit of \$15,597,753. 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 condensed interim 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 September 30, 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.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

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	150,000	–	–	–	1,053,974	1,203,974
Impairment	–	(112,500)	–	–	–	(112,500)
Balance, September 30, 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	4,000	16,594	–	9,964	231,985	262,543
Impairment	–	(16,594)	–	–	–	(16,594)
Balance, September 30, 2022	177,100	–	–	53,914	231,985	462,998
Carrying amounts:						
Balance, December 31, 2021	619,600	112,500	83,061	783,598	–	1,598,759
Balance, September 30, 2022	773,600	–	83,061	793,562	1,285,958	2,936,181

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

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 100,000 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.

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 \$129,094.

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.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

4. Exploration and Evaluation Assets (continued)

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:

- (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 September 30, 2022, the amount of \$99,750 (December 31, 2021 – \$nil) is owed to a company controlled by the CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended September 30, 2022, the Company incurred management fees of \$200,000 (2021 - \$nil) to a company controlled by the CEO of the Company.
- (b) As at September 30, 2022, the amount of \$15,750 (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 September 30, 2022, the Company incurred management fees of \$93,500 (2021 - \$45,000) to a company controlled by the CFO of the Company.
- (c) As at September 30, 2022, the amount of \$6,619 (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 September 30, 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 September 30, 2022, the Company incurred management fees of \$36,000 (2021 - \$22,500) to a company controlled by the Corporate Secretary of the Company.
- (e) During the period ended September 30, 2022, the Company incurred consulting fees of \$10,000 (2021 - \$nil) to a company controlled by a director of the Company.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

5. Related Party Transactions (continued)

- (f) As at September 30, 2022, the amount of \$9,390 (December 31, 2021 – due \$11,560) is owed to the former CEO 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 September 30, 2022, the Company incurred management fees of \$220,000 (2021 - \$nil) to the former CEO of the Company.
- (g) As at September 30, 2022, the amount of \$nil (December 31, 2021 - \$2,100) is owed to a company controlled by a former 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 September 30, 2022, the Company incurred consulting fees of \$31,500 (2021 - \$6,000) to a company controlled by a former director of the Company.

6. Share Capital

Authorized: Unlimited common shares without par value.

On May 26, 2022, 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 September 30, 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.
- (b) On May 10, 2022, the Company issued 250,000 common shares with a fair value of \$75,000 pursuant to the terms of the option agreement for the Brussels Creek Project.
- (c) On June 21, 2022, the Company issued 11,445,000 units at a price of \$0.09 per unit for proceeds of \$1,030,050. 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 \$0.15 per share expiring on June 1, 2023.
- (d) On June 21, 2022, the Company issued 2,083,333 flow-through units at a price of \$0.12 per unit for proceeds of \$249,999.84. 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 \$0.18 per share expiring on June 1, 2023.
- (e) During the period ended September 30, 2022, the Company issued 480,000 common shares for proceeds of \$451,216 pursuant to the exercise of stock options. The fair value of \$141,966 for the stock options was reallocated from reserves to share capital.
- (f) During the period ended September 30, 2022, the Company issued 5,125,312 common shares pursuant to the settlement of restricted share units. The fair value of \$1,510,350 for the restricted share units vested 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.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

6. Share Capital (continued)

- (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	–	–
Granted	15,000	1.80
Balance, December 31, 2021	15,000	1.80
Granted	675,000	0.64
Expired	(210,000)	0.70
Exercised	(480,000)	0.64
Balance, September 30, 2022	–	–

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2020	600,000	4.00
Issued	6,484,750	0.75
Expired	(600,000)	4.00
Exercised	(570,000)	0.75
Balance, December 31, 2021	5,914,750	0.75
Issued	13,528,332	0.155
Expired	(5,914,750)	0.75
Balance, September 30, 2022	13,528,332	0.155

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

8. Share Purchase Warrants (continued)

As at September 30, 2022, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
11,445,000	0.15	June 21, 2023
<u>2,083,332</u>	0.18	June 21, 2023
13,528,332		

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	5,797,812	0.30
Vested	<u>(5,125,312)</u>	<u>0.27</u>
Balance, September 30, 2022	<u>672,500</u>	<u>0.30</u>

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.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2022

(Expressed in Canadian dollars)

(unaudited)

10. Financial Instruments and Risk Management (continued)

(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 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 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) Subsequent to September 30, 2022, the Company granted 1,545,000 RSUs to consultants. The Company issued 1,345,000 common shares pursuant to the vesting of RSUs.
- (b) Subsequent to September 30, 2022, the Company granted 1,650,000 stock options to consultants. The Company issued 765,000 common shares pursuant to exercise of stock options.