



RECHARGE RESOURCES LTD.

Condensed Interim Consolidated Financial Statements

Periods Ended March 31, 2023 and 2022

(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 condensed interim consolidated 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.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	March 31, 2023 \$	December 31, 2022 \$
Assets			
Current assets			
Cash		777,650	2,280,254
GST receivable		194,862	184,706
Prepaid expenses and deposits	3	991,712	1,077,776
Total current assets		1,964,224	3,542,736
Non-current assets			
Exploration and evaluation assets	4	5,975,866	3,974,416
Reclamation deposit		10,000	10,000
Total non-current assets		5,985,866	3,984,416
Total assets		7,950,090	7,527,152
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	5	169,820	510,856
Flow-through share premium liability		34,570	34,570
Total current liabilities		204,390	545,426
Shareholder's equity			
Share capital	7	23,934,704	19,563,220
Share-based payment reserve	7,8	863,155	810,689
Warrants reserve	7.9	4,310,414	4,891,679
Share subscriptions receivable	7	-	(165,000)
Shares issuable	10	1,502,250	317,750
Deficit		(22,864,823)	(18,436,612)
Total shareholders' equity		7,745,700	6,981,726
Total liabilities and shareholders' equity		7,950,090	7,527,152

Nature and continuance of operations (Note 1)
Subsequent event (Note 14)

Approved and authorized for issuance by the Board of Directors on May 30, 2023:

/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.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

		For the three months ended	
		March 31,	March 31,
		2023	2022
	Notes	\$	\$
Expenses			
Consulting fee	6	167,189	10,500
General and administrative		4,358	4,107
Market awareness		2,342,131	158,817
Management fees	6	95,000	82,500
Professional fees		24,111	13,105
Share-based compensation	7,8,10	1,752,568	287,381
Transfer agent and filing fees		19,356	12,245
Travel		21,797	278
Total expenses		4,426,510	568,933
Loss before other expense		(4,426,510)	(568,933)
Other expense			
Flow-through share premium		(2,105)	-
Foreign exchange gain (loss)		405	(5,774)
Total other expense		(1,700)	(5,774)
Net loss and comprehensive loss		(4,428,210)	(563,159)
Basic and diluted loss per share		(0.08)	(0.05)
Weighted average shares outstanding		58,823,303	11,524,728

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

RECHARGE RESOURCES LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)
(unaudited)

	Share Capital		Share-based payment reserve	Warrants reserve	Share subscription receivable	Shares issuable	Deficit	Total shareholder's equity (deficit)
	Number of shares	Amount \$						
Balance, December 31, 2021	11,423,112	11,562,555	3,403,895	2,807,034	(5,000)	-	(12,033,765)	2,927,685
Share issued for cash	-	-	-	-	5,000	-	-	5,000
Shares issued for exploration and evaluation assets	1,005,680	603,408	-	-	-	-	-	603,408
Fair value of stock options granted	-	-	287,381	-	-	-	-	287,381
Shares issuable for restricted share units vested	200,000	140,000	(140,000)	-	-	-	-	-
Shares issued for warrants exercised	300,000	286,336	(91,336)	-	-	-	-	195,000
Net loss for the period	-	-	-	-	-	-	(563,159)	(563,159)
Balance, March 31, 2022	12,928,792	12,592,299	3,459,940	2,807,034	-	-	(12,596,924)	3,455,315
Balance, December 31, 2022	52,062,323	19,563,220	810,689	4,891,679	(165,000)	317,750	(18,436,612)	6,981,726
Share issued for cash	-	-	-	-	165,000	-	-	165,000
Shares issued for exploration and evaluation assets	2,708,926	1,186,455	-	-	-	-	-	1,186,455
Fair value of stock options granted	-	-	106,118	-	-	-	-	106,118
Shares issued for option exercised	250,000	148,652	(53,652)	-	-	-	-	95,000
Shares issuable for restricted share units vested	1,157,500	461,950	-	-	-	1,184,500	-	1,646,450
Shares issued for warrants exercised	10,589,033	2,574,427	-	(581,265)	-	-	-	1,993,162
Net loss for the period	-	-	-	-	-	-	(4,428,211)	(4,428,211)
Balance, March 31, 2023	66,767,782	23,934,704	863,155	4,310,414	-	1,502,250	(22,864,823)	7,745,700

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

RECHARGE RESOURCES LTD.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

	For the period ended	
	March 31, 2023	March 31, 2022
	\$	\$
Operating activities		
Net loss	(4,428,210)	(563,159)
Items not involving cash:		
Share-based compensation	1,752,568	287,381
Changes in non-cash working capital items:		
GST receivable	(10,156)	(6,929)
Prepaid expenses and deposits	86,064	(307,480)
Account payable and accrued liabilities	(341,037)	(32,042)
Net cash used in operating activities	(2,940,771)	(622,229)
Investing activities		
Exploration and evaluation asset expenditures	(814,995)	(545,114)
Net cash used in investing activities	(814,995)	(545,114)
Financing activities		
Subscriptions received	165,000	-
Proceeds from issuance of common shares	-	200,000
Proceeds from issuance of stock options exercised	95,000	-
Proceeds from issuance of warrants exercised	1,993,162	-
Net cash provided by financing activities	2,253,162	200,000
Change in cash	(1,502,604)	(967,343)
Cash, beginning of period	2,280,254	1,388,372
Cash, end of period	777,650	421,029
Non-cash investing and financing activities:		
Fair value of warrants issued	581,265	-
Fair value of stock options exercised	53,652	-
Shares issued pursuant to mineral property option agreements	1,186,455	603,408

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

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended March 31, 2023
(Expressed in Canadian dollars)
(unaudited)

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 700, 838 West Hastings Street, Vancouver, BC, V6C 0A6.

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 condensed interim 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, 2023, the Company has not generated any revenue and incurred negative cash flow from operations. As at March 31, 2023, the Company has a working capital of \$1,759,834 and an accumulated deficit of \$22,864,822. 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.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
 Period Ended March 31, 2023
 (Expressed in Canadian dollars)
 (unaudited)

2. Significant Accounting Policies (continued)

(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, 2023, 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 condensed interim consolidated financial statements.

3. Prepaid Expenses and Deposits

	March 31, 2023	December 31, 2022
	\$	\$
Investor relations	943,302	1,055,787
Retainer payment for services	47,489	21,989
Other	921	-
	<u>991,712</u>	<u>1,077,776</u>

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	-	-	-	-	1,375,128	500,000	1,875,128
Balance, March 31, 2023	<u>596,500</u>	<u>83,061</u>	<u>739,648</u>	<u>-</u>	<u>2,429,102</u>	<u>500,000</u>	<u>4,348,311</u>
Exploration costs:							
Balance, December 31, 2022	547,757	-	53,914	51,378	451,025	-	1,104,074
Additions	-	-	-	2,441	521,040	-	523,481
Balance, March 31, 2023	<u>547,757</u>	<u>-</u>	<u>53,914</u>	<u>53,819</u>	<u>972,065</u>	<u>-</u>	<u>1,627,555</u>
Carrying amounts:							
Balance, December 31, 2022	1,144,257	83,061	793,562	51,378	1,504,999	-	3,577,257
Balance March 31, 2023	<u>1,144,257</u>	<u>83,061</u>	<u>793,562</u>	<u>53,819</u>	<u>3,401,167</u>	<u>500,000</u>	<u>5,975,866</u>

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
 Period Ended March 31, 2023
 (Expressed in Canadian dollars)
 (unaudited)

4. Exploration and Evaluation Assets (continued)

	Brussels Creek	Kagoot Brook	Murray Ridge	Pinchi Lake	Total
	\$	\$	\$	\$	\$
Acquisition costs:					
Balance, December 31, 2021	446,500	112,500	83,061	739,648	1,381,709
Balance, March 31, 2022	446,500	112,500	83,061	739,648	1,381,709
Exploration costs:					
Balance, December 31, 2021	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	1,598,759

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 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 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 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.

RECHARGE RESOURCES LTD.

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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.

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

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); 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 (met)

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.

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 CAD \$500,000 payable in common shares of the Company within 7 days of the agreement (Note 7) and US\$744,800 on or before June 30, 2023.

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.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended March 31, 2023
(Expressed in Canadian dollars)
(unaudited)

5. Accounts payable and accrued liabilities

	March 31, 2023 \$	December 31, 2022 \$
Accounts payable	116,662	449,285
Amounts due to related parties (Note 6)	31,168	53,436
Accrued liabilities	21,990	8,135
Total accounts payable and accrued liabilities	169,820	510,856

6. Related Party Transactions

Balances

As at March 31, 2023, \$31,168 (December 31, 2022 - \$53,436) is due to related parties and is included in trade payables and accrued liabilities (Note 6). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions

The Company has identified the CEO and President, CFO, Corporate secretary, and the Company's directors as its key management personnel. During the three-months ended March 31, 2023 and 2022 the following amounts were incurred with directors and officers of the Company:

	Three Months ended March 31,	
	2023 \$	2022 \$
Director fees	-	6,000
Management fees to CEO	60,000	-
Management fees to former CEO	-	60,000
Management fees to CFO	30,000	15,000
Management fees to corporate secretary	5,000	7,500
Total	95,000	88,500

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

7. Share Capital

Authorized: Unlimited common shares without par value.

Issued share capital

At March 31, 2023, there were 66,767,782 (December 31, 2022 – 52,627,323) issued and fully paid common shares.

Share transactions for the period ended March 31, 2023:

- (a) During the period ended March 31, 2023, the Company issued 1,157,500 common shares pursuant to the settlement of restricted share units with fair market value of \$461,951.
- (b) During the period ended March 31, 2023, the Company issued 10,589,033 common shares for proceeds of \$1,993,162 pursuant to the exercise of share purchase warrants.
- (c) On March 20, 2023, the Company issued 1,783,000 common shares pursuant to the Pocitos 1 mineral property option agreement with fair market value of \$686,455 (Note 4).
- (d) On March 8, 2023, the Company issued 250,000 common shares for proceeds of \$95,000 pursuant to the exercise of stock options.
- (e) On March 3, 2023, the Company issued 925,926 common shares pursuant to the Pocitos 2 mineral property option agreement with fair market value of \$500,000 (Note 4).
- (f) On January 4, 2023, the Company received the share subscriptions receivable of \$165,000.

8. Stock Options

On February 7, 2023, the Company granted 250,000 stock options exercisable at \$0.60 per common share expiring on February 7, 2025 to an advisory board member.

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

	Number of options	Weighted average exercise price \$
Balance, December 31, 2022	723,310	0.37
Granted	250,000	0.60
Exercised	250,000	0.38
Balance, March 31, 2023	723,310	0.34

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

8. Stock Options (continued)

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

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
135,000	135,000	0.38	November 16, 2023
3,310	3,310	0.36	December 8, 2023
335,000	335,000	0.35	December 28, 2023
250,000	250,000	0.60	February 7, 2025
723,310	723,310		

Outstanding and exercisable

Exercise price \$	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.35 to 0.60	723,310	1.27	0.44

During the period ended March 31, 2023, the Company recorded share-based compensation of \$106,118 (period ended March 31, 2022 - \$147,381) for stock options. Of this amount, \$Nil was related to officers and directors of the Company (period ended March 31, 2022 - \$63,314). The weighted average grant date fair value of stock options granted during the period ended March 31, 2023 was \$0.60 (March 31, 2022 - \$0.65) per option.

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:

	March 31, 2023	March 31, 2022
Risk-free interest rate	4.76%	0.20%
Expected life	1 year	1 year
Estimated volatility	264.47%	113.77%
Dividend rate	N/A	N/A

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

9. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022	22,668,197	0.27
Exercised	10,589,033	0.19
Balance, March 31, 2023	12,079,164	0.34

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

Number of warrants outstanding	Exercise price \$	Date of expiry
854,166	0.18	June 21, 2023
11,224,998	0.35	December 29, 2024
12,079,164		

10. Restricted Share Units

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

	Number of RSUs	Weighted average price \$
Balance, December 31, 2022	872,500	0.51
Issued	3,210,000	0.51
Settled	(1,157,500)	0.40
Balance, March 31, 2023	2,925,000	0.51

During the period ended March 31, 2023, the Company issued 3,210,000 RSUs with a fair value of \$1,646,450 (period ended March 31, 2022 - \$140,000). Of this amount, \$Nil was related to officers and directors of the Company (period ended March 31, 2022 - \$75,000). The Company will issue one common share for each RSU upon vesting. As at March 31, 2023, the Company had 2,925,000 shares issuable for 2,925,000 RSUs vested with a fair value of \$1,502,250.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

11. 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.

(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. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

11. Financial Instruments and Risk Management (continued)

(e) 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. 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 March 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 March 31, 2023.

	March 31, 2023	December 31, 2022
	US\$	US\$
Cash	87,971	46,509
Accounts payable and accrued liabilities	(67,339)	(274,373)
Total foreign currency financial assets and liabilities	20,632	(227,864)
Impact of a 10% strengthening or weakening of foreign exchange rate	2,063	(22,786)

(f) 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.

(g) 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.

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(unaudited)

12. 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.

13. Segmented Information

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

As at March 31, 2023	Canada	Argentina	Total
	\$	\$	\$
Exploration and evaluation assets	2,074,700	3,901,166	5,975,866
Reclamation deposit	10,000	-	10,000
As at March 31, 2023	2,084,700	3,901,166	5,985,866

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

14. Subsequent Event

Subsequent to March 31, 2023, the Company issued 25,000 common shares pursuant to the settlement of restricted share units.