



RECHARGE RESOURCES LTD.

Management Discussion & Analysis (“MD&A”)

Period Ended March 31, 2023

Date of Report: May 30, 2023

The following management's discussion and analysis should be read together with the unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2023 and 2022, and the audited consolidated financial statements and accompanying notes for the years ended December 31, 2022 and 2021, and related notes hereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management discussion and analysis includes certain statements that may be deemed "forward-looking statements". Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Nature of Business and Overall Performance

Recharge Resources Ltd. ("Recharge" or the "Company") was incorporated in the province of British Columbia on March 9, 2010 as Signal Resources Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties. The name was changed to Le Mare Gold Corp., on February 2, 2018 and to Recharge Resources Ltd. on July 15, 2021, after which the Company commenced trading as "RR" on the TSX Venture Exchange (the "TSXV"). On March 4, 2022, the Company delisted from the TSXV and commenced trading as "RR" on the Canadian Securities Exchange (the "CSE").

Background

The Company has completed a corporate rebranding and has recently acquired a portfolio of highly prospective battery metals projects, with a view to continue exploring world class camps focusing on nickel and lithium.

Brussels Creek

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 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 in the Company (issued).

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

The Property is an early-stage exploration property, located approximately 24 km west of Kamloops, BC, and is immediately adjacent to New Gold's New Afton mine. The Property comprises 17 claims (66 cells) covering 1350.43 ha. The geological setting of the Property is very similar to New Afton, a silica-saturated copper-gold alkalic porphyry-style deposit, as well as the Highland Valley, Mount Polly, Kemess and Galore

Creek deposits. Recent field observations noted the presence of a substantial mineralized quartz-feldspar porphyry body intruding the overlying Nicola Group volcanics. Historic sampling and mapping on the property, in 1983 and 1984, located a broad anomalous zone (200 m by 400 m) with gold values up to 3.5 g/t. Grab samples taken from the property in 2019 include values of 10.1 g/t Au (with 0.7 g/t Pd) and 11.5 g/t Au. In 2020, Syber commenced exploration work on the property and has completed an airborne magnetometer survey over the entire property, a LiDAR and orthophotography survey, and also one week of prospecting and mapping. Interpretation of the geophysical survey identified six areas of interest, showing potential for the structural complexities and potassic alteration that are common features of this style of porphyry copper-gold deposit.

Recharge commissioned Healex Consulting of Nanaimo, BC, to complete a National Instrument 43-101 Technical Report on the Property. The report will be made available on www.sedar.com.

Kagoot Brook

On June 24, 2021, the Company entered into an agreement with West Mining Corp. whereby the Company may acquire a 75% interest in the Cobalt-Nickel Kagoot Brook project a 4,233-hectare area located in the Bathurst mining camp, New Brunswick, Canada.

Pursuant to the Agreement, West Mining has assigned its original agreement made with Great Atlantic Resources Corp. and Explores Resources Inc. to Recharge. Recharge may acquire a 75% interest in the Project, subject to an underlying 2% NSR pursuant to the underlying agreement, by issuing to West Mining 100,000 common shares (issued) and assuming the \$650,000 exploration commitment to be completed before May 10th, 2023 and a \$50,000 royalty payment to underlying royalty holders by January 23rd, 2022. Recharge shall issue 50,000 (issued) common shares to Great Atlantic Resources for the extension on the exploration expenditures.

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.

Murray Ridge and Pinchi Lake

On July 28, 2021, the Company entered into a share purchase agreement with the shareholders of Battmetals Resources Corp., under which Recharge purchased all of Battmetals issued and outstanding shares, representing a 100% interest. As consideration for Recharge's purchase of the Battmetals shares, Recharge issued an aggregate of 570,000 shares to the vendors.

The Company has 100 per cent interest in the Murray Ridge and Pinchi Lake Nickel projects. The properties are located approximately 15 to 30 km northwest of Fort St. James and 120 km northwest of Prince George in Central British Columbia. The project was previously explored by Nanton Nickel Corp. The project consists of three separate claim blocks totalling 3354.64 hectares that were carefully selected to cover the best sampling results (greater than 0.20% nickel in rocks) reported by Nanton Nickel company in 2013 shortly after the discovery of the Decar Nickel property owned FPX NICKEL CORP. (FPX.TSX-V). Awerite was confirmed to be a constituent of the nickel values.

The Decar Nickel Project geology which lies 60km South West is analogous suite of ultramafic intrusions are hosts to widely disseminated coarse grained awaruite mineralization. Compositionally, awaruite (Ni₂Fe-Ni₃Fe) is comprised of approximately 75% nickel, 25% iron and 0% sulfur, and therefore it is considered "natural steel". Absence of sulfur allows a concentrate to be shipped directly to steel mills without incurring smelting and refining costs, and minimal environmental problems.

The Company additionally holds the Georgia Lake North & West Lithium Properties next to RockTech Lithium's (RCK:CSE) Georgia Lake Property consisting of two projects totalling 320 hectares and 432 hectares. The RockTech project is located 160 km northeast of Thunder Bay within the Thunder Bay Mining Division and is host to a number of spodumene-bearing pegmatites. Lithium mineralization was discovered in 1955 and subsequently explored by several historic owners. RockTech acquired the licenses since 2009 and carried out several drill campaigns until 2017. Based on a total of 351 drill holes with a combined length of 47,384 m an NI43-101 compliant resource estimate of 6.58 million tonnes in the measured and indicated category and 6.72 million tonnes in the inferred category was published in August 2018.

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)
 - US\$500,000 on or before March 21, 2023 (paid)
- ii) Shares to be issued:
 - US\$400,000 equivalent shares upon execution of the agreement; (issued)
 - US\$500,000 equivalent shares on or before March 21, 2023 (issued)
- iii) Exploration expenditures to be incurred:
 - US\$250,000 on or before March 21, 2023 (incurred)

If the remaining 20% is acquired, the Company must pay Spey an additional US\$6,000,000 on or before March 21, 2027.

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

The project is located approximately 10km from the township of Pocitos where there is gas, electricity, and telephone internet services. Pocitos 1 is approximately 800 hectares and is accessible by road. Previous exploration and development teams have spent over US\$1.5M exploring the project, including surface sampling, trenching, TEM geophysics and drilling two 400m holes with promising results. Locations for immediate follow up drilling have been designed and identified for upcoming exploration.

Lithium values of up to 125ppm from laboratory analysis conducted by Alex Stewart were recorded by A.I.S. Resources Ltd. during their drill campaign in May 2018 using a double packer in HQ Diamond drillholes to a depth of 409 metres and the flow rate of the hole exceeded 75,000 litres per minute and continued for more than 5 hours. Both drill holes had exceptional brine flow rates. Recharge's plan is to sample the current drill holes and drill a further two holes to work towards a NI43-101 resource calculation.

Pocitos 2

On February 21, 2023, 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 2 project, a 532-hectare lithium brine project located just outside of Salta, Argentina and contiguous to the Company's ongoing operations on the Pocitos salar.

To earn a 100% undivided interest in the property, the Company must pay to Spey cash and share payments per the following commitments:

- i) Cash payments to be made:
 - US\$744,800 on or before June 30, 2023;
- ii) Shares to be issued:
 - CAD \$500,000 equivalent shares within 7 days execution of the agreement; (issued)

In the event that Recharge exercises the Option, it shall, and shall be obligated to, pay an additional \$500,000 in cash or shares to Spey within 18 months of February 21, 2023.

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

Highlights

On January 4, 2023, the Company received the share subscriptions receivable of \$165,000 in relation to the December 29, 2022 private placement.

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.

On February 7, 2023, the Company issued 200,000 RSUs to a consultant.

On February 8, 2023, the Company announced the addition of Richard Robins, cofounder and former CFO of International Battery Metals Ltd., to its Senior Advisory Board

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 8) and US744,800 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.

On February 23, 2023, the Company announced it had engaged Mining Investor Resources Media Ltd. to provide the Company with investor marketing services through mining and resource news, lead generation services, social media services, and information company profile page for a period of 12 months and an aggregate cash amount of \$39,000.

On March 3, 2023, the Company issued 925,926 common shares pursuant to the Pocitos 1 mineral property option agreement.

On March 9, 2023, the Company issued 2,735,000 RSUs to consultants of the Company.

On March 14, 2023, the Company issued 135,000 RSUs to Triomphe Holding Ltd. pursuant to a consulting services agreement for an initial term of 3 months commencing March 1st, 2023.

On March 14, 2023, the Company issued 250,000 common shares for proceeds of \$95,000 pursuant to the exercise of stock options.

On March 17, 2023, the Company issued 500,000 RSUs to consultants of the Company.

On March 20, 2023, the Company issued 1,783,000 common shares pursuant to the Pocitos 2 mineral property option agreement.

On March 21, 2023, the Company announced that it has paid US\$500,000 as required by the Company's option to acquire a 100% interest in the Pocitos 1 project. The amount was paid in advance of the March 21st 2023, deadline and is the final cash payment required until March 21st, 2027, in order to acquire a 100% interest in the project and will fully vest the Company as an 80% owner in the project.

As of March 31, 2023, the Company issued 10,589,033 common shares for proceeds of \$1,993,162 from the exercise of share purchase warrants.

On April 17, 2023, the Company issued 25,000 common shares pursuant to the settlement of restricted share units.

Liquidity and Capital Resources

As at March 31, 2023, the Company had working capital of \$1,759,834 (2022 – \$2,997,310).

As of March 31, 2023, the Company received proceeds of \$1,993,162 and \$95,000 for exercise of 10,589,033 share purchase warrants and 250,000 stock options respectively.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company requires additional working capital to meet its primary business objectives. Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Results of Operations

	For the three months ended	
	March 31, 2023 Q1	March 31, 2022 Q1
	\$	\$
Consulting fee	167,189	10,500
General and administrative	4,358	4,107
Investor relations	2,342,131	158,817
Management fees	95,000	82,500
Professional fees	24,111	13,105
Share-based compensation	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

Total operating expenses for the period ended March 31, 2023, an increase of \$3,857,577 compared to the prior year period. Significant changes over the prior period are as follows; an increase of \$2,183,314 in investor relation fees mainly due to the CDMG marketing campaign as well as an increase of \$1,465,187 in share-based compensation as the Company utilized its Stock Option and RSU plans to compensate consultants, officers and directors. The overall increases in operating expenditures are a result of the Company's continued growth, expansion of market awareness, and addition of mineral assets, most recently the Pocitos 1 and 2 projects. The Company utilizes share-based aware compensation to preserve capital and to incentivize recipients to work towards the advancement of the Company.

Summary of Quarterly Results

The following table sets out selected quarterly information for each of the Company's most recent eight completed quarters:

	Revenues	Net loss	Net loss per share (basic and diluted)
	\$	\$	\$
March 31, 2023	-	(4,428,210)	(0.08)
December 31, 2022	-	(2,709,764)	(0.12)
September 30, 2022	-	(2,150,179)	(0.12)
June 30, 2022	-	(979,745)	(0.08)
March 31, 2022	-	(563,159)	(0.05)
December 31, 2021	-	(220,701)	(0.02)
September 30, 2021	-	(715,461)	(0.07)
June 30, 2021	-	(503,622)	(0.06)

Transactions with Related Parties

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. 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

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.

(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.

Additional Disclosure for Venture Issuers Without Significant Revenue

An analysis of material components of the Company's exploration and evaluation assets is disclosed in the condensed interim consolidated financial statements for the period ended March 31, 2023.

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 the accompanying 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.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Outstanding Share Data

As at May 30, 2023, the Company has 66,792,782 common shares issued and outstanding.

As at May 30, 2023, the Company has 12,079,164 share purchase warrants outstanding.

As at May 30, 2023, the Company has 723,310 stock options outstanding.

As at May 30, 2023, the Company has 2,900,000 restricted share units outstanding.

Other Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.